



Petersburg Borough

12 South Nordic Drive
Petersburg, AK 99833

Meeting Agenda Borough Assembly Regular Meeting

Monday, August 21, 2023

6:00 PM

Assembly Chambers

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

Please click the link below to join the webinar:

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

Passcode: 127905

Or Telephone:

(720) 707-2699 or (253) 215-8782

Webinar ID: 867 0794 6071

Passcode: 127905

1. **Call To Order/Roll Call**
2. **Voluntary Pledge of Allegiance**
3. **Approval of Minutes**
 - A. August 7, 2023 Assembly Meeting Minutes**
4. **Amendment and Approval of Meeting Agenda**
5. **Public Hearings**

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

Any public testimony regarding Ordinance #2023-12 should be given during this public hearing. A copy of Ordinance #2023-12 may be found under agenda item 14A.

B. Public Hearing for an Application to Purchase Borough Owned Tidelands - Wikan Enterprises, Inc.

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

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

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

A. Wikan Enterprises, Inc.

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

B. Public Testimony

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

6. Bid Awards

7. Persons to be Heard Related to Agenda

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

8. Persons to be Heard Unrelated to Agenda

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

9. Boards, Commission and Committee Reports

10. Consent Agenda

A. Island Ventures, LLC Land Lease Renewal

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

11. Report of Other Officers

12. Mayor's Report

A. August 21, 2023 Mayor's Report

13. Manager's Report

14. Unfinished Business

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

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

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

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

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

15. New Business

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

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

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

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

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

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

Borough Code Section 16.16.070, Sale of Tidelands, states:

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

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

Per Borough Code Section 16.12.080E, the Assembly shall:

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

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

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

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

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

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

E. Housing Needs Assessment Work Session

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

16. Communications

A. Correspondence Received Since August 3, 2023

17. Assembly Discussion Items

A. Minimum Age to Operate Borough Vehicles

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

B. Assembly Member Comments

C. Recognitions

18. Adjourn



Petersburg Borough

12 South Nordic Drive
Petersburg, AK 99833

Meeting Minutes Borough Assembly Regular Meeting

Monday, August 07, 2023

12:00 PM

Assembly Chambers

1. Call To Order/Roll Call

With Mayor Jensen and Vice Mayor Lynn excused from the meeting, Clerk Thompson called the meeting to order at 12:00 p.m.

PRESENT

Assembly Member Thomas Fine-Walsh
Assembly Member David Kensinger
Assembly Member Donna Marsh
Assembly Member Jeff Meucci

EXCUSED

Mayor Mark Jensen
Vice Mayor Bob Lynn
Assembly Member Scott Newman

A. Appointment of Mayor Pro Tem

By unanimous roll call vote, Assembly Member Kensinger was appointed as Mayor Pro Tem for this meeting.

Motion made by Assembly Member Meucci, Seconded by Assembly Member Marsh.

Voting Yea: Assembly Member Fine-Walsh, Assembly Member Kensinger, Assembly Member Marsh, Assembly Member Meucci

2. Voluntary Pledge of Allegiance

The Pledge was recited.

3. Approval of Minutes

A. July 17, 2023 Assembly Meeting Minutes

The July 17, 2023 Assembly meeting minutes were unanimously approved.

Voting Yea: Assembly Member Fine-Walsh, Assembly Member Kensinger, Assembly Member Marsh, Assembly Member Meucci

4. Amendment and Approval of Meeting Agenda

The meeting agenda was approved as submitted.

Motion made by Assembly Member Meucci, Seconded by Assembly Member Marsh.

Voting Yea: Assembly Member Fine-Walsh, Assembly Member Kensinger, Assembly Member Marsh, Assembly Member Meucci

5. Public Hearings

There were no public hearings.

6. Bid Awards

There were no 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.

No views were shared.

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.

No views were shared.

9. Boards, Commission and Committee Reports

There were no reports.

10. Consent Agenda

There were no consent agenda items.

11. Report of Other Officers

A. Petersburg Medical Center Update

PMC CEO Hofstetter updated the Assembly on Medical Center activities.

B. US Forest Service Update

District Ranger Born gave an update on Forest Service projects and timber sales.

C. 2023 Municipal Election Report

Clerk Thompson reported on the upcoming October 3, 2023 municipal election.

12. Mayor's Report

There was no Mayor's Report for this meeting.

13. Manager's Report

There was no Manager's Report for this meeting.

14. Unfinished Business

There was no unfinished business.

15. New Business

A. Ordinance #2023-12: An Ordinance AMENDING CHAPTER 4.08 OF THE FORMER CITY OF PETERSBURG CODE TO ACCOUNT FOR BOROUGH FORMATION

Ordinance #2023-12 was unanimously approved in its first reading.

Motion made by Assembly Member Meucci, Seconded by Assembly Member Marsh.

Voting Yea: Assembly Member Fine-Walsh, Assembly Member Kensinger, Assembly Member Marsh, Assembly Member Meucci

B. Petersburg Indian Association Application to Purchase Borough Land Located at 10 N. 12th Street

PIA has filed an application to purchase Borough property located on the corner of Haugen Drive and 12th Street (10 N. 12th Street). The Planning Commission recommends the Assembly approve the application to move forward in the process subject to conditions.

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

Per Borough Code Section 16.12.080E, the Assembly shall:

- 1) determine whether the application shall move forward in the application process or be denied.
- 2) If it is to move forward, the Assembly shall schedule a public sale or exempt the application from public sale.
- 3) If the Assembly chooses to exempt the application and land disposal from public sale, and determines to proceed by direct negotiations, the Assembly may authorize the Borough Manager to commence such negotiations for disposal of Borough property, the final terms of which are subject to approval by the Assembly.

For the purpose of this agenda item, the Assembly shall satisfy the requirements of step 1) above. Steps 2) and 3), if applicable, will be satisfied by resolution in agenda item 15C.

The Assembly unanimously approved Petersburg Indian Association's application to purchase Borough land to move forward in the application process.

Motion made by Assembly Member Meucci, Seconded by Assembly Member Fine-Walsh.

Voting Yea: Assembly Member Fine-Walsh, Assembly Member Kensinger, Assembly Member Marsh, Assembly Member Meucci

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

After failed motions to offer Borough owned property located at 10 N. 12th Street for sale by sealed competitive bid, direct sale to PIA, and direct sale to PIA at assessed value, the Assembly agreed to postpone determination of how the sale of the property will take place to the August 21, 2023, Assembly meeting.

Motion made by Assembly Member Meucci, Seconded by Assembly Member Fine-Walsh.

Voting Yea: Assembly Member Fine-Walsh, Assembly Member Kensinger, Assembly Member Marsh, Assembly Member Meucci

D. Report of Non-compliance to a Notice of Dangerous Building - 410 Mitkof Highway

The Assembly scheduled a non-compliance hearing for September 18, 2023, to consider issuance of an order requiring the building located at 410 Mitkof Highway be vacated until legal connection is made from the building to the Borough's sanitary sewer system.

Motion made by Assembly Member Meucci, Seconded by Assembly Member Marsh.

Voting Yea: Assembly Member Fine-Walsh, Assembly Member Kensinger, Assembly Member Marsh, Assembly Member Meucci

E. Appeal of the Alaska Department of Natural Resources' Final Finding and Decision on the Borough's Municipal Land Selection for ADL 108982, 108983, and 108984

By unanimous roll call vote the Assembly decided to appeal ADNR's Final Finding and Decision for ADL 108982, 108983, and 108984, which rejects conveyance of two specific parcels selected by the Petersburg Borough, specifically Hood Point and Prolewy Point.

Motion made by Assembly Member Meucci, Seconded by Assembly Member Marsh.

Voting Yea: Assembly Member Fine-Walsh, Assembly Member Kensinger, Assembly Member Marsh, Assembly Member Meucci

16. Communications

A. Correspondence Received Since July 13, 2023

17. Assembly Discussion Items

A. Minimum Age to Operate Borough Vehicles

Assembly Member Kensinger discussed his idea to not allow any Borough employee, including employees working at Petersburg Medical Center or the Petersburg School District, to drive a Borough vehicle before the age of 25 unless they hold a Commercial Driver's or Chauffer's license. He requested an ordinance be brought forward at the next Assembly meeting.

B. Assembly Member Comments

Assembly Member Meucci reminded residents of the upcoming Community Emergency Response Team (CERT) class being offered at the Fire Station September 14-17, 2023 and urged anyone interested in being part of Petersburg's CERT team to attend.

C. Recognitions

Assembly Member Meucci recognized Pilot Reporter Chris Basinger who is moving from Petersburg soon. He shared his appreciation for Mr. Basinger's professionalism and writing style.

18. Adjourn

The meeting was adjourned at 12:59 p.m.

Motion made by Assembly Member Meucci, Seconded by Assembly Member Marsh.

Voting Yea: Assembly Member Fine-Walsh, Assembly Member Kensinger, Assembly Member Marsh, Assembly Member Meucci

Record in the Petersburg Recording District.

**Amendment No. 2 to the
Land Lease Agreement
Between the Petersburg Borough Alaska - Lessor
and
Island Ventures, LLC – Lessee**

PTN of Tract B, Plat 2013-3, Section 4, T59S, R79E, CRM, ATS 1695

Date of Original Lease – August 15, 2018, recorded as document #2018-000548-0
in the Petersburg Recording District 110
Amended by Amendment #1 dated August 15, 2019 and recorded as
document # 2019-000490-0

Effective Date of This Amendment – August 15, 2023

WHEREAS, the Original Lease, dated August 15, 2018, was recorded as document #2018-000548-0 in the records of the Petersburg, Alaska recording district;

WHEREAS, Section 3.1 of the Original Lease provides for adjustment of the annual rental rate to reflect the actual square footage of the demised premises, to be determined by an as-built survey.

WHEREAS, the borough assessor has established a value of \$19,500.00 for the demised premises, which shall be adjusted by the rental rate percentage of ten percent (10%) to determine the annual rental rate.

THEREFORE, BE IT RESOLVED, the Original Lease dated August 15, 2018, is amended as follows:

1. Pursuant to Section 3.1 of the Original Lease, the annual rental rate beginning August 15, 2023 and forward for the remainder of the lease term is as follows:

Based on the borough assessor's statement of valuations for the demised premises of \$19,500 as reflected in the 2023 assessment records,

**Mayor's Report
For
August 21, 2023 Assembly Meeting**

- 1. Filing for Candidacy for the October 3, 2023 Municipal Election:** The filing period to run for an Assembly, Board or Commission seat for the Petersburg Borough ends tomorrow, Tuesday, August 22nd at 4:30 p.m. Paperwork to file for candidacy is available on the Borough website or at the front desk of the Borough Administration/Finance Office. Please consider serving our community by running for one of the 20 seats up for election.

Assembly	2 seats
School Board	1 seat
Hospital Board	3 seats
Planning Commission	3 seats
Harbor Advisory Board	3 seats
Library Board	3 seats
Parks & Recreation Advisory Board	3 seats
Public Safety Advisory Board	2 seats

- 2. Early and Absentee Voting for the October 3, 2023 Municipal Election:** Early and absentee voting will be held in the Training Room of the Police Department (downstairs near the main entrance to the Municipal Building) beginning Wednesday, September 13th, from 11:00 a.m. to 3:00 p.m., Monday through Friday. Early and Absentee voting will end at 12:00 p.m. on Monday, October 2, 2023.

- 3. Last Day to Register to Vote in the October 3, 2023 Municipal Election:** The last day to register with the State of Alaska to vote in the October 3, 2023 Municipal Election is Sunday, September 3, 2023. Registration is available online at www.elections.alaska.gov.

- 4. Seeking Election Officials:** Clerk Thompson is looking for registered Borough voters to work as Election Officials on October 3, 2023.

For more information regarding the October 3, 2023 Municipal Election, please contact Clerk Thompson at 907-772-5405 or dthompson@petersburgak.gov.

**PETERSBURG BOROUGH
ORDINANCE #2023-12**

**AN ORDINANCE AMENDING CHAPTER 4.08 OF THE FORMER CITY
OF PETERSBURG CODE TO ACCOUNT FOR BOROUGH FORMATION**

WHEREAS, on January 3, 2013 the Election Division for the State of Alaska certified the election results of the December 18, 2012 incorporation election for the Petersburg Borough; and

WHEREAS, the certified election confirmed the incorporation of the Petersburg Borough and dissolved the City of Petersburg; and

WHEREAS, Petersburg Borough Charter, Section 19.06 requires all ordinances, resolutions, regulations, orders and rules in effect for the former City of Petersburg to continue in full force and effect within the Petersburg Borough, Service Area 1, until expressly reaffirmed, revised or repealed by the Assembly; and

WHEREAS, Chapter 4.08 of the former City of Petersburg Code, addressing the sale of Borough owned personal property and equipment, has not been updated in a number of years and requires changes in order to move it into the current municipal code, raise amounts to account for the increased value of goods since the last amendment, and update the means of allowable disposals to provide for online auctions.

THEREFORE, THE PETERSBURG BOROUGH ORDAINS, Chapter 4.08 (*Selling*) of the Petersburg Municipal Code, is hereby amended as follows:

Section 1. Classification: This ordinance is of a general and permanent nature and shall be codified in the Petersburg Municipal Code.

Section 2. Purpose: The purpose of this ordinance is to update the language of the municipal code, account for the increased value of goods, and include provisions for online marketplaces.

Section 3. Substantive Provisions: Chapter 4.08, *Selling*, of the Petersburg Municipal Code is hereby amended as follows. The language proposed for addition is **underlined and bold**, and the language proposed for deletion is in [brackets] and struck through.

Chapter 4.08 - SELLING

4.08.010 - Competitive bidding required when.

The sale or other disposal of **borough** [city] owned personal property and equipment with an estimated value of **fifteen** [five] thousand dollars or more shall be through public competitive bidding. At least ten days' advance notice of the proposed sale shall be posted in three public places, **one of which may be the borough website**. The bidding shall be by public outcry auction, [or] sealed bid **or online government surplus marketplace, including govdeals.com**. In the event property or equipment is not sold **after public notice and competitive**

bidding ~~[at auction]~~, the borough ~~[city]~~ manager may dispose of the property or equipment in a manner which the manager determines is in the best interest of the borough ~~[city]~~.

4.08.020 - Council to prescribe conditions.

The borough assembly ~~[city council]~~ may prescribe the bidders' qualifications, terms of payment, terms of delivery and such other general, special or technical provisions as may be deemed appropriate.

4.08.030 - No Warranty ~~[limited]~~.

All borough-owned personal property and equipment are sold without warranty or guarantee ~~[presentation]~~ of any type or kind as to title, condition or fitness for a particular or specific purpose.

4.08.040 - Exceptions to competitive bidding.

A. The borough ~~[city]~~ manager is authorized to sell or dispose of personal property and equipment with an estimated value of less than fifteen ~~[five]~~ thousand dollars. Sale or disposal shall be in a manner which the manager determines is in the best interest of the borough ~~[city]~~.

B. Personal property and equipment that may be used by the borough as trade-in for similar new or used properties are exempt from the provisions of this chapter ~~[public auction]~~.

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 the application to other persons or circumstances shall not be affected.

Section 5. Effective Date: This Ordinance shall become effective immediately upon final passage.

PASSED AND APPROVED by the Petersburg Borough Assembly, Petersburg, Alaska this ____ day of _____, 2023.

ATTEST:

Mark Jensen, Mayor

Debra K. Thompson, Borough Clerk

Adopted:
Noticed:
Effective:

**PETERSBURG BOROUGH
RESOLUTION #2023-10 (Option A)**

**A RESOLUTION AUTHORIZING THE PUBLIC SALE OF BOROUGH OWNED
PROPERTY LOCATED AT 10 N. 12th STREET (PARCEL #01-006-431) BY [SEALED
COMPETITIVE BID or OUTCRY AUCTION]**

WHEREAS, the Borough owns property located at 10 N. 12th Street, more particularly described as follows ("the property"):

Parcel B, Block 302, Greenbelt Subdivision, Plat #2016-4, Petersburg Recording District, First Judicial District, State of Alaska (Borough parcel # 01-006-431)

;and

WHEREAS, the property has a 2023 assessed value of \$52,900; and

WHEREAS, the property has been determined not needed for a public use, and was rezoned from Open Space - Recreation to Commercial-1 by Borough Ordinance #2023-02 on February 6, 2023; and

WHEREAS, application has been made to purchase the parcel and on March 14, 2023, a noticed public hearing was held by the Petersburg Planning Commission; and

WHEREAS, the Planning Commission considered and reviewed applicant materials, public comments and testimony, and staff comments, and have made recommendation to the Assembly to sell the property subject to the following conditions:

- Any development on the property shall connect to municipal sewer system. Cost of extending utilities (electricity, water, sewer) to the property will be the responsibility of the property owner. Cost of providing service from the property line to any structure is the responsibility of the property owner.
- Any plans to construct a driveway approach to Haugen Drive would need prior approval of the Utility Director to ensure the integrity of the waterline in addition to ADOT approval.
- Property conveyance is subject to an easement to the Petersburg School District for use and access to the existing informational sign and associated powerlines.

; and

WHEREAS, the Assembly wishes to offer the parcel for public sale by [sealed competitive bid or outcry auction].

THEREFORE, BE IT RESOLVED, the Petersburg Borough Assembly authorizes the public sale of Borough-owned property located at 10 N. 12th Street (parcel #01-006-431) by [sealed competitive bid or outcry auction]. The date, time, and details of such sale shall be determined by a future Borough Resolution.

PASSED AND APPROVED by the Petersburg Borough Assembly on August 7, 2023.

Mark Jensen, Mayor

ATTEST:

Debra K. Thompson, Borough Clerk

**PETERSBURG BOROUGH, ALASKA
RESOLUTION #2023-10 (Option B)**

**A RESOLUTION APPROVING THE DISPOSAL OF BOROUGH OWNED PROPERTY
LOCATED AT 10 N. 12TH STREET (PARCEL #01-006-431) BY DIRECT SALE TO
THE PETERSBURG INDIAN ASSOCIATION**

WHEREAS, the Borough owns property located at 10 N. 12th Street, more particularly described as follows ("the property"):

Parcel B, Block 302, Greenbelt Subdivision, Plat #2016-4, Petersburg Recording District, First Judicial District, State of Alaska (Borough parcel # 01-006-431)

;and

WHEREAS, the property has a 2023 assessed value of \$52,900; and

WHEREAS, the property has been determined not needed for a public use, and was rezoned from Open Space – Recreation to Commercial-1 by Borough Ordinance #2023-02 on February 6, 2023; and

WHEREAS, application has been made by the Petersburg Indian Association (PIA), a federally recognized tribe, to purchase the property and on March 14 ,2023, a noticed public hearing was held by the Petersburg Borough Planning Commission; and

WHEREAS, the Planning Commission considered and reviewed applicant materials, public comments and testimony, and staff comments, and have made recommendation to the Assembly to sell the property subject to the following conditions:

- Any development on the property shall connect to municipal sewer system. Cost of extending utilities (electricity, water, sewer) to the property will be the responsibility of the property owner. Cost of providing service from the property line to any structure is the responsibility of the property owner.
- Any plans to construct a driveway approach to Haugen Drive would need prior approval of the Utility Director to ensure the integrity of the waterline in addition to ADOT approval.
- Property conveyance is subject to an easement to the Petersburg School District for use and access to the existing informational sign and associated powerlines.

; and

WHEREAS, PIA requests the Assembly authorize Manager Giesbrecht to engage in direct negotiations with the tribe for the property sale.; and

WHEREAS, Borough Code Section 16.12.080(E) provides the Assembly the option of authorizing the Borough Manager to commence such negotiations, the final terms of which are subject to Assembly approval; and

WHEREAS, Borough Ordinance #2023-10, adopted by the Assembly on June 5, 2023, amended Borough Code Chapter 16.12.030(A) to add federally recognized tribes to the list of

entities that may purchase Borough property for less than assessed value if determined by the Assembly to be in the best interest of the Borough.

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

Section 1. The Assembly hereby authorizes the sale of the following property to the Petersburg Indian Association:

Parcel B, Block 302, Greenbelt Subdivision, Plat #2016-4, Petersburg Recording District, First Judicial District, State of Alaska (Borough parcel # 01-006-431)

Section 2. The Assembly finds that the property is not needed for a public purpose.

Section 3. The Assembly determines that exemption of this property from public sale is in the best interests of the Borough, and that the property shall be disposed of by direct negotiations with PIA.

Section 4. The Borough Manager is hereby authorized and directed to commence direct negotiations with PIA for disposal of the property, the final terms of which are subject to approval by the Assembly.

PASSED AND APPROVED by the Petersburg Borough Assembly on August 7, 2023.

Mark Jensen, Mayor

ATTEST:

Debra K. Thompson, Borough Clerk



PETERSBURG INDIAN ASSOCIATION

PO Box 1410
 15 N. 12th Street
 Petersburg, Alaska 99833
 Phone: 907-772-3636
 Fax: 907-772-3637

July 6, 2023

Petersburg Borough
 PO Box 329
 Petersburg, Alaska 99833

To Whom It May Concern:

The Petersburg Indian Association (PIA) previously submitted an application to the Petersburg Planning and Zoning Commission to rezone Lot B, Greenbelt Subdivision (Parcel 01-006-442) from Open Space to Commercial-1. The Planning Commission unanimously recommended the rezoning in three readings. Subsequently, the Petersburg Borough Assembly unanimously approved the rezoning of this lot.

The next step is for PIA to purchase the property (Attachment -- outlined in orange). It is my understanding that the disposal method of Borough-owned property is determined by the borough assembly. PIA is requesting that the assembly authorize the borough manager to engage in direct negotiations with PIA, a federally recognized tribe.

This undeveloped lot (.31 acres) has little utility on its own; however, it would have more potential if it were combined with the adjacent lot currently owned by PIA (Attachment -- outlined in red). The majority of that property will be developed as a parking lot that can be used by PIA's employees and commercial tenants. However, there have been a number of ideas proposed and considered by the tribal council to utilize the uphill portion of the lot for storage, retail, or housing -- or possibly a combination of those (i.e., storage/retail, storage/housing, or retail/housing). With the likelihood that a new medical center will be constructed in the vicinity, PIA foresees the benefit of creating these types of spaces on those lots. Acquiring the subject property would allow PIA to maximize its investment in this endeavor.

PIA would agree to not create access to the subject lot off of Haugen Drive if the Borough determined that such a restriction was necessary to protect the integrity of the water main along Haugen Drive. Also, an easement would be granted to preserve a space for the Petersburg Public School's digital informational sign.

PIA is hopeful that the assembly can appreciate the benefits to the borough in PIA's economic development plans for these lots. Your consideration in this matter is greatly appreciated.

Sincerely,

Chad Wright
 Tribal Administrator

Attachment: Borough map of area



SUBJECT PROPERTY

**PETERSBURG BOROUGH
ORDINANCE #2023-13**

**AN ORDINANCE OF THE PETERSBURG BOROUGH ADJUSTING
THE FY 2024 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 2024 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, 2023 and ending June 30, 2024 is adjusted as follows:

Explanation: Necessary revisions in the FY 2024 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>
FISCAL YEAR 2024 REVENUE / EXPENSE BUDGET ADJUSTMENTS				
Parks & Recreation – Property Development Fund – Community Center Sewer Line Project				
260.000.506528	Community Center Sewer Line Expense	\$417,000.	\$84,115.	\$501,115.
The Petersburg Borough Assembly Approved Resolution #2023-08 at the June 3, 2023 Assembly meeting which was in approval of this budget adjustment. This expense will come from the Property Development Fund.				
Misc. Grants – Library Rasmuson Grant				
200.000.402232 & 200.000.506652	Rasmuson Foundation Grant for a copy machine and collection expansion.	\$0	\$23,000.	\$23,000.
The Library received notice of a \$23,000 grant from the Rasmuson Foundation after the FY24 budget was going through the budget process.				
Misc. Grants – State & Community Energy Programs (SCEP)				
200.000.402294 & 200.000.506653	Energy Audit	\$0	\$75,120.	\$75,120.
The Borough is receiving \$75,120 to conduct an energy efficiency audit of the Community Gym / Aquatic Center.				
Property Development Fund – Utility Connection Stubs				

260.000.506530	To provide utility connection stubs to residentially zoned Borough property lines to prepare the lots for future sale.	\$0	\$100,000.	\$100,000.
This budget amendment was approved by Resolution #2023-09 at the 7/17/23 meeting.				
Elderly Housing – Main Entrance Repair				
470.000.506530	Main Entrance Repair Design Work	\$0	14,640.	\$14,640.
Expense for a Harai & Associates design proposal relating to structural issues on the main entrance ramp & cover due to rot and deterioration on the wood structure.				
General Fund – Fire Department				
110.525.501420	Communications	\$18,550.	\$5,000.	\$23,550.
110.525.501340	Small Tools	\$15,350.	\$1,000.	\$16,350.
\$5,000 in communications – Onsolve (Code Red System) erroneously not budgeted for in the original budget and a \$1,000 increase in small tools expense is for repairs to a Hurst tool that was found to be defective during it's annual inspection.				
Borough Wide Wage Increases				
Borough Payroll & Benefits	All Departments	\$11,005,127.	\$186,225.	\$11,191,352
Wage Increases from PMEA and Department Head salary increases approved by the Assembly.				

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 _____ day of _____, 2023.

Mark Jensen, Mayor

ATTEST:

Debra K. Thompson, Borough Clerk

Adopted:
 Published:
 Effective:

From the minutes of the 6/03/23 Assembly Meeting:

15. New Business

A. Resolution #2023-08: A Resolution for Bid Award Authorization for the Community Center Sewer Line Project and Increase in Budget

Resolution #2023-08 was unanimously approved.

Motion made by Assembly Member Meucci, Seconded by Assembly Member Marsh.

Voting Yea: Vice Mayor Lynn, Assembly Member Fine-Walsh, Assembly Member Kensinger, Assembly Member Marsh, Assembly Member Meucci, Assembly Member Newman

From the minutes of the 7/17/23 Assembly Meeting:

15. New Business

A. Resolution #2023-09: A Resolution to Use up to \$100,000 from the Property Development Fund to Provide Utility Connection Stubs to Residentially Zoned Borough Property Lines to Prepare the Lots for Future Sale

Resolution #2023-09 was unanimously approved.

Motion made by Assembly Member Kensinger, Seconded by Assembly Member Marsh.

Voting Yea: Vice Mayor Lynn, Assembly Member Fine-Walsh, Assembly Member Kensinger, Assembly Member Marsh, Assembly Member Meucci

**PETERSBURG BOROUGH, ALASKA
RESOLUTION #2023-08**

**A RESOLUTION FOR BID AWARD AUTHORIZATION FOR THE COMMUNITY
CENTER SEWER LINE PROJECT AND INCREASE IN BUDGET**

WHEREAS, the Community Center Gym began experiencing a multitude of plumbing and sewer line problems over the past 2 years; and

WHEREAS, problem with the sewer lines are resulting in very recent closures of gym locker room facilities; and

WHEREAS, approval was granted by the Petersburg Borough Assembly with Resolution 2022-21 to hire RSA Engineering, Inc. to create the bid documents for this project at an estimated project cost of \$416,290; and

WHEREAS, with Ordinance #2023-08, the Borough Assembly approved \$417,000 from the Property Development Fund in the FY 2024 budget for this project; and

WHEREAS, the project was made available for bidding on Thursday, May 18, 2023, closing on June 16, 2023 where the sealed documents were publicly opened and read; and

WHEREAS, one bid was received from Ketchikan Mechanical, Inc. with a project cost not to exceed \$501,114.61; and

WHEREAS, the deficit of \$84,114.61 can be obtained from the Property Development Fund with approval of the Borough Assembly.

THEREFORE BE IT RESOLVED, the Petersburg Borough Assembly hereby authorizes the acceptance of the bid provided by Ketchikan Mechanical, Inc. for the repairs to the Community Center Gym sewer line, in an amount not to exceed \$501,114.61, and to increase the budget by \$84,114.61 to come from the Property Development Fund.

Passed and Approved by the Petersburg Borough Assembly on June 19, 2023.



Bob Lynn, Vice Mayor

ATTEST:



Debra K. Thompson, Borough Clerk

**PETERSBURG BOROUGH, ALASKA
RESOLUTION #2023-09**

A RESOLUTION TO USE UP TO \$100,000 FROM THE PROPERTY DEVELOPMENT FUND TO PROVIDE UTILITY CONNECTION STUBS TO RESIDENTIALLY ZONED BOROUGH PROPERTY LINES TO PREPARE THE LOTS FOR FUTURE SALE

WHEREAS, the Petersburg Borough is currently experiencing a housing shortage for new and current Borough residents; and

WHEREAS, the Petersburg Borough appointed a Housing Task Force to research the subject and bring forward ideas the Borough can act on to provide needed housing; and

WHEREAS, the Petersburg Borough Assembly, at their February 6, 2023 meeting, unanimously voted for Manager Giesbrecht to instruct the Borough's Utility Director to identify any existing Borough-owned lots that can be easily connected to water, sewer and electric services and bring them forward to the Assembly to consider offering for public sale; and

WHEREAS, Utility Director Hagerman identified the following Borough lots with estimated costs to provide utility connections in preparation for future sale:

1200 Lake Street	\$24,000
200 Aaslaug Street	\$27,000
Sandy Beach Road Parcel #01.003.515	<u>\$22,000</u>
	\$73,000 estimated total costs

WHEREAS, actual costs to provide these utility connection stubs will be added to the assessed value of the property to determine the selling price of each lot; and

WHEREAS, Director Hagerman also noted Borough property located at 1016 Sandy Beach Road, which has existing water and sewer service at the property line, that Community Development Director Cabrera recommends to rezone from Rural Residential (R-R) to Single Family Residential (S-F) to fit better in the neighborhood and in preparation for future sale; and

WHEREAS, the Borough's Property Development Fund currently has \$295,075 in available, unencumbered funds.

NOW THEREFORE, BE IT RESOLVED, the Petersburg Borough Assembly approves to use up to \$100,000 from the Property Development Fund to provide utility connection stubs to residentially zoned Borough property lines located at 1200 Lake Street, 200 Aaslaug Street and Parcel #01.003.515 on Sandy Beach Road to prepare the lots for future sale.

Passed and Approved by the Petersburg Borough Assembly on July 17, 2023.

ATTEST:


Debra K. Thompson, Borough Clerk


Bob Lynn, Vice Mayor

Jody Tow

From: Tara Alcock
Sent: Wednesday, May 17, 2023 9:08 AM
To: Jody Tow
Subject: FW: Congratulations! | Grant Award #17897

FYI

From: Monica Garcia-Itchoak <mitchoak@rasmuson.org>
Sent: Monday, May 15, 2023 2:06 PM
To: Tara Alcock <talcock@petersburgak.gov>
Cc: Monica Garcia-Itchoak <mitchoak@rasmuson.org>
Subject: Congratulations! | Grant Award #17897

Dear Taralee,

Congratulations! Your Tier 1 grant award to purchase a copy machine and expand collections with an outright grant of \$23,000.

You will receive an award letter and grant agreement in snail mail (sometimes take up to 10 business days), and a check will **arrive separately from bill.com** – this is a new process for the Foundation. If you want to sign up for EFT for future grants, the bill.com letter will include instructions on setting that up. It is not necessary to sign up for ETF.

If you have any grant portal or payment questions, please email grants@rasmuson.org and Cc me on all correspondence so I can track and help expedite.

I will be your PO for this grant through the final reporting deadline. The Foundation looks forward to hearing about your progress. Please share photos when you submit your final report so we can highlight your organization's impact on the community. In addition, a press release will go out within the next week on all our social media platforms – feel free to share within your networks.

Let me know if you have any questions during your project.

All the best,
 Monica



Monica Garcia-Itchoak
 she/her/hers
 Program Officer

Direct 907-334-0520
Cell 708-228-3386



FINAL ALLOCATION OF FUNDS

**Office of State and Community Energy Programs (SCEP)
U.S. Department of Energy (DOE)**

**ATTACHMENT 1A: DOE FORMULA GRANT FUNDING ALLOCATIONS TO LOCAL GOVERNMENTS
FOR THE ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANT (EECBG) PROGRAM**

This document presents the final formula grant funding allocations by Local Government (Table 1a) for the EECBG Program - Sec. 40552(b) of the [Infrastructure Investment and Jobs Act \(IIJA\)](#) of 2021.

**Table 1a. FINAL EECBG Program Formula Grant Funding Allocations to Local Governments
Listed Alphabetically by State and Local Government**

#	State/Territory	Entity Name	Level of Government	Allocation
Total (Local Governments)				\$299,200,000
1	AK	Aleutians East	County	\$75,120
2	AK	Fairbanks North Star	County	\$77,080
3	AK	Haines	County	\$75,080
4	AK	Kenai Peninsula	County	\$76,770
5	AK	Ketchikan Gateway	County	\$75,180
6	AK	Kodiak Island	County	\$75,250
7	AK	Matanuska-Susitna	County	\$77,960
8	AK	North Slope	County	\$75,430
9	AK	Northwest Arctic	County	\$75,270
10	AK	Petersburg	County	\$75,120
11	AK	Anchorage	City	\$300,250
12	AK	Bethel	City	\$75,220
13	AK	Fairbanks	City	\$76,260
14	AK	Juneau, City and Borough of	City	\$76,130
15	AK	Kenai	City	\$75,270
16	AK	Ketchikan	City	\$75,300
17	AK	Kodiak	City	\$75,210
18	AK	Palmer	City	\$75,250
19	AK	Sitka	City	\$75,300
20	AK	Wasilla	City	\$75,390
21	AL	Baldwin	County	\$246,150
22	AL	Calhoun	County	\$79,030
23	AL	Etowah	County	\$78,540
24	AL	Jefferson	County	\$348,100
25	AL	Lee	County	\$78,040

Harai & Associates, Inc.

Consulting Civil Engineers & Land Surveyors

P.O. Box 625 Petersburg, Alaska 99833
Telephone & Fax (907) 772-9216

July 18, 2023

Michelle Lopez
Director, Elderly Housing
Petersburg Borough
P.O. Box 1530
Petersburg, Alaska 99833

Re: Elderly Housing, Main Entrance Repair – Engineering Proposal

Michelle;

I would like to offer my engineering services for the Main Entrance - Repair Design Proposal. This proposal is in response to your request for design work relating to structural issues on the main entrance ramp & cover. All of these structural issues are related to deterioration and rot on the wooden structural members.

A brief site visit with you, we discussed would it be best to repair the existing or demolish the existing and replace with new. I stopped by the site at a later dated and did some preliminary inspection. I now tentatively conclude that it would be best to repair the existing. This would be the more cost effective and would probably provide 25+ years of additional life to the structure. Further inspection would be done under this engineering proposal.

This engineering service proposal is for the design, bidding and contract administration of the main entrance repair from start to finish. I would be working closely with you, your staff and the Petersburg Borough staff in the design and bidding process.

Cost for these services is estimated as follows and not to exceed.

Gather site & project information (old design plans) Professional Engineer: 4 hrs@ \$120/hr =	\$480.00
Site inspection & measurements:: Professional Engineer: 6 hrs@ \$120/hr =	\$720.00
Preliminary design & approval Professional Engineer: 40 hrs@ \$120/hr =	\$4,800.00

Michelle Lopez
July 18, 2023
Page 1 of 2

Final design & project manual/specifications: Professional Engineer: 28 hrs @ \$120/hr =	\$3,360.00
Project bidding: Professional Engineer: 8 hrs @ \$120/hr =	\$960.00
Project award, administration & inspection: Professional Engineer: 28 hrs @ \$120/hr =	\$3,360.00
Project closeout: Professional Engineer: 8 hrs @ \$120/hr =	<u>\$960.00</u>
Engineering services total =	\$14,640.00

Additional cost for printing construction contracts, bid advertisement and other associated cost will be billed separately and are not included in this engineering services contract cost.

If this engineering services proposal is acceptable, let me know and I can start on the project about the end of August. Tentative schedule is: completion of the design and bid document would be approximately the end of October. Construction bid advertisement would be in November. Award of contract could be estimated in December. Completion of repair work would be approximately in June of 2024. If you have questions or I can be of further help, please call me. Thank you, for considering my engineering and design services.

Susan E. Harai, PE/LS
Harai & Associates, Inc.



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: DGT
 Fee: \$ 500.00
 Date Rec'd: 6/22/23

Date: June 7, 2023

This is a request for land disposal via (circle one):
Lease **Purchase** **Exchange** **Other**

Parcel ID #(s) of Subject Property:
1001958.00

Proposed term of lease: _____
 (total years)

Legal Description of Property:
 Subdivision: Wikan Enterprises PLAT#: 9293
Section 33
Zone 1

Current Zoning of Property:
Tidelands: 37&38
Range: 79E

Applicant Name: John B, Sheri L Wikan; Wikan Enterprises, Inc
 Applicant Mailing Address: PO Box 929
Petersburg, AK 99833
 Applicant Contact Info: (907) 518-1120
 (phone and/or email) swikan@gmail.com

1. Size of Area requested (identify the minimum area necessary in square feet): 6,722

2. Attach a map showing the location of the land requested. Map must show surrounding area with the land requested clearly marked with bolded borders or highlighted color.

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 attachments. 103 A Dock St.

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

US Coast Guard: 107 Dock St
Petro 49 Inc: 100 Dock St
Birchell Properties: 904 S Nordic Dr
(auto repair and coffee shop)

Alaska Commercial Electronics: 908 S Nordic Dr
Petro 49 Inc: 901 S Nordic Dr
Petro 49 Inc: 902 S Nordic Dr

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

X Yes No If yes, please check one: (X Lease Permit)

Describe the type of permit or lease, if applicable, and the name and last known address of the permittee or lessee: Tidelands Lease; Wikan Enterprises, Inc./ John B and Sheri L Wikan

6. What local, state or federal permits are required for the proposed use? (list all)
State of Alaska Business License; Petersburg Borough Sales Tax Account

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

A. Name, address and place of incorporation: Wikan Enterprises, Inc, PO Box 929, Petersburg, Alaska
Incorporated in the State of Alaska

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

Name and address of resident agent: Sheri Wikan; PO Box 929, Petersburg, AK 99833

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

Wikan Enterprises, Inc is a business that has successfully operated for over 30 years and has played an integral role in the local economy. Our services are critical to the commercial fishing fleet in the region, providing essential maintenance and repairs for marine diesel engines. We are trying to pass our business on to new owners, that will continue on with what we've built over the last three decades. Please see attachments for more details.

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

By allowing the sale of the tidelands for the purpose of continuing an existing essential business and addressing the financial advantages and risks associated with leasehold improvements, the borough can promote economic development, stability, and longterm prosperity. The sale aligns with the statutes provided and demonstrates that outright sale, in contrast to leasing, is in the best interests of the borough. Please see attachments for more details.

10. Prior to submitting this application, please verify with pertinent Borough Departments that the land requested for lease, purchase or exchange 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: Attached comments from Harbormaster Wollen in email dated June 21, 2023 3:36 pm

Signature of Department Commenter

Department Comments: Attached comments from Public Works Director Cotta in email dated June 21, 2023 3:51 pm

Signature of Department Commenter

Department Comments: Attached comments from Community Development Director Cabrera in email dated June 21, 2023 4:31 pm

Signature of Department Commenter

Department Comments: Attached comments from Utility Director Hagerman in email dated June 29, 2023 2:46 pm

Signature of Department Commenter

Dear Planning Commission & Borough Assembly,

As we embark on the retirement process and seek to sell our business, Wikan Enterprises, Inc., we are quickly learning that we will need to acquire the leased property our largest business asset sits on, our 3200sf shop. Without the inclusion of these tidelands in the business sale, we would be unable to attain a fair market value for our business due to the financial implications listed below. Regrettably, should the borough decide against selling us the tidelands we have been leasing for over 30 years, we will be unable to successfully sell the business as a whole, and will be compelled to undertake the liquidation process and cease operations within the next 1-2 years. Considering the type of services we offer, this would be detrimental to our local fishing fleet, and overall economy.

When we started our business, the availability of suitable commercial or industrial land was significantly limited. Building our business on this leased land was our last resort. Had we possessed a comprehensive understanding of the long-term ramifications associated with constructing our business assets on leased land, particularly in light of the ever-evolving landscape of finance and lending, we would have endeavored more vigorously to acquire this land at an earlier stage. Nevertheless, we find ourselves at the present juncture.

Please take into consideration the following information when forming your decision to allow for the Direct Sale of this land:

1. **Importance of Continued Economic Development:** Wikan Enterprises, Inc. has played an integral role in the local economy, serving as a Detroit Diesel Dealer, Volvo Penta Dealer, and performing maintenance and rebuilds on many other brands of marine engines. Our services are critical to the large commercial fishing fleet in the area, providing essential maintenance and repairs to their marine diesel engines. It was mentioned by the Harbormaster recently, that our fleet will be growing with the development of the Scow Bay Harbor area as well, so this business will become even more essential if that is the case. By continuing to operate and grow, our business sustains not only the livelihoods of our employees but also supports the economic well-being of the community. Selling the tidelands and allowing the business to continue under new ownership ensures the preservation of jobs, support for our commercial fishing fleet and ongoing economic development.

2. **Unforeseen Market Value Implications:** When we embarked on this journey in 1992, we were unaware that building our business on leased land would have a significant impact on its market value. Over the years, we invested our time, energy, and resources into constructing the building that houses our operations and outfitting it to meet the needs of our customers and regional building codes. However, we were not advised that leasehold improvements would be considered less valuable than those on owned land. This unforeseen consequence has created a disparity between the true value of our business and the market perception of its worth.

3. Limited Options for Financing and Investment: As we work with potential buyers for our business, we face substantial challenges due to the nature of leasehold improvements. Lending institutions view the building as a leasehold improvement, leading to shorter loan terms, higher interest rates, stricter lending criteria, and higher costs. This restricts the pool of qualified buyers, as they encounter difficulties securing financing for an investment perceived as riskier compared to real property purchases. By selling the tidelands and transitioning the business to a real property, broaden financing options, and ultimately secure a fair market value for our years of hard work.

4. Unique Expertise and Industry Demand: With over five decades of experience, we have developed a deep understanding of the marine diesel industry and established ourselves as a trusted resource for our customers. We are one of only two marine diesel shops in the area, catering to the specific needs of commercial fishing vessels. Our knowledge, expertise, and reputation are invaluable assets that contribute to the overall competitiveness and growth of the industry. Selling the business in its entirety, rather than liquidating the leasehold improvements separately, ensures the continuation of this vital resource for the community.

5. Precedents being set: It is worth noting that the Harbor Department has plans to engage in a land exchange with Petro 49, Inc. This exchange involves the trading of comparable leased and zoned land situated directly across the street from Wikan Enterprises, Inc. in return for a privately owned parcel already held by Petro 49, Inc. The implementation of this arrangement would establish a precedent for the borough to release leased tidelands to the private sector.

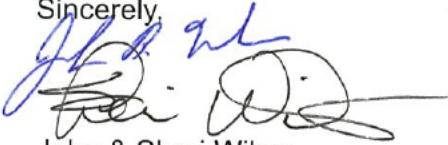
6. Possible public auction of leased tidelands: In the event the borough determines it is beneficial to release this property through a sale, we respectfully advocate for a direct sale rather than an auction, as is allowed in the Petersburg borough statutes. As noted by a borough official recently, the borough could potentially permit the sale of our leased property at auction, which further underscores the inherent risks associated with owning assets on leased land.

Presently, we have a prospective party interested in carrying on the business in its existing state. However, should they encounter challenges in meeting the financial requirements of a commercial loan or be unwilling to assume the risks associated with acquiring leasehold improvements rather than real property, we will proceed with the liquidation of our business. This will include the sale of our building, to any entity that can afford to pay us what we need to attain for the price of our largest asset.

Given the unique circumstances and challenges surrounding the proposed sale of our business, we kindly request that the Planning Commission and Borough Assembly take our perspective into account and extend support for the sale of the tidelands. Such a decision would not only afford us equitable market value for our business but also foster sustained economic growth, safeguard employment opportunities, and preserve the viability of the marine diesel industry within the region. We firmly believe that our years of unwavering diligence and commitment warrant just compensation.

Thank you for devoting your time and consideration to this matter. We eagerly anticipate a favorable resolution that benefits all parties involved. Please help us ensure that this important trade business stays operational in Petersburg.

Sincerely,

Handwritten signatures of John and Sheri Wikan in blue ink. The signature on the left is 'John Wikan' and the signature on the right is 'Sheri Wikan'.

John & Sheri Wikan
Wikan Enterprises, Inc.

Dear Planning Commission & Borough Assembly,

We would like to express our endorsement for Wikan Enterprises, Inc's acquisition of the tidelands property it sits on, from the borough. As prospective buyers of this business, we respectfully urge you to consider the distinct advantages and potential that come with owning this property. We would like to emphasize the importance of purchasing the tidelands on which the business operates, rather than continuing to lease the land. We believe that ownership of the land is crucial for the long-term stability, growth, and financial viability of the business.

In learning more about the process of purchasing this shop, and being informed of different loan programs and market valuation information, we have been made aware of some factors that have put the process on hold for us. The risk involved with investing in a leasehold improvement on property owned by the borough will likely result in us not moving forward with this purchase, if the borough is unwilling to dispose of the property to the Wikans prior to the sale of their business. Below are key points highlighting the hurdles of financing presented by continuing to lease the land and the benefits of purchasing the tidelands:

1. **Enhanced Financing Opportunities:** The acquisition of the tidelands provides us, as prospective buyers, with significantly improved financing options compared to leasing. Financial institutions perceive leasehold improvements as less valuable and more risky collateral than real property. By owning the land, we can secure more favorable loan terms, including longer loan durations, lower interest rates, and reduced down payments (from upward of 25% cash down in a leasehold improvement situation, to as low as 5% down, as real property). This not only lowers our financing costs but also ensures greater financial stability for the business.
2. **Increased Market Value:** Leasehold improvements, such as the building constructed by the current owners, are not considered real property and are subject to more rapid depreciation. This depreciation negatively impacts the overall market value of the business, making it less attractive to potential lenders and investors. However, by purchasing the tidelands and owning the real property, the market value of the business is enhanced, bolstering its financial prospects and increasing its appeal to financing institutions. Just like the Wikans, we will need to protect any investments we make in this community, for the future, when we also decide to retire, or need to sell the business for any other reason.
3. **Mitigating Risk:** Continuing to lease the land introduces a significant level of uncertainty and risk to the business. As lessees, we are subject to the terms and conditions set forth by the borough, including the possibility of lease termination or non-renewal at the end of the lease term. This lack of control over the land hampers our ability to secure long-term financing and plan for the future. By purchasing the tidelands, we gain a sense of security and stability, allowing us to invest confidently in the business's growth and expansion.
4. **Long-Term Business Planning:** Ownership of the tidelands enables us to implement long-term business planning, fostering stability and growth. It provides the flexibility to make

significant capital improvements, expand facilities, and adapt to changing market conditions without the limitations imposed by leasehold agreements. By having complete control over the property, we can make strategic decisions that benefit the business's long-term success, creating a sustainable enterprise that will positively impact the local community.

5. **Borough's Best Interests:** While we understand the borough's preference toward leasing land to promote orderly marine development, we believe that the sale of the tidelands in this particular case serves the borough's best interests. By facilitating the acquisition, the borough supports the stability, growth, and economic development of Wikan Enterprises, Inc., ensuring its continued contribution to the community. The sale of the tidelands aligns with the borough's goals of supporting local marine businesses and fostering a thriving economy. The failure to approve the sale of the tidelands to Wikan Enterprises, Inc. will most likely result in us pulling out from the sale of the business, which in turn would very likely lead to liquidation of the business assets, and closure of the longstanding business.

In the event that the borough determines it is beneficial to divest itself of this property through a sale, we respectfully advocate for a direct sale rather than an auction. The prospect of the borough potentially permitting a party other than the Wikans to acquire this land further underscores the inherent risks associated with owning assets on leased property.

In addition to the compelling reasons outlined above for purchasing the tidelands on which Wikan Enterprises, Inc. operates, we would like to emphasize how our specific qualifications as prospective buyers further strengthen the case for acquiring the land. While these details are minor points compared to the broader argument, they highlight our unique suitability to lead the business and ensure its continued success.

Earl Warner's extensive experience servicing and maintaining large engines and his diesel certification from Universal Technical Institute make him exceptionally well-suited to navigate the complexities of the marine diesel industry. His background as an electrician further enhances his ability to handle the technical aspects of the business. Earl's expertise and knowledge will be instrumental in providing top-notch service to the commercial fishing fleet and ensuring the seamless continuation of Wikan Enterprises, Inc.'s reputation for excellence. Earl has already committed to working full time to start his training with John.

Hillary MacDonald's diverse entrepreneurial background, which includes owning and operating various successful businesses, positions her as a capable leader in managing and growing Wikan Enterprises, Inc. Furthermore, her experience in bookkeeping and her familiarity with the operations side of a diesel marine business provide valuable insights into the financial and administrative aspects of the industry. Hillary's skills in these areas will contribute to the efficient management of the business and its sustained profitability.

We appreciate your consideration of our qualifications and our shared vision for the future of Wikan Enterprises, Inc. We hope the borough will consider the need to let go of this piece of property in order to allow this essential trade business to continue on in Petersburg. As we all are aware, many small communities, including our own, are desperately lacking a strong

workforce in the trades, and the loss of this business would be detrimental to our commercial fleet and local economy.

Sincerely,

A handwritten signature in blue ink, consisting of two distinct parts: a long, sweeping horizontal line on the left and a more complex, stylized signature on the right.

Earl Warner and Hillary MacDonald
Prospective Buyers



June 20, 2023

To Whom It May Concern:

I am assisting Hillary MacDonald & Earl Warner with the financing of the proposed purchase of Wikan Enterprises, Inc. Due to the fact that the building that houses Wikan Enterprises, Inc. is on land leased from the borough, the structure of a Commercial Loan associated with a Real Estate purchase changes from a Commercial Real Estate loan, to a leasehold improvement and commercial equipment & inventory loan. It is considered a leasehold improvement, rather than real property.

Typically, banks are inclined to lend only a percentage of this value. In leasehold improvement scenarios where no real estate is involved, it is common for buyers to need to provide a 25% down payment for most commercial loans of this nature, with loan terms being much shorter than those of real estate loans, making the payments much higher.

Commercial Real Estate loans, depending on the loan program, may have a down payment as low as 5-10%. Commercial Real Estate loans can often offer longer loan terms making the monthly payments much lower.

The tax assessed value of the leasehold improvements associated with Wikan Enterprises Inc. is \$115,700. To substantiate the transaction's value, a bank would likely need to order a commercial real estate appraisal (or in this case leasehold improvement valuation) which can be quite expensive, or conduct an in-house valuation based on the specific circumstances. While it is possible for an appraisal to yield a slightly higher value than the tax assessment, it may not yield much higher, and would require the use of several comparable sales of a similar nature to establish the value solely for the improvements. Generally, an acceptable appraisal relies on 4-5 comparable properties for value substantiation, which may be hard to come by in the region. It is important to note that broker's opinions of value do not suffice, as they do not meet appraisal standards.

Additionally, when appraising an improvement on leased land, appraisers often take into account the adverse impact of the remaining lease term on the value. As the lease term shortens and approaches expiration, it tends to limit the potential sale price due to the exclusion of the land. Conversely, when the land is included in the transaction, the value is often higher, allowing the seller to demand a higher price that buyers may be willing to pay. Appraisers appropriately factor in this higher value. Real estate and building transactions offer a wider range of market and finance options compared to leasehold improvements alone.

It is worth noting that even programs such as the Small Business Administration (SBA) and the U.S. Department of Agriculture (USDA) have limitations when leasehold improvements are involved without any real estate. And these loan programs are quite appealing to a buyer trying to obtain financing for the purchase of a business of this nature.

P.O. Box 241489
Anchorage, Alaska 99524-1489
Phone: (907) 562-0062 · (800) 478-2265
northrim.com



Page 2
June 20, 2023
To Whom It May Concern

In closing, it would be much easier for a commercial lender, myself included, to approach this financing if it were associated with real property vs leasehold improvements. I can be available to answer any questions that might arise in this process. Please don't hesitate to contact me anytime.

Sincerely,



David Byrne
Vice President
Commercial Loan Officer
Juneau Financial Center
907-790-5143

P.O. Box 241489
Anchorage, Alaska 99524-1489
Phone: (907) 562-0062 · (800) 478-2265
northrim.com





Angela Menish
Licensed Real Estate Agent
Anchor Properties
PO Box 2060
Petersburg, AK 99833

June 8, 2023

Petersburg Alaska Borough Assembly
PO Box 329
Petersburg, AK 99833

Dear members of the Borough Assembly,

I hope this letter finds you in good health and high spirits. I am writing to bring to your attention an urgent matter concerning the sale of Wikan Enterprises, a vital business in our community.

As a licensed real estate agent with Anchor Properties, I have had the privilege of representing my clients, John and Sheri Wikan, throughout the process of listing their esteemed diesel mechanic repair, sales, and service business. Wikan Enterprises has been the exclusive local dealership for Detroit Diesel, MTU, and Volvo Penta since its establishment in 1992.

The services provided by Wikan Enterprises are crucial to the fishing industry in Petersburg and the surrounding southeast Alaska communities. Fishing vessels heavily rely on the expertise and support offered by Wikan Enterprises to ensure their engines are in optimal condition, maximizing their fishing seasons. The potential impact of not selling the business in its entirety could have devastating consequences for these fishermen and their livelihoods. Petersburg Borough would also be adversely affected with loss of revenue stream from the absence of this business.

While there have been expressions of interest from two other parties, namely a federal agency and a refrigeration business, it is important to highlight that their interest has primarily centered around acquiring the building alone, rather than the entire business. To maintain the seamless provision of services

and preserve the legacy established by John and Sheri Wikan, it is crucial that the business is sold as a whole.

Fortunately, there is a couple who has demonstrated a sincere interest in acquiring the business and carrying it forward in its current form. They possess the necessary experience, dedication, and passion to ensure the continuation of the exceptional services provided by Wikan Enterprises. It is imperative that we prioritize their offer to maintain the level of service our community relies upon.

John and Sheri Wikan have been transparent from the beginning of the listing process, making it abundantly clear that their foremost priority is to ensure the availability of the services their business offers to the community. Their dedication to the community and their customers is admirable, and it is crucial that we honor their wishes throughout the negotiation process.

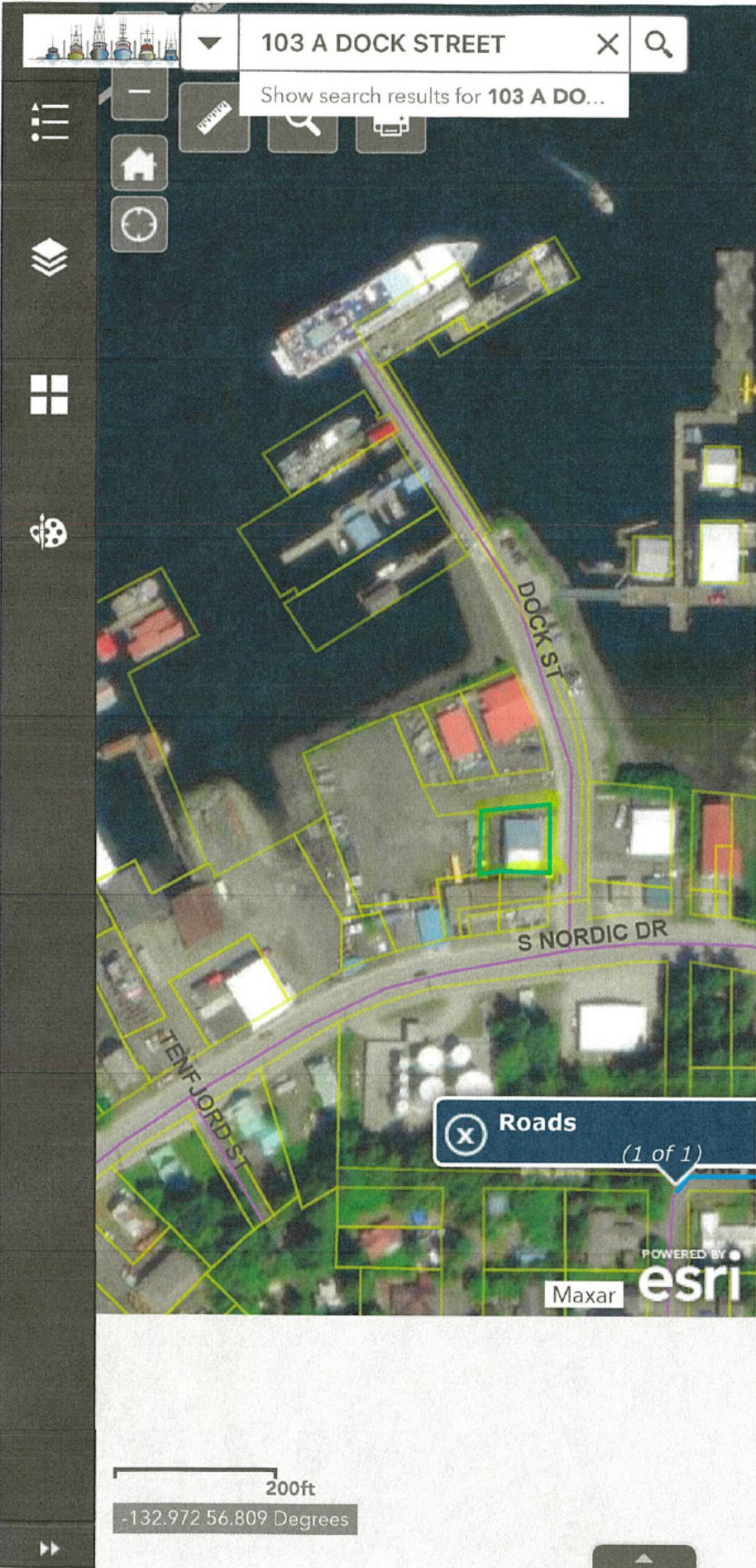
I kindly request your support in emphasizing the importance of selling Wikan Enterprises as a whole to potential buyers. By doing so, we can safeguard the essential services provided to the fishing community of Petersburg, Alaska, and surrounding areas.

Thank you for your attention to this matter. I look forward to discussing further details and collaborating to secure the best outcome for our clients, the community, and the continued success of Wikan Enterprises.

Sincerely,



Angela Menish
Licensed Real Estate Agent
Alaska License #: 206037
Anchor Properties



NOTICE TO APPLICANT(s):

Applicant will be required to pay a non-refundable filing fee with the Borough of \$500 to cover estimated costs of: a title report, survey, legal fees, postage, recording fees, public noticing and advertising and other costs incidental to the processing of this application.

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.

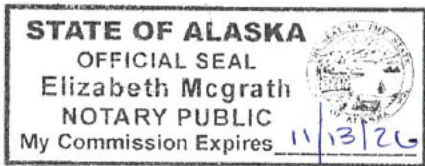
Applicant/Applicant's Representative

Subscribed and sworn to by Sheri L. Wikan, who personally appeared

before me this 18th day of June, 2023.

Notary Public

Notary Public in and for the State of Alaska. My Commission Expires: 11/13/2026



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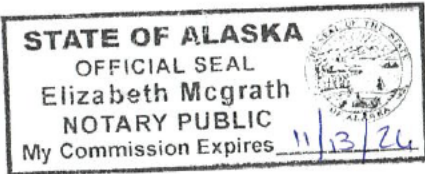
Please sign application in the presence of a Notary Public.

John B. Wikan
Applicant/Applicant's Representative

Subscribed and sworn to by John B. Wikan, who personally appeared
before me this 18th day of June, 2023.

Elizabeth Mcgrath
Notary Public

Notary Public in and for the State of Alaska. My Commission Expires: 11/13/2026



Debra Thompson

From: Glorianne Wollen
Sent: Wednesday, June 21, 2023 3:36 PM
To: Debra Thompson; Chris Cotta; Karl Hagerman; Liz Cabrera
Subject: RE: Wikan Enterprises Application to Purchase Borough Property

Thanks Debbie.

Harbormaster I am not in favor of starting the trend of selling leased property unless there are substantial strings attached, strings that are probably not legal and 20 yrs from now no one will remember. We need to secure that this property will be used for Marine Services. We have lost considerable ground in support of the original concept of a marine industrial park with Bus Depot, a mechanic garage and a coffee stand all have been oked by a sympathetic City Council. I also expect that this would upset the present applecourt in regards to every other lease that the Borough has with business/private.

Thanks, glo

From: Debra Thompson <dthompson@petersburgak.gov>
Sent: Wednesday, June 21, 2023 2:52 PM
To: Glorianne Wollen <gwollen@petersburgak.gov>; Chris Cotta <ccotta@petersburgak.gov>; Karl Hagerman <khagerman@petersburgak.gov>; Liz Cabrera <lcabrera@petersburgak.gov>
Subject: Wikan Enterprises Application to Purchase Borough Property

Dear Glo, Chris, Karl & Liz

John and Sheri Wikan are applying to purchase the land where their business is located (parcel #01-010-037) that they currently lease from the Borough. The Wikans are retiring and trying to sell the business to Earl Warner and Hillary Whitethorn. Earl and Hillary can get much better interest rates from the bank if the land the business is on is not leased land.

Anyway, please respond to this email with your comments as to whether any of your departments have a need for the subject parcel as soon as you can.

Thank you,
 Debbie

Debra K. Thompson, CMC
 Borough Clerk/Human Resources Director

Petersburg Borough
 907-772-5405



Debra Thompson

From: Chris Cotta
Sent: Wednesday, June 21, 2023 3:51 PM
To: Glorianne Wollen; Debra Thompson; Karl Hagerman; Liz Cabrera
Subject: RE: Wikan Enterprises Application to Purchase Borough Property

I agree with Glo's comments and feel this proposed sale starts us down a slippery slope with other Borough leases. Also I seem to recall that at least one other entity (USFS) expressed some interest in acquiring parcel #01-010-037 if it were available for sale.

That being said, Public Works does not have any need for the parcel in question. Thanks,

Chris

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Thank you,
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Debra K. Thompson, CMC
Borough Clerk/Human Resources Director

Petersburg Borough
907-772-5405



Debra Thompson

From: Liz Cabrera
Sent: Wednesday, June 21, 2023 4:31 PM
To: Chris Cotta; Glorianne Wollen; Debra Thompson; Karl Hagerman
Subject: RE: Wikan Enterprises Application to Purchase Borough Property

Community Development has no public use for the parcel.

Just in case the question is asked, the borough has no mechanism to address the issue raised by Glo, i.e. restricting use to marine services in this area, through its existing zoning code.

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Sent: Wednesday, June 21, 2023 3:51 PM
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Thank you,
Debbie

Debra K. Thompson, CMC
Borough Clerk/Human Resources Director

Petersburg Borough
907-772-5405



Debra Thompson

From: Karl Hagerman
Sent: Thursday, June 29, 2023 2:46 PM
To: Debra Thompson; Glorianne Wollen; Chris Cotta; Liz Cabrera
Subject: RE: Wikan Enterprises Application to Purchase Borough Property

Water, Sewer and Power utilities have no need for this subject parcel.

Karl Hagerman
 Utility Director
 907-772-5421

From: Debra Thompson <dthompson@petersburgak.gov>
Sent: Wednesday, June 21, 2023 2:52 PM
To: Glorianne Wollen <gwollen@petersburgak.gov>; Chris Cotta <ccotta@petersburgak.gov>; Karl Hagerman <khagerman@petersburgak.gov>; Liz Cabrera <lcabrera@petersburgak.gov>
Subject: Wikan Enterprises Application to Purchase Borough Property

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Thank you,
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Debra K. Thompson, CMC
 Borough Clerk/Human Resources Director

Petersburg Borough
 907-772-5405



Planning Commission Report

Commission Meeting date: July 11, 2023

TO: Borough Assembly

FROM: Planning Commission

Subject: Sale of Borough-Owned Property at 103A Dock St
Wikan Enterprises

The Petersburg Planning & Zoning Commission makes the following findings of fact:

1. Applicant is requesting to purchase approximately 6,722 sf of borough-owned parcels located at 103 A Dock St (PID#: 01-00-0037).
2. Application was referred to the Planning Commission on June 26, 2023.
3. The subject property is currently leased from the borough by Wikan Enterprises and has a structure on site.
4. The subject property has legal and practical access from Mitkof Highway and Dock St.
5. PM 6.12.050 requires a preliminary rezoning prior to approval for disposal. Subject property is zoned Industrial.
6. No portion of the property is located within a flood zone.
7. Per borough code, tideland may be sold in isolated and necessary instances when no need for public purposes.
 - . Borough departments have reviewed the request and the recommendations are attached to the application.
9. Hearing notices were mailed to property owners within 60 feet of the area.
10. On July 11, 2023, a duly noticed public hearing was held by the Petersburg Planning Commission. At the public hearing, the Planning Commission considered and reviewed applicant materials, public comments and testimony, and staff comments.

Based on the preceding findings of fact, the Petersburg Planning Commission makes the following recommendation:

The borough-owned property at 103 Dock Street be approved for sale.

Motion passed 7-0.



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: DK

Fee: \$ 500.00

Date Rec'd: 6/22/23

Date: June 7, 2023

This is a request for land disposal via (circle one):
Lease **Purchase** Exchange Other

Parcel ID #(s) of Subject Property:
1001958.00

Proposed term of lease: _____
(total years)

Legal Description of Property:
Subdivision: Wikan Enterprises PLAT#: 9293
Section 33
Zone 1

Current Zoning of Property:
Tidelands: 37&38
Range: 79E

Applicant Name: John B, Sheri L Wikan; Wikan Enterprises, Inc
Applicant Mailing Address: PO Box 929
Petersburg, AK 99833
Applicant Contact Info: (907) 518-1120
(phone and/or email) swikan@gmail.com

1. Size of Area requested (identify the minimum area necessary in square feet): 6,722
2. Attach a map showing the location of the land requested. Map must show surrounding area with the land requested clearly marked with bolded borders or highlighted color.

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 attachments.

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

US Coast Guard: 107 Dock St _____ Alaska Commercial Electronics: 908 S Nordic Dr _____
Petro 49 Inc: 100 Dock St _____ Petro 49 Inc: 901 S Nordic Dr _____
Birchell Properties: 904 S Nordic Dr _____ Petro 49 Inc: 902 S Nordic Dr _____
(auto repair and coffee shop)

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: Tidelands Lease; Wikan Enterprises, Inc./ John B and Sheri L Wikan

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

State of Alaska Business License; Petersburg Borough Sales Tax Account

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

A. Name, address and place of incorporation: _____
Wikan Enterprises, Inc. PO Box 929, Petersburg, Alaska _____
Incorporated in the State of Alaska _____

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

Name and address of resident agent: Sheri Wikan; PO Box 929, Petersburg, AK 99833

8. Why should the Planning Commission recommend Assembly approval of this request?
Wikan Enterprises, Inc is a business that has successfully operated for over 30 years and has played an integral role in the local economy. Our services are critical to the commercial fishing fleet in the region, providing essential maintenance and repairs for marine diesel engines. We are trying to pass our business on to new owners, that will continue on with what we've built over the last three decades. Please see attachments for more details.

9. How is this request consistent with the Borough's comprehensive plan?
By allowing the sale of the tidelands for the purpose of continuing an existing essential business and addressing the financial advantages and risks associated with leasehold improvements, the borough can promote economic development, stability, and longterm prosperity. The sale aligns with the statutes provided and demonstrates that outright sale, in contrast to leasing, is in the best interests of the borough. Please see attachments for more details.

10. Prior to submitting this application, please verify with pertinent Borough Departments that the land requested for lease, purchase or exchange 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: Attached comments from Harbormaster Wollen in email dated June 21, 2023 3:36 pm

Signature of Department Commenter

Department Comments: Attached comments from Public Works Director Cotta in email dated June 21, 2023 3:51 pm

Signature of Department Commenter

Department Comments: Attached comments from Community Development Director Cabrera in email dated June 21, 2023 4:31 pm.

Signature of Department Commenter

Department Comments:

Signature of Department Commenter

Dear Planning Commission & Borough Assembly,

As we embark on the retirement process and seek to sell our business, Wikan Enterprises, Inc., we are quickly learning that we will need to acquire the leased property our largest business asset sits on, our 3200sf shop. Without the inclusion of these tidelands in the business sale, we would be unable to attain a fair market value for our business due to the financial implications listed below. Regrettably, should the borough decide against selling us the tidelands we have been leasing for over 30 years, we will be unable to successfully sell the business as a whole, and will be compelled to undertake the liquidation process and cease operations within the next 1-2 years. Considering the type of services we offer, this would be detrimental to our local fishing fleet, and overall economy.

When we started our business, the availability of suitable commercial or industrial land was significantly limited. Building our business on this leased land was our last resort. Had we possessed a comprehensive understanding of the long-term ramifications associated with constructing our business assets on leased land, particularly in light of the ever-evolving landscape of finance and lending, we would have endeavored more vigorously to acquire this land at an earlier stage. Nevertheless, we find ourselves at the present juncture.

Please take into consideration the following information when forming your decision to allow for the Direct Sale of this land:

1. **Importance of Continued Economic Development:** Wikan Enterprises, Inc. has played an integral role in the local economy, serving as a Detroit Diesel Dealer, Volvo Penta Dealer, and performing maintenance and rebuilds on many other brands of marine engines. Our services are critical to the large commercial fishing fleet in the area, providing essential maintenance and repairs to their marine diesel engines. It was mentioned by the Harbormaster recently, that our fleet will be growing with the development of the Scow Bay Harbor area as well, so this business will become even more essential if that is the case. By continuing to operate and grow, our business sustains not only the livelihoods of our employees but also supports the economic well-being of the community. Selling the tidelands and allowing the business to continue under new ownership ensures the preservation of jobs, support for our commercial fishing fleet and ongoing economic development.

2. **Unforeseen Market Value Implications:** When we embarked on this journey in 1992, we were unaware that building our business on leased land would have a significant impact on its market value. Over the years, we invested our time, energy, and resources into constructing the building that houses our operations and outfitting it to meet the needs of our customers and regional building codes. However, we were not advised that leasehold improvements would be considered less valuable than those on owned land. This unforeseen consequence has created a disparity between the true value of our business and the market perception of its worth.

3. Limited Options for Financing and Investment: As we work with potential buyers for our business, we face substantial challenges due to the nature of leasehold improvements. Lending institutions view the building as a leasehold improvement, leading to shorter loan terms, higher interest rates, stricter lending criteria, and higher costs. This restricts the pool of qualified buyers, as they encounter difficulties securing financing for an investment perceived as riskier compared to real property purchases. By selling the tidelands and transitioning the business to a real property, broaden financing options, and ultimately secure a fair market value for our years of hard work.

4. Unique Expertise and Industry Demand: With over five decades of experience, we have developed a deep understanding of the marine diesel industry and established ourselves as a trusted resource for our customers. We are one of only two marine diesel shops in the area, catering to the specific needs of commercial fishing vessels. Our knowledge, expertise, and reputation are invaluable assets that contribute to the overall competitiveness and growth of the industry. Selling the business in its entirety, rather than liquidating the leasehold improvements separately, ensures the continuation of this vital resource for the community.

5. Precedents being set: It is worth noting that the Harbor Department has plans to engage in a land exchange with Petro 49, Inc. This exchange involves the trading of comparable leased and zoned land situated directly across the street from Wikan Enterprises, Inc. in return for a privately owned parcel already held by Petro 49, Inc. The implementation of this arrangement would establish a precedent for the borough to release leased tidelands to the private sector.

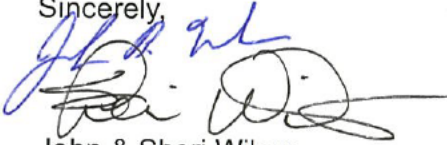
6. Possible public auction of leased tidelands: In the event the borough determines it is beneficial to release this property through a sale, we respectfully advocate for a direct sale rather than an auction, as is allowed in the Petersburg borough statutes. As noted by a borough official recently, the borough could potentially permit the sale of our leased property at auction, which further underscores the inherent risks associated with owning assets on leased land.

Presently, we have a prospective party interested in carrying on the business in its existing state. However, should they encounter challenges in meeting the financial requirements of a commercial loan or be unwilling to assume the risks associated with acquiring leasehold improvements rather than real property, we will proceed with the liquidation of our business. This will include the sale of our building, to any entity that can afford to pay us what we need to attain for the price of our largest asset.

Given the unique circumstances and challenges surrounding the proposed sale of our business, we kindly request that the Planning Commission and Borough Assembly take our perspective into account and extend support for the sale of the tidelands. Such a decision would not only afford us equitable market value for our business but also foster sustained economic growth, safeguard employment opportunities, and preserve the viability of the marine diesel industry within the region. We firmly believe that our years of unwavering diligence and commitment warrant just compensation.

Thank you for devoting your time and consideration to this matter. We eagerly anticipate a favorable resolution that benefits all parties involved. Please help us ensure that this important trade business stays operational in Petersburg.

Sincerely,

Handwritten signatures of John and Sheri Wikan in blue ink. The signature on the left is 'John Wikan' and the signature on the right is 'Sheri Wikan'.

John & Sheri Wikan
Wikan Enterprises, Inc.

Dear Planning Commission & Borough Assembly,

We would like to express our endorsement for Wikan Enterprises, Inc's acquisition of the tidelands property it sits on, from the borough. As prospective buyers of this business, we respectfully urge you to consider the distinct advantages and potential that come with owning this property. We would like to emphasize the importance of purchasing the tidelands on which the business operates, rather than continuing to lease the land. We believe that ownership of the land is crucial for the long-term stability, growth, and financial viability of the business.

In learning more about the process of purchasing this shop, and being informed of different loan programs and market valuation information, we have been made aware of some factors that have put the process on hold for us. The risk involved with investing in a leasehold improvement on property owned by the borough will likely result in us not moving forward with this purchase, if the borough is unwilling to dispose of the property to the Wikans prior to the sale of their business. Below are key points highlighting the hurdles of financing presented by continuing to lease the land and the benefits of purchasing the tidelands:

- 1. Enhanced Financing Opportunities:** The acquisition of the tidelands provides us, as prospective buyers, with significantly improved financing options compared to leasing. Financial institutions perceive leasehold improvements as less valuable and more risky collateral than real property. By owning the land, we can secure more favorable loan terms, including longer loan durations, lower interest rates, and reduced down payments (from upward of 25% cash down in a leasehold improvement situation, to as low as 5% down, as real property). This not only lowers our financing costs but also ensures greater financial stability for the business.
- 2. Increased Market Value:** Leasehold improvements, such as the building constructed by the current owners, are not considered real property and are subject to more rapid depreciation. This depreciation negatively impacts the overall market value of the business, making it less attractive to potential lenders and investors. However, by purchasing the tidelands and owning the real property, the market value of the business is enhanced, bolstering its financial prospects and increasing its appeal to financing institutions. Just like the Wikans, we will need to protect any investments we make in this community, for the future, when we also decide to retire, or need to sell the business for any other reason.
- 3. Mitigating Risk:** Continuing to lease the land introduces a significant level of uncertainty and risk to the business. As lessees, we are subject to the terms and conditions set forth by the borough, including the possibility of lease termination or non-renewal at the end of the lease term. This lack of control over the land hampers our ability to secure long-term financing and plan for the future. By purchasing the tidelands, we gain a sense of security and stability, allowing us to invest confidently in the business's growth and expansion.
- 4. Long-Term Business Planning:** Ownership of the tidelands enables us to implement long-term business planning, fostering stability and growth. It provides the flexibility to make

significant capital improvements, expand facilities, and adapt to changing market conditions without the limitations imposed by leasehold agreements. By having complete control over the property, we can make strategic decisions that benefit the business's long-term success, creating a sustainable enterprise that will positively impact the local community.

5. **Borough's Best Interests:** While we understand the borough's preference toward leasing land to promote orderly marine development, we believe that the sale of the tidelands in this particular case serves the borough's best interests. By facilitating the acquisition, the borough supports the stability, growth, and economic development of Wikan Enterprises, Inc., ensuring its continued contribution to the community. The sale of the tidelands aligns with the borough's goals of supporting local marine businesses and fostering a thriving economy. The failure to approve the sale of the tidelands to Wikan Enterprises, Inc. will most likely result in us pulling out from the sale of the business, which in turn would very likely lead to liquidation of the business assets, and closure of the longstanding business.

In the event that the borough determines it is beneficial to divest itself of this property through a sale, we respectfully advocate for a direct sale rather than an auction. The prospect of the borough potentially permitting a party other than the Wikans to acquire this land further underscores the inherent risks associated with owning assets on leased property.

In addition to the compelling reasons outlined above for purchasing the tidelands on which Wikan Enterprises, Inc. operates, we would like to emphasize how our specific qualifications as prospective buyers further strengthen the case for acquiring the land. While these details are minor points compared to the broader argument, they highlight our unique suitability to lead the business and ensure its continued success.

Earl Warner's extensive experience servicing and maintaining large engines and his diesel certification from Universal Technical Institute make him exceptionally well-suited to navigate the complexities of the marine diesel industry. His background as an electrician further enhances his ability to handle the technical aspects of the business. Earl's expertise and knowledge will be instrumental in providing top-notch service to the commercial fishing fleet and ensuring the seamless continuation of Wikan Enterprises, Inc.'s reputation for excellence. Earl has already committed to working full time to start his training with John.

Hillary MacDonald's diverse entrepreneurial background, which includes owning and operating various successful businesses, positions her as a capable leader in managing and growing Wikan Enterprises, Inc. Furthermore, her experience in bookkeeping and her familiarity with the operations side of a diesel marine business provide valuable insights into the financial and administrative aspects of the industry. Hillary's skills in these areas will contribute to the efficient management of the business and its sustained profitability.

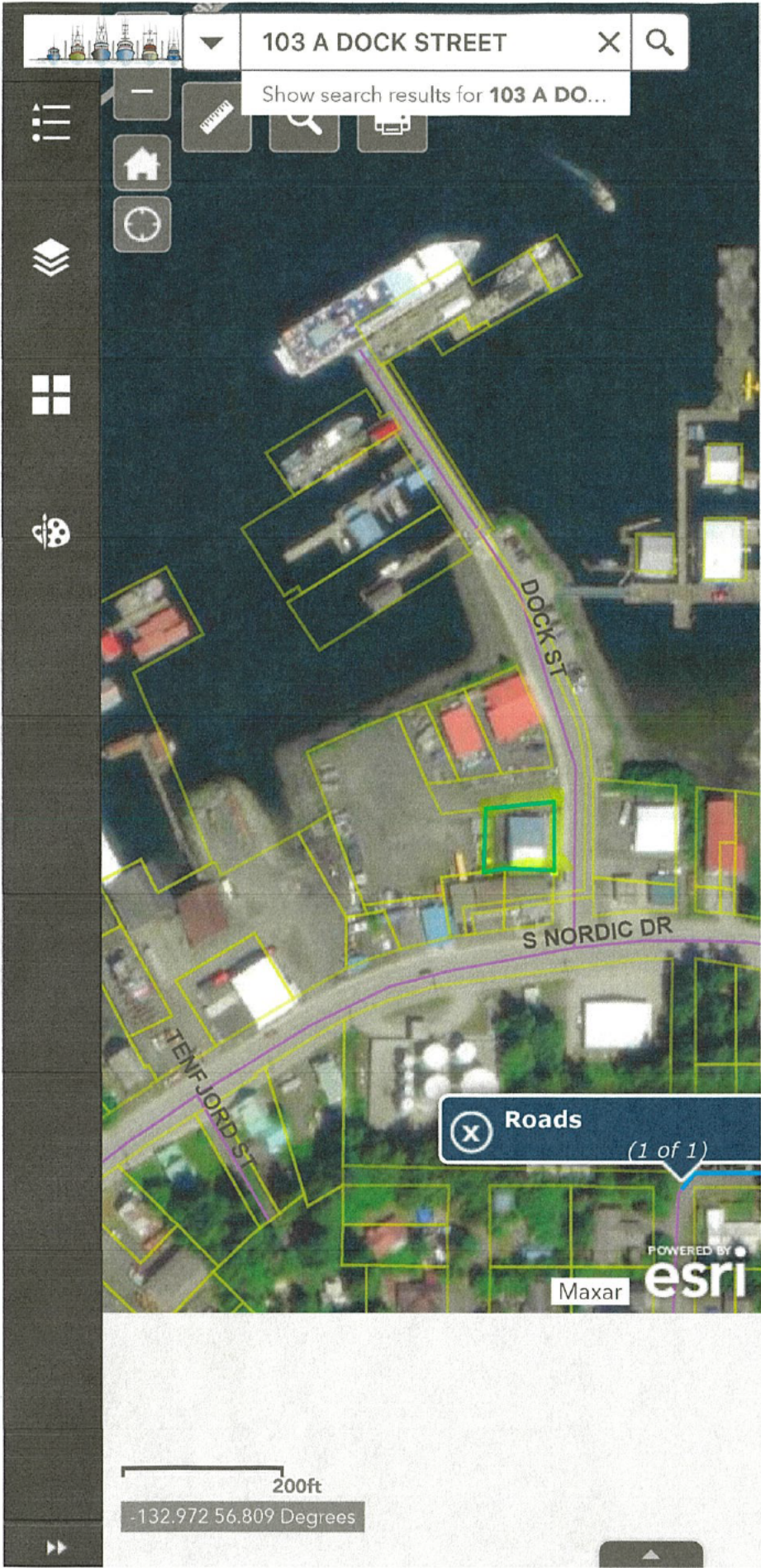
We appreciate your consideration of our qualifications and our shared vision for the future of Wikan Enterprises, Inc. We hope the borough will consider the need to let go of this piece of property in order to allow this essential trade business to continue on in Petersburg. As we all are aware, many small communities, including our own, are desperately lacking a strong

workforce in the trades, and the loss of this business would be detrimental to our commercial fleet and local economy.

Sincerely,

A handwritten signature in blue ink, consisting of a series of connected loops and strokes, appearing to be a cursive representation of the names Earl Warner and Hillary MacDonald.

Earl Warner and Hillary MacDonald
Prospective Buyers



Tidelands

6/19/23

500.00

500.00

6/19/23

31809

Petersburg Borough

\$500.00

SECURITY FEATURES INCLUDE TRUE WATERMARK PAPER, HEAT SENSITIVE ICON AND FOIL HOLOGRAM.



WIKAN ENTERPRISES, INC.

PO BOX 929
PETERSBURG, AK 99833
(907) 772-4155

FIRST BANK
89-4/1252

31809

FRAUDARMOR

DATE
6/19/23

Memo: 19649

Five Hundred and 00/100 Dollars

AMOUNT

\$ 500.00

PAY
TO THE
ORDER
OF:

Petersburg Borough
PO Box 329
Petersburg, AK 99833



[Handwritten Signature]
AUTHORIZED SIGNATURE

HEAT SENSITIVE

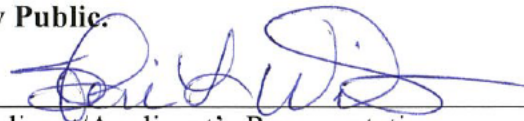
⑈031809⑈ ⑆125200044⑆ 0000540220⑈

NOTICE TO APPLICANT(s):

Applicant will be required to pay a non-refundable filing fee with the Borough of \$500 to cover estimated costs of: a title report, survey, legal fees, postage, recording fees, public noticing and advertising and other costs incidental to the processing of this application.

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.



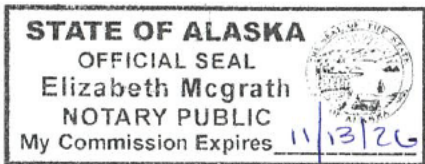
Applicant/Applicant's Representative

Subscribed and sworn to by Sheri L. Wikan, who personally appeared
before me this 18th day of June, 2023.



Notary Public

Notary Public in and for the State of Alaska. My Commission Expires: 11/13/2026



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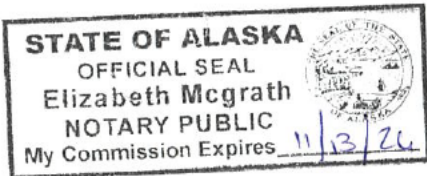
Please sign application in the presence of a Notary Public.

John B. Wikan
Applicant/Applicant's Representative

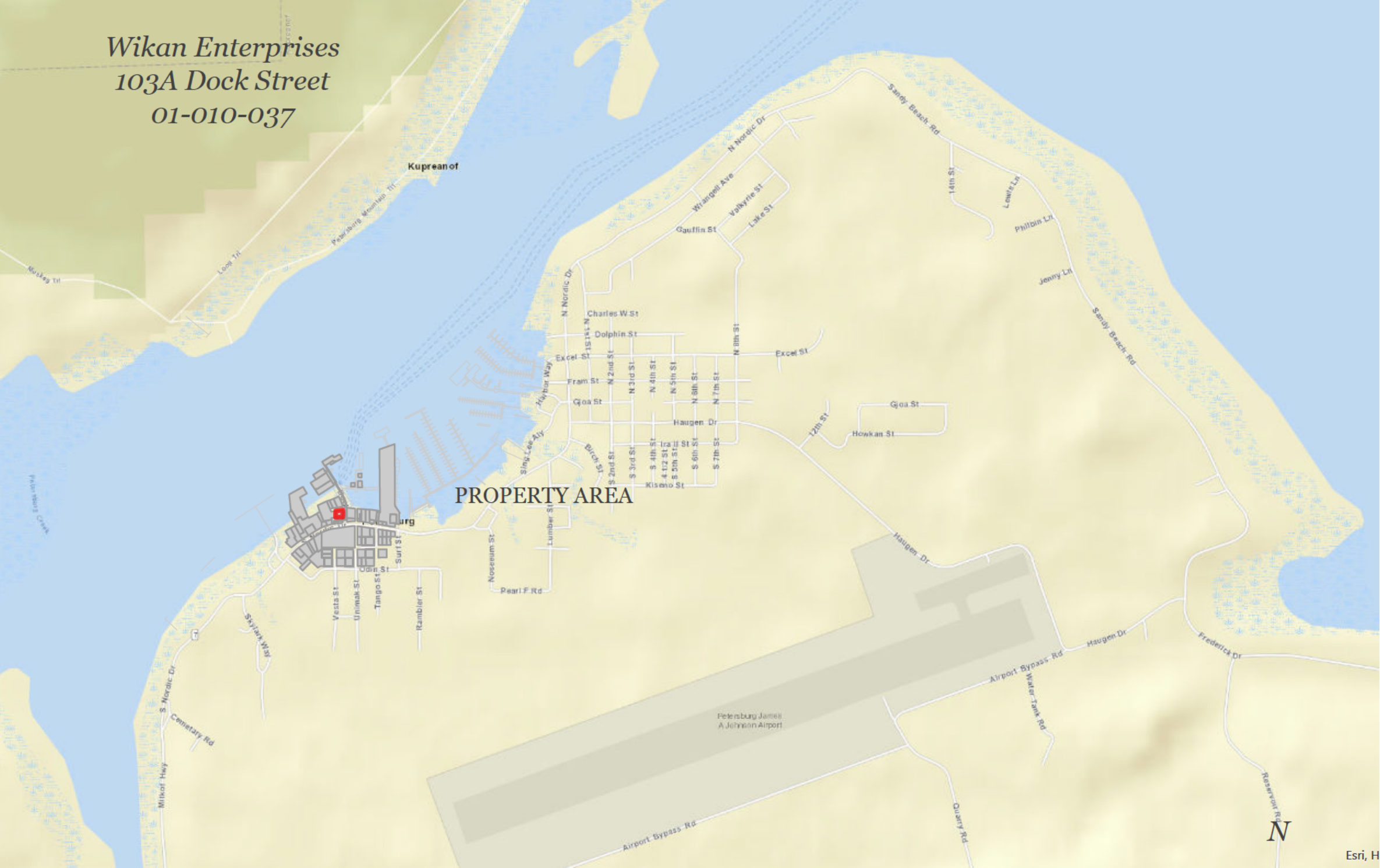
Subscribed and sworn to by John B. Wikan, who personally appeared
before me this 18th day of June, 2023.

[Signature]
Notary Public

Notary Public in and for the State of Alaska. My Commission Expires: 11/13/2026



Wikan Enterprises
103A Dock Street
01-010-037



Kupreanof

PROPERTY AREA

Petersburg

Petersburg James
A. Johnson Airport



Wikan Enterprises
103A Dock Street
01-010-037





June 20, 2023

To Whom It May Concern:

I am assisting Hillary MacDonald & Earl Warner with the financing of the proposed purchase of Wikan Enterprises, Inc. Due to the fact that the building that houses Wikan Enterprises, Inc. is on land leased from the borough, the structure of a Commercial Loan associated with a Real Estate purchase changes from a Commercial Real Estate loan, to a leasehold improvement and commercial equipment & inventory loan. It is considered a leasehold improvement, rather than real property.

Typically, banks are inclined to lend only a percentage of this value. In leasehold improvement scenarios where no real estate is involved, it is common for buyers to need to provide a 25% down payment for most commercial loans of this nature, with loan terms being much shorter than those of real estate loans, making the payments much higher.

Commercial Real Estate loans, depending on the loan program, may have a down payment as low as 5-10%. Commercial Real Estate loans can often offer longer loan terms making the monthly payments much lower.

The tax assessed value of the leasehold improvements associated with Wikan Enterprises Inc. is \$115,700. To substantiate the transaction's value, a bank would likely need to order a commercial real estate appraisal (or in this case leasehold improvement valuation) which can be quite expensive, or conduct an in-house valuation based on the specific circumstances. While it is possible for an appraisal to yield a slightly higher value than the tax assessment, it may not yield much higher, and would require the use of several comparable sales of a similar nature to establish the value solely for the improvements. Generally, an acceptable appraisal relies on 4-5 comparable properties for value substantiation, which may be hard to come by in the region. It is important to note that broker's opinions of value do not suffice, as they do not meet appraisal standards.

Additionally, when appraising an improvement on leased land, appraisers often take into account the adverse impact of the remaining lease term on the value. As the lease term shortens and approaches expiration, it tends to limit the potential sale price due to the exclusion of the land. Conversely, when the land is included in the transaction, the value is often higher, allowing the seller to demand a higher price that buyers may be willing to pay. Appraisers appropriately factor in this higher value. Real estate and building transactions offer a wider range of market and finance options compared to leasehold improvements alone.

It is worth noting that even programs such as the Small Business Administration (SBA) and the U.S. Department of Agriculture (USDA) have limitations when leasehold improvements are involved without any real estate. And these loan programs are quite appealing to a buyer trying to obtain financing for the purchase of a business of this nature.

P.O. Box 241489
Anchorage, Alaska 99524-1489
Phone: (907) 562-0062 · (800) 478-2265
northrim.com



Page 2
June 20, 2023
To Whom It May Concern

In closing, it would be much easier for a commercial lender, myself included, to approach this financing if it were associated with real property vs leasehold improvements. I can be available to answer any questions that might arise in this process. Please don't hesitate to contact me anytime.

Sincerely,



David Byrne
Vice President
Commercial Loan Officer
Juneau Financial Center
907-790-5143

P.O. Box 241489
Anchorage, Alaska 99524-1489
Phone: (907) 562-0062 • (800) 478-2265
northrim.com



ANCHOR PROPERTIES

Angela Menish
Licensed Real Estate Agent
Anchor Properties
PO Box 2060
Petersburg, AK 99833

June 8, 2023

Petersburg Alaska Borough Assembly
PO Box 329
Petersburg, AK 99833

Dear members of the Borough Assembly,

I hope this letter finds you in good health and high spirits. I am writing to bring to your attention an urgent matter concerning the sale of Wikan Enterprises, a vital business in our community.

As a licensed real estate agent with Anchor Properties, I have had the privilege of representing my clients, John and Sheri Wikan, throughout the process of listing their esteemed diesel mechanic repair, sales, and service business. Wikan Enterprises has been the exclusive local dealership for Detroit Diesel, MTU, and Volvo Penta since its establishment in 1992.

The services provided by Wikan Enterprises are crucial to the fishing industry in Petersburg and the surrounding southeast Alaska communities. Fishing vessels heavily rely on the expertise and support offered by Wikan Enterprises to ensure their engines are in optimal condition, maximizing their fishing seasons. The potential impact of not selling the business in its entirety could have devastating consequences for these fishermen and their livelihoods. Petersburg Borough would also be adversely affected with loss of revenue stream from the absence of this business.

While there have been expressions of interest from two other parties, namely a federal agency and a refrigeration business, it is important to highlight that their interest has primarily centered around acquiring the building alone, rather than the entire business. To maintain the seamless provision of services

and preserve the legacy established by John and Sheri Wikan, it is crucial that the business is sold as a whole.

Fortunately, there is a couple who has demonstrated a sincere interest in acquiring the business and carrying it forward in its current form. They possess the necessary experience, dedication, and passion to ensure the continuation of the exceptional services provided by Wikan Enterprises. It is imperative that we prioritize their offer to maintain the level of service our community relies upon.

John and Sheri Wikan have been transparent from the beginning of the listing process, making it abundantly clear that their foremost priority is to ensure the availability of the services their business offers to the community. Their dedication to the community and their customers is admirable, and it is crucial that we honor their wishes throughout the negotiation process.

I kindly request your support in emphasizing the importance of selling Wikan Enterprises as a whole to potential buyers. By doing so, we can safeguard the essential services provided to the fishing community of Petersburg, Alaska, and surrounding areas.

Thank you for your attention to this matter. I look forward to discussing further details and collaborating to secure the best outcome for our clients, the community, and the continued success of Wikan Enterprises.

Sincerely,



Angela Menish
Licensed Real Estate Agent
Alaska License #: 206037
Anchor Properties

Debra Thompson

From: Glorianne Wollen
Sent: Wednesday, June 21, 2023 3:36 PM
To: Debra Thompson; Chris Cotta; Karl Hagerman; Liz Cabrera
Subject: RE: Wikan Enterprises Application to Purchase Borough Property

Thanks Debbie.

Harbormaster I am not in favor of starting the trend of selling leased property unless there are substantial strings attached, strings that are probably not legal and 20 yrs from now no one will remember. We need to secure that this is property will be used for Marine Services. We have lost considerable ground in support of the original concept of a marine industrial park with Bus Depot, a mechanic garage and a coffee stand all have been oked by a sympathetic City Council. I also expect that this would upset the present applecourt in regards to every other lease that the Borough has with business/private.

Thanks, glo

From: Debra Thompson <dthompson@petersburgak.gov>
Sent: Wednesday, June 21, 2023 2:52 PM
To: Glorianne Wollen <gwollen@petersburgak.gov>; Chris Cotta <ccotta@petersburgak.gov>; Karl Hagerman <khagerman@petersburgak.gov>; Liz Cabrera <lcabrera@petersburgak.gov>
Subject: Wikan Enterprises Application to Purchase Borough Property

Dear Glo, Chris, Karl & Liz

John and Sheri Wikan are applying to purchase the land where their business is located (parcel #01-010-037) that they currently lease from the Borough. The Wikans are retiring and trying to sell the business to Earl Warner and Hillary Whitethorn. Earl and Hillary can get much better interest rates from the bank if the land the business is on is not leased land.

Anyway, please respond to this email with your comments as to whether any of your departments have a need for the subject parcel as soon as you can.

Thank you,
 Debbie

Debra K. Thompson, CMC
 Borough Clerk/Human Resources Director

Petersburg Borough
 907-772-5405

Debra Thompson

From: Chris Cotta
Sent: Wednesday, June 21, 2023 3:51 PM
To: Glorianne Wollen; Debra Thompson; Karl Hagerman; Liz Cabrera
Subject: RE: Wikan Enterprises Application to Purchase Borough Property

I agree with Glo's comments and feel this proposed sale starts us down a slippery slope with other Borough leases. Also I seem to recall that at least one other entity (USFS) expressed some interest in acquiring parcel #01-010-037 if it were available for sale.

That being said, Public Works does not have any need for the parcel in question. Thanks,

Chris

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Debra K. Thompson, CMC
Borough Clerk/Human Resources Director

Petersburg Borough
907-772-5405



Debra Thompson

From: Liz Cabrera
Sent: Wednesday, June 21, 2023 4:31 PM
To: Chris Cotta; Glorianne Wollen; Debra Thompson; Karl Hagerman
Subject: RE: Wikan Enterprises Application to Purchase Borough Property

Community Development has no public use for the parcel.

Just in case the question is asked, the borough has no mechanism to address the issue raised by Glo, i.e. restricting use to marine services in this area, through its existing zoning code.

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To: Glorianne Wollen <gwollen@petersburgak.gov>; Debra Thompson <dthompson@petersburgak.gov>; Karl Hagerman <khagerman@petersburgak.gov>; Liz Cabrera <lcabrera@petersburgak.gov>
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Thank you,
Debbie

Debra K. Thompson, CMC
Borough Clerk/Human Resources Director

Petersburg Borough
907-772-5405



Debra Thompson

From: Karl Hagerman
Sent: Thursday, June 29, 2023 2:46 PM
To: Debra Thompson; Glorianne Wollen; Chris Cotta; Liz Cabrera
Subject: RE: Wikan Enterprises Application to Purchase Borough Property

Water, Sewer and Power utilities have no need for this subject parcel.

Karl Hagerman
 Utility Director
 907-772-5421

From: Debra Thompson <dthompson@petersburgak.gov>
Sent: Wednesday, June 21, 2023 2:52 PM
To: Glorianne Wollen <gwollen@petersburgak.gov>; Chris Cotta <ccotta@petersburgak.gov>; Karl Hagerman <khagerman@petersburgak.gov>; Liz Cabrera <lcabrera@petersburgak.gov>
Subject: Wikan Enterprises Application to Purchase Borough Property

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Thank you,
 Debbie

Debra K. Thompson, CMC
 Borough Clerk/Human Resources Director

Petersburg Borough
 907-772-5405



As Mayor for the City of Pelican, I introduced a series of ordinances that authorized the sale and transfer of the former Pelican Seafoods crab plant property to Yakobi Fisheries (YF). YF had leased the facility.

Approved June 1, 2021, Ordinance 2021-2 An Ordinance of the City of Pelican added an economic development provision to Title 3 Sale and Disposal of city-owned property;

3.08.310 Disposal for economic development purposes.

The city council may dispose of real property or an interest in real property to any person or entity in furtherance of local trade or industry for less than the fair market value of that real property or interest in real property. If a disposal is made to further economic development, a non-code ordinance authorizing the disposal must include in addition to the requirements in section 3.08.130:

1. A finding that the property or property interest which is the subject of the disposal will be used in furtherance of local trade or industry; and
2. At the discretion of the Pelican City Council, the conveyance of the property or property interest disposed may include a condition that title will revert to the municipality in the event the property is no longer used for the local trade or industry justifying the disposal.

Approved December 8, 2021, Ordinance 2021-8, a Non-Code Ordinance designated USS 2819 Block 17, Lot 2 for sale and disposal. The ordinance recognized the economic benefits of this real property disposal as necessary for economic development purposes; and, authorized the Mayor to negotiate terms for the sale of the real property to Yakobi Fisheries, LLC.

Approved December 13, 2022, Ordinance 2022-1, a Non-Code Ordinance authorizing the sale and disposal of 'Lot eleven (11), Salmon Subdivision, according to Plat 2021-8, Sitka Recording District, First Judicial District, State of Alaska' to Yakobi Fisheries LLC. This ordinance describes the real property as including "Tidelands" and the former crab plant building. The ordinance approves the "Purchase Agreement", and "Warranty Deed".

A Bill of Sale and other closing documents were delivered to Alaska Escrow and Title Agency, Inc. for filing with the Sitka Recorder's office. The documents were finalized the first week of January.

The investments made by Yakobi Fisheries at the crab plant facility were substantial and the council deemed it in the best interest of the community to maintain the economic benefits of seafood processing in the community. The three ordinances are included for your review.

I support the sale of the leased tidelands to Wikan Enterprises. Our business, Pacific Fishing, Inc., F/V Pacific Dawn, relies on Wikan Enterprises for our engine repairs and maintenance. In 2014, Wikan Enterprises repowered the main engine and two gensets, we utilize Wikan Enterprises for parts and equipment and completed a ¾ main engine overhaul in April 2023. The economic benefit to the community is substantial. And having a reliable quality engine repair shop is critical to commercial fishing support services. Thank you.

Sincerely, *Patricia Phillips*

Patricia Phillips

PO Box 109

Pelican, AK 99832



City of Pelican

BOX 737 - PELICAN, ALASKA 99832 - PHONE: 735-2202/2203 - FAX: 735-2258 - EMAIL: cityhall@pelicancity.org - WEBSITE: www.pelican.net
EQUAL OPPORTUNITY EMPLOYER

Introduced by: Patricia Phillips
Date Introduced: 5-24-21
Public Hearing Date: 6-1-21
Action: Approved
Date Enacted: 6-1-2021

CITY OF PELICAN ORDINANCE NO. 2021-2

A ORDINANCE OF THE CITY OF PELICAN

WHEREAS; Pelican Municipal Code (PMC) Title 3; Acquisition and Disposal of City Property

WHEREAS; Pelican Municipal Code Title 3; Chapter 3.08.110 Sale and disposal - Rights and powers A. The city may sell, convey, exchange, transfer, donate, dedicate, direct, or assign to use, or otherwise dispose of city-owned real property by any lawful means of conveyance, and

WHEREAS; the City finds that certain real properties it owns are pre-established for economic development purposes, and

WHEREAS; the revenue from the sale of those properties would help meet its budgetary needs, and

WHEREAS; the Pelican City Council finds that an economic development provision in Title 3 will provide for the disposal of real property for economic development purposes.

BE IT ENACTED BY THE COUNCIL OF THE CITY OF PELICAN, ALASKA:

- Section 1. Classification. This ordinance is of a general and permanent nature and the adopted shall be part of the Pelican Municipal Code.
- Section 2. General Provisions. This ordinance adds a provision to Title 3. Chapter. 08 Acquisition and Disposal of City Property
- Section 3. Enactment. To add a section to the Pelican Municipal Code, to read:



3.08.310 Disposal for economic development purposes.

The city council may dispose of real property or an interest in real property to any person or entity in furtherance of local trade or industry for less than the fair market value of that real property or interest in real property. If a disposal is made to further economic development, a non-code ordinance authorizing the disposal must include in addition to the requirements in section 3.08.130:

1. A finding that the property or property interest which is the subject of the disposal will be used in furtherance of local trade or industry; and
2. At the discretion of the Pelican City Council, the conveyance of the property or property interest disposed may include a condition that title will revert to the municipality in the event the property is no longer used for the local trade or industry justifying the disposal.

Section 5. Effective Date.

PASSED AND APPROVED BY A DULY CONSTITUTED QUORUM OF THE CITY COUNCIL THIS 1st

DAY OF June, 2021.

Patricia Phillips
Patricia Phillips, Mayor of Pelican

ATTEST:

Lattieca Stewart
Lattieca Stewart, City Clerk





City of Pelican

BOX 737 - PELICAN, ALASKA 99832 - PHONE: 735-2202/2203 - FAX: 735-2258 - EMAIL: cityhall@pelican.net - WEBSITE: www.pelican.net

EQUAL OPPORTUNITY EMPLOYER

Introduced by: Patricia Phillips
Date Introduced: 11-10-21
Public Hearing Date: 12-8-21
Action: Approved
Date Enacted: 12-8-21

CITY OF PELICAN ORDINANCE 2021-8

A NON-CODE ORDINANCE DESIGNATING USS 2819 BLOCK 17, LOT 2 FOR SALE AND DISPOSAL.

WHEREAS, the city owns the following real property: USS Block 17, Lot 2, Sitka Recording District, First Judicial District, State of Alaska;

WHEREAS, the real property consists of the “former crab plant building” located on USS Block 17, Lot 2;

WHEREAS, Pelican Municipal Code (PMC) Title 3; Chapter 3.08.110 Sale –Rights and powers. A. The city may sell, convey, exchange, transfer, donate, dedicate, direct or assign to use, or otherwise dispose of city-owned real property by any lawful means of conveyance;

WHEREAS, Pelican Municipal Code (PMC) Title 3; Chapter 3.08.310 Disposal for economic development purposes. The city council may dispose of real property or an interest in real property to any person or entity in furtherance of local trade or industry for less than the fair market value of that real property or interest in real property;

WHEREAS, the lease and operating agreement between the City of Pelican (City) and Yakobi Fisheries, LLC, Alaska Entity #126094 (Yakobi Fisheries) authorizes the “Right of First Refusal”;

WHEREAS, the Pelican City Council (Council) recognizes the economic benefits of this real property disposal is necessary for economic development purposes:

- Continued renewal and enhancement of seafood processing in Pelican.
- The multiplier effect of improved economic activity within the community, including moorage, ice and fuel purchases, restaurant sales, local small business sales, marine services, seaplane activities, movement of freight, ongoing ferry service, hiring locally, hiring families with children for improved school enrollment, jobs generated within the community, public safety and public health and volunteer activities within the emergency responder network for the fire department, emergency medical services, and search and rescue.

Ordinance 2021-8

Page 2

NOW, THEREFORE BE IT ENACTED BY THE PELICAN CITY COUNCIL:

Section 1. Classification.

This is a non-code ordinance.

Section 2. Intent.

Authorize the Mayor and Council to negotiate the terms of sale and disposal of USS Block 17, Lot 2 and the "former crab plant" (crab plant) for authorization and approval of the sale and disposal terms by a separate ordinance.

Section 3. Best Interest.

The Council finds that it is necessary for economic development, and in the best interest of the public to authorize the sale and disposal of USS Block 17, Lot 2 and the "former crab plant" to Yakobi Fisheries, LLC.

Section 4. Findings.

1. The Council shall authorize disposal terms by separate ordinance.
2. The real property has no value because of the following conditions:
 - a) The State of Alaska Fire Marshall has indicated the building must have aworking fire suppression system to remain in service.
 - b) The installation expense of a fire suppression system, estimated by a qualified engineering firm in September 2021, is \$550,000.
 - c) The most recent valuation of the property is \$200,000.
 - d) Exterior condition of the building has not changed substantially since the most recent valuation.
 - e) Interior improvements made to the building by the primary tenant are owned by the tenant and are not considered an element of real property value.

Section 5. Effective Date.

This ordinance is effective upon adoption by the Pelican City Council.

PASSED AND APPROVED THIS 8th DAY OF December, 2021.

Signed: Patricia Phillips
Patricia Phillips, Mayor

Attest: Lattieca Stewart
Lattieca Stewart, City Clerk



City

of

Pelican

BOX 737 - PELICAN, ALASKA 99832 - PHONE: 735-2202/2203 - FAX: 735-2258 - EMAIL: cityhall@pelicanity.org - WEBSITE: www.pelican.net

EQUAL OPPORTUNITY EMPLOYER

Introduced by: PhillipsDate Introduced: 12-5-22Public Hearing Date: 12-13-22Action: approvedDate Enacted: 12/13/22

**CITY OF PELICAN
ORDINANCE 2022-1**

A NON-CODE ORDINANCE AUTHORIZING THE SALE AND DISPOSAL OF CITY-OWNED REAL PROPERTY 'LOT ELEVEN (11), SALMON SUBDIVISION, ACCORDING TO PLAT 2021-8, SITKA RECORDING DISTRICT, FIRST JUDICIAL DISTRICT, STATE OF ALASKA' TO YAKOBI FISHERIES LLC.

WHEREAS, Pelican Municipal Code (PMC) Title 3; Chapter 3.08.110 Sale –Rights and powers. A. The city may sell, convey, exchange, transfer, donate, dedicate, direct or assign to use, or otherwise dispose of city-owned real property by any lawful means of conveyance; and

WHEREAS, Pelican Municipal Code (PMC) Title 3; Chapter 3.08.310 Disposal for economic development purposes. The city council may dispose of real property or an interest in real property to any person or entity in furtherance of local trade or industry for less than the fair market value of that real property or interest in real property;

WHEREAS, the city owns the following real property: Lot 11, Salmon Subdivision, according to Plat 2021-8 (which amended Plat 2014-11.) in the records of the Sitka Recording District, of Alaska, **including** all tidelands (the “Tideland”), and all structures, buildings and fixtures located on the Tideland (the “Crab Plant”) (hereinafter referred to as Lot 11, Salmon Subdivision, according to Plat 2021-8, Sitka Recording District, First Judicial District, State of Alaska); and

WHEREAS, Lot 11, Salmon Subdivision, according to Plat 2021-8, and the Crab Plant together are ‘the Property’; and

WHEREAS, the ‘Property’ is located at 172 Salmon Way, Pelican, Alaska; and

WHEREAS, Yakobi Fisheries LLC, Entity # 126094 (hereinafter referred to as Yakobi) operates a fish processing enterprise at the Property;

WHEREAS, Ordinance 2021-8, states the economic benefits of disposal of the ‘Property’ for economic development purposes; and

NOW, THEREFORE BE IT ENACTED BY THE PELICAN CITY COUNCIL:

ORDINANCE 2022-1 – PAGE 2**Section 1. Classification.**

This is a non-code ordinance.

Section 2. Intent.

Lot 11, Salmon Subdivision, according to Plat 2021-8, Sitka Recording District, First Judicial District, State of Alaska, shall be sold for economic development purposes, subject to the following terms and conditions:

Section 3. Effective Date.

This ordinance is effective upon adoption by the Pelican City Council.

Section 4. Real Property Defined.

“Real property” includes any estate in land, easement, right-of-way, lease, permit, license, franchise, future interest, building, fixture, or any other right, title, or interest in land or a building.

Section 5.

The City Council has determined it is in the best interests of the city for the sale and disposal of real property Lot 11, Salmon Subdivision, according to Plat 2021-8, Sitka Recording District, First Judicial District, State of Alaska.

Section 6.

The city desires to enter a “Purchase and Sale Agreement” to sell the ‘Property’ to Yakobi and to convey : Lot 11, Salmon Subdivision, according to Plat 2021-8, Sitka Recording District, First Judicial District, State of Alaska, and Crab Plant to Yakobi, subject to the restrictive covenants: (1) The Property is used for seafood processing; (2) the ‘Crab Plant’ is retrofitted with a fire suppression system approved by the Alaska State Fire Marshall.

Section 7. Purchase Agreement.

Ordinance 2022-1 Attachment 1: Purchase Agreement identified as “Purchase Agreement between the City of Pelican, Alaska and Yakobi Fisheries LLC”, 66 Pages”. An Agreement entered into by and between the City of Pelican, Alaska, a municipal corporation, of P.O. Box 737 Pelican, Alaska 99832 (“Grantor”), Yakobi Fisheries LLC, an Alaska ‘Limited Liability Company’, entity number 126094, 172 Salmon Way, Room E, Pelican, Alaska 99832 (Grantee”), and Chris McDowell and Seth Stewart (Guarantors”).

Section 8. Warranty Deed.

Identified as “Exhibit B to Purchase Agreement, Warranty Deed, Pages 1 – 3”.

Section 9.

The City of Pelican, Alaska, a municipal corporation, of P.O. Box 737, Pelican, Alaska 99832, for and in consideration of Ten Dollars (\$10.00) and other valuable consideration, in hand paid, conveys and warrants to Yakobi Fisheries LLC, an Alaska Limited Liability Company, of 172 Salmon Way, Room E, Pelican, Alaska 99832, the following real property to-wit: Lot 11, Salmon Subdivision, according to Plat 2021-8, Sitka Recording District, First Judicial District, State of Alaska;

Section 10.

The Council authorizes the sale and disposal of real property, Lot 11, Salmon Subdivision, according to Plat 2021-8, Sitka Recording District, First Judicial District, State of Alaska, by any lawful means. Any instrument requiring execution by the city shall be signed by the mayor and attested by the city clerk.

ORDINANCE 2022-1 -- PAGE 3

Section 11. The 'Property' shall be sold "as is", in its current condition. The City makes no representations regarding, and disclaims any liability for, each property sold, and/or improvements located thereon, including but not limited to (1) condition of the property; (2) the exact location of the property, the existence of markers on the property, or the ability or cost of surveying the property; (3) the status or insurability of title to the property, including the status of the title held by the City and the existence of any liens or encumbrances on the property; (4) the existence, or the potential for installation of utilities on or to the property. It is the purchaser's responsibility to investigate these matters and as to the condition of the property, including the condition of title to the property.

Section 12. Right to Adjourn/Postpone/Cancel

The City reserves the right to postpone or cancel a land offering, in whole or in part, if necessary to protect the interest of the City of Pelican at any time prior to the City of Pelican signing a final conveyance document.

PASSED AND APPROVED THIS 13 DAY OF December, 2022.

Introduced: 12,5, 2022

Public Hearing: 12,13, 2022

Signed:

Patricia Phillips
Patricia Phillips, Mayor

Attest:

Lattica Stewart
Lattica Stewart, City Clerk



Yakobi Fisheries, LLC
Po Box 13, Pelican, AK 99832

RE: LETTER OF INTENT

Dated as of August 11, 2022.

The purpose of this Letter of Intent ("**Letter**") is to set forth certain non-binding understandings between the City of Pelican (the "City") and Yakobi Fisheries, LLC (Yakobi") for a proposed transaction regarding the following property

Lot 11, Salmon Subdivision, according to Plat 2021-8 (which amended Plat 2014-11,) in the records of the Sitka Recording District, of Alaska, **including** all tidelands (the "Tideland"), and all structures, buildings and fixtures located on the Tideland (the "Crab Plant.")

The Tideland and the Crab Plant together are "the Property."

BACKGROUND:

Yakobi currently occupies a majority of the Property under a lease with the City (the "Lease.") The Lease includes a right to extend the term of the Lease and a right of first refusal in the event the City decides to sell the "entire Crab Plant". Yakobi operates a fish processing business on the leased premises and wishes to continue that business on all of the Property but will need to invest in a fire suppression system and other improvements and replacements to the Property to do this. It is seeking to purchase the Property so that it will have the opportunity to recoup its investment and earn a return on it. The City is willing to sell all of its interest in the Property provided the proposed transaction will support long-term economic benefits for Pelican, particularly the use and development of its waterfront to facilitate fish processing and other activities supportive of the commercial fishing industry in the community.

The Crab Plant, pilings and the rest of the supporting structure on the Tideland (other than the "dolphin" more recently constructed by the City) date back to as early as 1938. Besides the need to install a fire suppression system, there are other concerns relating to the condition of the Property, including specific environmental concerns. Material to the City's decision to enter into a sale of the Property to Yakobi, and perhaps provide owner financing, is Yakobi's willingness to accept the Property "as is", and ability to install the fire suppression system, perform needed maintenance and

repairs, address any remaining environmental concerns and otherwise operate its fish processing business on the Property in compliance with applicable federal, state and local legal requirements.

Yakobi's experience under the Lease has given it the opportunity to become familiar with most conditions on the Property. It has also given the City the opportunity to see Yakobi's commitment to the community and to good business practices. With these objectives and understandings in mind, the City and Yakobi seek to negotiate an agreement following the general outline set out below. Again, this outline has been developed only to facilitate their negotiations and is not a binding agreement itself.

OUTLINE OF KEY PROVISIONS TO BE NEGOTIATED:

This Letter outlines the basic terms of the proposed transaction based on each party's present understanding but does not preclude either party from proposing additional terms during the course of their negotiations. The parties' final, comprehensive, and binding agreements shall be in the form of Definitive Agreements as set forth below.

The parties understand and expect that:

- A. This transaction will advance economic development in Pelican;
- B. Nothing in the parties' Agreements shall in way preclude or limit the City from using or disposing of any of its other real property; and;
- C. This transaction will facilitate a long-term relation between them for their mutual benefit; and
- D. Unless otherwise agreed to by the City, the Property will be used for seafood processing and other uses supportive of the commercial fishing industry.

The following numbered paragraphs 1 through 10 of Part One, along with related understandings and goals described above, constitute a general outline of the proposed transaction, the purchase price, key agreements, and important conditions. The provisions shall be included in the Definitive Agreements, but in all instances shall be subject to and contingent upon the parties reaching agreement on the Definitive Agreements and the terms and conditions set forth in the Definitive Agreements. The parties expressly state their intention that this Letter shall not constitute or give rise to a legal and binding obligation, contract, or agreement between any of the parties, and are not intended to be an extensive summary of all of the terms and conditions of the proposed acquisition or the Definitive Agreements.

The parties do, however, expressly intend that (paragraphs 11 through 16 of Part Two of this Letter, upon acceptance by the Holder shall constitute the parties' agreement with respect to the procedures for negotiation and preparation of the Definitive Agreements.

PART ONE: NON-BINDING STATEMENT OF UNDERSTANDING

1. Legal Requirements

The parties understand and acknowledge that the City is a public governmental municipal subdivision of the State of Alaska and this transaction is subject to laws and regulations governing sale and lease of municipal property. In the event of any such law or regulation conflicts with the provisions of this letter or the Definitive Agreements, the law or regulation must control.

2. Sale of the Property.

The City will convey to, and Yakobi will accept the conveyance of, the Property, for a price of \$401,000. (the "**Acquisition Price**"). The City will retain a right of first refusal to repurchase the Property in the event Yakobi seeks to sell or transfer Property, including a change of control of Yakobi.

3. Finance of the Sale.

The terms of the sale will be \$40,100 paid at the closing of this transaction, and a promissory note in the amount of \$360,900, providing for monthly payments of \$2,200 at an interest rate of 5% per annum, for a term of approximately 125 months, secured by a first position deed of trust on the Property. No additional liens, deeds of trust, or encumbrances may be put of record against the Property without the prior written consent of the City, however such consent will not be unreasonably withheld in the case of a lien to secure funds needed to correct code violations. The deed of trust will have a "due on sale" provision.

4. Restrictions, Covenants and Easements The conveyance of the Property will include existing restrictions, covenants and easements of record and also include:

- a. Easements for utilities and access that may be agreed to by the parties prior to closing
- b. An easement in favor of the City to maintain, repair or replace the existing dolphin (although the City shall have no obligation to do this),
- c. An easement or other appropriate agreement that provides for necessary limits on activities on the Property during periods of fuel deliveries to the City's neighboring facilities;
- d. Restrictions on the use of the Property or any of it consistent

with the purposes set forth above, including allowing its current use;

- 5. Release of Claims relating to the Condition of the Property.** Yakobi will be accepting all of the Property “as is, where is, with all faults, known or unknown” and waive any claims against the City, including any claims for contribution, relating to any condition on or affecting the Property. Yakobi will be accepting responsibility for the proper storage, use or disposal any personal property that was present on the Property at the time of Closing, including any personal property abandoned on the Property by prior tenants.
- 6. Due Diligence.** Yakobi, as tenant in possession of a majority of the Crab Plant, has had and continues to have the opportunity to observe environmental and other conditions of the Property. Yakobi will also have a limited “due diligence period” to give it additional time prior to closing to conduct whatever inspections, sampling, analyses and other investigations it cares to do of any of the Property. Such investigations shall be at the sole cost and risk of Yakobi. Yakobi will rely on its own due diligence and not on any statements by the City of Pelican, its contractors or agents in assessing conditions on or affecting the Property in entering this transaction.
- 7. Use of the Property.** The Property shall be used for the primary purpose of processing commercially harvested seafood or for other uses supportive of the commercial fishing industry. Yakobi will maintain the Property and conduct all operations on it in accordance with applicable laws. The City may change the zoning requirements affecting the Property; and Yakobi shall not object to any such change; however any such change will not prohibit the use of seafood processing.
- 8. Indemnity.** Yakobi will indemnify and defend the City from all claims relating to conditions and operations on the Property; and any related terms in the Lease shall remain a continuing obligation of Yakobi as to any conditions that existed or operations that occurred during the term of the Lease.
- 9. Easements.** The parties shall prior to closing collaborate in identifying and establishing any easements needed for access or utilities to or across the Property.
- 10. Preparation of Definitive Agreements.** The parties will negotiate the terms, and begin preparation, of the Definitive Agreements that will govern the transactions described in this Letter. To the extent appropriate for transactions of this type and size, the

Definitive Agreements will contain customary representations, warranties, covenants, indemnities, and other agreements of the parties, including, but not limited to: (1) representations and warranties related to each party's power and authority to enter into the Definitive Agreements and perform its obligations thereunder; and (2) ownership of and title to the Property.

The Definitive Agreements are expected to include (a) a sale agreement that provides for the transactions set forth in this letter; (b) closing documents including a conveyance of the Property, instruments required to secure and evidence financing arrangements, as well as any other agreements and documents, necessary or desirable in connection with any of the foregoing arrangements or any transaction contemplated herein.

PART TWO: AGREEMENTS OF THE PARTIES REGARDING THE PROCEDURES FOR NEGOTIATION AND PREPARATION OF THE DEFINITIVE AGREEMENTS.

In consideration of the costs to be borne by each party in pursuing the acquisition and sale contemplated by this Letter and in consideration of the mutual undertakings by the parties as to the matters described in this Letter, upon execution of counterparts of this Letter by each party, the following paragraphs 11 through 16 will constitute legally binding and enforceable agreements of the parties regarding the procedures for the negotiation and preparation of the Definitive Agreements.

- 11. Good Faith Negotiation.** The parties agree that from the date of this Letter until the Letter terminates the parties will discuss and negotiate in good faith the transactions contemplated in this Letter and the drafting of Definitive Agreements, with the intention that the Definitive Agreements will be completed and executed within thirty (30) days.
- 12. Due Diligence.** Yakobi is currently, and has been for the last several years, occupying the Tideland and the Crab Plant, and acknowledges that it has had access to all of these properties and environmental reports on the Alaska Department of Environmental Conservation website, and has familiarity with those properties. In light of this, the Definitive Agreements will provide for a limited inspection period prior to closing.
- 13. Expenses.** Except to the extent otherwise provided in any

Definitive Agreement entered into by the parties, each party shall be solely responsible for its own expenses, legal fees, and consulting fees related to the negotiations described in this Letter, whether or not any of the transactions contemplated in this Letter are consummated.

- 14. Termination.** Any rights and obligations of the parties under This Letter will immediately terminate and cease to apply as of the date Definitive Agreements as are contemplated by this Letter are entered into by the parties.

Each party hereby reaffirms its intention that this Letter is not intended to constitute, and shall not constitute, a legal and binding obligation, contract or agreement between any of the parties, and are not intended to be relied upon by any party as constituting such.

- 15. Governing Law.** This Agreement shall be governed and construed in accordance with the laws of the State of Alaska, without regard to the laws of conflict of laws.

- 16. Acceptance.** If the terms of this Letter are agreeable to you, please sign a copy of this Letter and return by email a signed copy to, by no later than close of business on 8/19/2022. This Letter may be executed in one or more counterparts, each of which when so executed shall be deemed an original, but all of which taken together shall constitute one and the same document. Upon acceptance of the binding provisions of this Letter (those provisions set forth in Part Two (paragraphs 11 through 16) by each party, the parties will negotiate in good faith to prepare and enter into Definitive Agreements.

CITY OF PELICAN, ALASKA

YAKOBI FISHERIES, LLC

By: Patricia Phillips
Patricia Phillips, Mayor

By: _____
Its: _____

From: [Debra Thompson](#)
To: [Anna Caulum](#)
Cc: [Liz Cabrera](#); [Ray Wesebaum](#)
Subject: FW: Letter in Support of Land Sale to Wikan Enterprises
Date: Wednesday, July 5, 2023 11:54:06 AM

From: Kirby Green <shirt50@yahoo.com>
Sent: Tuesday, July 4, 2023 7:53 AM
To: Debra Thompson <dthompson@petersburgak.gov>
Subject: Letter in Support of Land Sale to Wikan Enterprises

Dear Ms. Thompson,

Below please find a letter intended for the Borough Planning Commission supporting the sale of borough land to Wikan Enterprises. I apologize for not having it in a format that's easier to share, but I'm working off my iPad. Please feel free to copy and paste it into Word or whichever format works best for you. Thank you!

Kirby Green

Dear Petersburg Borough Planning Commission,

I am writing to strongly urge the Planning Commission to recommend allowing Wikan Enterprises Inc. (owners John and Sheri Wikan) to purchase the property where their business is located. This business is an integral part of Petersburg's economy and by approving the sale of the land the Petersburg Borough can help ensure the health of the fishing industry, in the "town that fish built", into the future.

Wikan Enterprises provides a level of service, professionalism, and human touch that is rare in any industry. As the current owners prepare to retire it is extremely important that the Borough does what it can to allow the business to continue and thrive here in Petersburg. The Planning Commission can do this by recommending the sale of currently lease held land to Wikan Enterprises. This will allow the potential buyers of the business to secure more favorable lending, own the shop outright, and continue to provide an incredibly valuable service to Petersburg residents.

Selling the property is in line with the stated goal of having businesses in that area that are focused on the marine industry. It would also send a message that the Borough is supportive of local small businesses and entrepreneurs. Having a knowledgeable and capable diesel mechanic in Petersburg benefits every local business by attracting more boats and people to town. Wrangell, Sitka and Ketchikan have increased their services for the commercial and recreational boating sector in recent

years and it is vital that Petersburg do the same.

On a more personal note, the idea of not having a diesel repair business like Wikan Enterprises in Petersburg is concerning. I am a seasonal resident of Petersburg whose fishing business has happily operated here for 25 years. Without reliable engine repair service, advice, and supplies I would reluctantly (extremely reluctantly due to my love for this place) consider moving at least part of my business to another town in Southeast. I strongly urge the Planning Commission to support the sale of land to Wikan Enterprises and help create a stronger future for the city and borough.

Thank you,
Kirby Green
F/V Janet G LLC
206-817-5033

From: [Debra Thompson](#)
To: [Anna Caulum](#)
Cc: [Liz Cabrera](#); [Ray Wesebaum](#)
Subject: FW: Wikan Enterprises
Date: Friday, July 7, 2023 8:59:01 AM

From: tina green <tlbg2583@yahoo.com>
Sent: Friday, July 7, 2023 8:28 AM
To: Debra Thompson <dthompson@petersburgak.gov>
Subject: Wikan Enterprises

To the Board

Please approve the request from Wikan Enterprises to purchase the lot on Dock Street where the marine diesel shop is built. We are in support of this sale from the Borough in order that the business can be sold.

Thank you for considering this - a very important transaction in order to keep this vital service in Petersburg.

Thank you
Jim Green
Tina Green

June 30, 2023

Debbie Thompson, Deputy Borough Clerk
Petersburg, Alaska

Hi Debbie and Planning Commission,

I received a letter from John & Sheri Wikan outlining their trials of selling the business and the problems tied to the leased land that their business building has sat on for the last 30+ years.

The fishing community is going to miss the expertise of these two as they start their well-deserved retirement process. The bit of light at the end of this tunnel for the fishing fleet is Earl Warner and Hillary McDonald are learning the skill set for repair of diesel machinery. This skill is very limited in town, it's kind of scary how limited it is. Warner & McDonald would like to purchase the Wikan's business to continue machine repair but not having the property attached (only leased) is not a financial investment. Banks like owned property not leased.

Both Kurt and I support the borough in selling this parcel of land to Wikans. Why not sell the property at fair market value to them. Let's keep business in Petersburg.



Kurt & Janet Kvernvik
PO Box 1081
Petersburg AK 99833

FV Island Girl
FV Marsons

From: David Beebe fvjerryo@mac.com
Subject: Wikan Enterprise represents an 'essential business'
Date: Jun 29, 2023 at 8:37:30 PM
To: Wikan Enterprises service@wikanent.com

To whom this matter may concern,

Wikan Enterprises has enabled small business people such as myself and countless others in the fishing fleet of Petersburg over the last 3 decades, to maintain continuity of livelihoods, solvency and residency.

Wikan Enterprises represents an 'essential business' crucial to an essential sector of the borough economy. It is in the best interests of the community at large to enable a continuity of ownership and operational capability of Wikan Enterprises Inc. — consistent with long-standing borough zoning objectives.

I feel confident if this were ever brought to a vote, a clear majority of residents would approve any procedural measures and/or necessary actions taken by the borough to assure such an outcome.

There are clear priorities to consider at the altar of the free market. Sacrificing collective community interests for the freedom of individual private interests to prevail upon the interests of the whole does not bode well for the continuity of the community itself.

Respectfully,
David Beebe
F/V Jerry O

From: [Debra Thompson](#)
To: [Anna Caulum](#)
Cc: [Liz Cabrera](#); [Ray Wesebaum](#)
Subject: FW: Letter of Support for Wikan Enterprises
Date: Monday, July 10, 2023 1:28:17 PM

From: Sheri Wikan <swikan@gmail.com>
Sent: Monday, July 10, 2023 12:16 PM
To: Debra Thompson <dthompson@petersburgak.gov>
Subject: Letter of Support for Wikan Enterprises

Dear Debbie Thompson

I am writing this letter in support of a direct sell of property to Wikan Enterprise on which it is now situated.

I believe that Wikan Enterprise has and will continue to be a solid business that will support the 100s of commercial vessels that call Petersburg home if the land sell is direct to them.

As a vessel owner of the F/V Cape Reliant I have been dependent on Wikans expertise for 25 plus years to keep me up and running so we could support several families with good income producing jobs and substantial tax revenue to the town of Petersburg.

As all buisness know professionals are extremely difficult to find. What Wikan Enterprise is proposing is a secure and stable business in Petersburg for the long term.

To deny the direct land purchase to Wikan Enterprise will do a deserves to all of Petersburg, buisness and families and the city itself.

If the land sell is not granted directly to Wikan Enterprise we will lose one of only two diesel mechanics that are serving 100s of local vessels. This could possibly cause many vessels and families to relocate to other towns that provide these services.

For the record in the last two years CRF.INC has taken its vessel to Wrangell for services no longer available in Petersburg spending in excess of 400k that could have been spent in Petersburg. I really do not wish to chase diesel mechanics also.

In closing let's not lose any local businesses. I fully support the direct sell of the property to Wikan Enterprise.

Bill Connor

Po box 1124

July 10, 2023

Petersburg Planning Commission
C/O Petersburg Borough
12 South Nordic Dr., PO Box 329
Petersburg, AK 99833

Dear Petersburg Planning Commission,

Wikan Enterprises, Inc. is an essential business for commercial fishing fleet and has helped to support local fishers, as well as being an integral business in our community. We wish to see this business continue.

Wikan Enterprises, Inc., should be granted the ability to purchase the tidelands in which the physical building of Wikan Enterprises, Inc. is located.

Sincerely yours,

Craig Evens

Ginger Evens

Craig and Ginger Evens

Minutes from Petersburg Harbor and Ports Advisory Board Regular meeting Thursday, August 17, 2023 at 7:00 pm in the Assembly Chambers.

1. ROLL CALL The meeting was called to order by Chairman Martin at 7:00 pm.
 Present: Board Members Martin, Roberge, Knight, Murgas, Cardenas and Stromdahl and Liaison Newman.
 Absent: Members Spigelmyre, excused
 Public in attendance: Curt & Kristi Birchell, Jeff Meucci, Hillary MacDonald, Earl Warner, Sheri Wikan, and Bennett McGrath
 Zoom attendance: Kim Randrup and unknown number
 Staff: Harbormaster
2. APPROVAL OF THE MINUTES: The minutes of the June 23, 2023 regular meeting were approved as written.
3. AMENDMENT & APPROVAL OF MEETING AGENDA: Agenda was approved with no additions.
4. PERSONS TO BE HEARD RELATED TO AGENDA:
 Sheri Wikan addressed the Board on behalf of she and her husband John and presented a history of their business, Wikan Enterprises before introducing the application and giving rationale for the purchase of the leased property request listed under New Business A. Ms. Wikan made comments in support of the Member Knights proposed recommendation that was part of the Board packet.

 Hillary MacDonald addressed the Board on behalf of she and Earl Warner and presented their plans for continuation of the marine diesel repair business. She reviewed the difficulty in obtaining affordable financing for a building on leased property.

 Bennet McGrath addressed the Board in support of the sale of leased property to Wikan Enterprises and suggested the inclusion of restrictive covenants to ensure the property remain marine service oriented.
5. PERSONS TO BE HEARD RELATED TO UNRELATED TO AGENDA: N/A
6. HARBOR MASTER REPORT: Harbormaster Wollen reviewed her written report. The report is attached and made a permanent part of these minutes.
7. UNFINISHED BUSINESS: N/A
8. NEW BUSINESS:
 - A. Wikan Enterprise, Inc. Application to Purchase Borough-Owned Leased Tidelands
 Member Knight made a motion with Member Murgas seconding for the Board to consider the written recommendation attached. In part it reads "A recommendation, from the Harbor Board to the Petersburg Borough Assembly, to grant the land purchase application, filed by Wikan Enterprises, to

purchase the Tidelands parcel they currently lease from the Borough, provided that certain further restrictions, to be agreed upon by the assembly and borough staff, are met.”

Chairman Martin opened the discussion up allowing members to give opinion and ask questions of staff and interested parties. Member Knight read, in part, a written commentary he had provided to explain the recommendation (attached), that includes rationale to support the marine diesel service and repair business and suggest the placement of restrictions on the property that may include 1) a covenant attached to the property itself, 2) satisfaction of a “first-right-of-refusal” agreement between the Borough and any potential owner of the parcel, (3) a change to the Borough zoning code, or(4) something else.

Discussion centered around the positive impact Wikan Enterprises, Inc. has had on the community’s fishing fleet and the importance to keep this vessel support business intact. Discussion also centered around concerns with the process of placing a restrictive covenant upon the property owner including how legally this could be obtained and then enforced. Member Stromdahl gave history to the area’s original property development through the Harbor Enterprise Fund. Member Murgas listed pro’s and con’s of property sale and mentioned experiences with covenants. Harbormaster Wollen cautioned the Board to consider the public planning for this area and all future waterfront projects as related to existing leases. Member Roberge commented upon the unique situation and importance of maintaining a diesel repair business for the community. Chairman Martin expressed concerns related to the actual need for purchase vs. continued lease and the president this sale will set for the 18 existing leases and their particular future plans.

The vote was taken, 4 yays and 2 nays with Roberge, Knight, Murgas, Cardenas voting yay and Martin and Stromdahl nay.

B. Adjournment: The Board adjourned at 8:02 pm.

Date Approved _____

A RECOMMENDATION, FROM THE HARBOR BOARD TO THE PETERSBURG BOROUGH ASSEMBLY, TO GRANT THE LAND PURCHASE APPLICATION, FILED BY WIKAN ENTERPRISES, TO PURCHASE THE TIDELANDS PARCEL THEY CURRENTLY LEASE FROM THE BOROUGH, PROVIDED THAT CERTAIN FURTHER RESTRICTIONS, TO BE AGREED UPON BY THE ASSEMBLY AND BOROUGH STAFF, ARE MET.

SUBMITTED ON 17 AUGUST 2023 BY CASEY KNIGHT TO THE HARBOR BOARD FOR CONSIDERATION AS A RECOMMENDATION TO CONVEY TO THE PETERSBURG BOROUGH ASSEMBLY.

WHEREAS, the type of marine diesel engine services provided by Wikan Enterprises are essential to maintaining a working waterfront in Petersburg; **AND**

WHEREAS, there are presently barely enough diesel mechanic services in Petersburg to meet the demands of the fleet, both commercial and non-commercial; **AND**

WHEREAS, the commercial fishing fleet is a primary driver of the economy of Petersburg; **AND**

WHEREAS, the non-commercial fishing fleet is also an economic and recreational force in Petersburg; **AND**

WHEREAS, generally, it is in the best interests of the community, and therefore is incumbent upon the community government, to support its primary economic and recreational activities;

THEREFORE BE IT RECOMMENDED, by the Harbor Board to the Assembly, to grant the land purchase application filed by Wikan Enterprises; **BUT**

WHEREAS, the Borough seeks to maintain an appropriate amount of control over, and income from, said parcel of land; **AND**

WHEREAS, the Borough seeks to maintain an appropriate amount of control over, and income from, similar parcels of leased land; **AND**

WHEREAS, Borough staff are worried about the possibility of a slippery slope, where a landslide of further similar applications to purchase leased land might come before the Borough; **AND**

WHEREAS, if such a landslide occurred, it might not be in the long-term best interests of the Borough, for a variety of reasons; **AND**

WHEREAS, the current regime of using land-leases to control the use of waterfront land does not prevent said land from being used for purposes unrelated to the marine industry (as witnessed by the coffee shop, automotive garage, and school bus depot adjacent the parcel in question (all of which, it is important to recognize, do provide valuable public services)); **AND**

WHEREAS, appropriate restrictions on the use of the parcel in question could help to maintain control over, and income from, said parcel; **AND** might help prevent a landslide of further similar applications; **AND** can prevent the parcel from being used for purposes unrelated to the marine industry, if so-desired;

BE IT FURTHER RECOMMENDED, by the Harbor Board to the Assembly, to place appropriate restrictions on the use of the parcel in question, in the form of some legal action taken at or before the granting of the application; **BUT**

IT IS NOT RECOMMENDED, by the Harbor Board to the Assembly, as to the exact form such action should take; **HOWEVER**

BE IT SUGGESTED, by the Harbor Board, that the Assembly consult the Borough attorney, as well as other Borough staff, as to whether the restriction in question should be either (1) a covenant attached to the property itself, (2) satisfaction of a “first-right-of-refusal” agreement between the Borough and any potential owner of the parcel, (3) a change to the Borough zoning code, or (4) something else.

Commentary

My goal in this recommendation is to ease a tension between what seem to be two opposing viewpoints.

First is the truth that Wikan Enterprises, under no circumstances, should be allowed to go out of existence without passing on the torch as they see fit. I believe that it would be a gross error for the Borough to stand by while one of the most important services for Petersburg’s fleet is whittled down to just one diesel mechanic shop. The current situation, with both Wikan’s and Luhr’s shops, is barely enough as it is. The community is nothing without a thriving waterfront, and you can’t have a thriving waterfront without tradesmen to service it.

The second viewpoint, one rightly held by Borough staff, is that the Borough should have an appropriate amount of control over its waterfront. It is a public space, and so the Borough, as agent of the public, should have a say in what happens there. This includes an appropriate amount of control over land that is waterfront-adjacent.

These come into conflict because the Borough would apparently lose control over the parcel, if the parcel were no longer under lease, and owned by another party.

Here you have my best attempt to resolve the tension between the two viewpoints. But, because I’m not a lawyer, or realtor, or otherwise qualified, I merely wave my hands at the form a “restriction on the use of the parcel” might take. You might somehow attach a covenant to the deed to the land, proclaiming it to be for marine-industrial use only. You might try a sales agreement that guarantees the Borough a “first-right-of-refusal” in perpetuity: where every time the parcel passes on, the Borough has an opportunity to buy it back. You might change the Borough code to maintain some sort of control over the parcel in question or even over other similar parcels, should they ever be sold.

This raises bigger issues than what I believe is the Harbor Board’s place to comment on. What is legally the best alternative among the three suggested; or should the Borough pursue some other legal avenue? Exactly how far should the Borough go in maintaining control over public space? How much should be left to private enterprise?

My own view is that public government should try to support the public good at least by providing a structure under which it can flourish. I think that we should alter this structure just a bit to help flourishing of Petersburg’s waterfront.

**PETERSBURG BOROUGH, ALASKA
RESOLUTION #2023-11**

**A RESOLUTION APPROVING THE DISPOSAL OF BOROUGH OWNED PROPERTY
LOCATED AT 103A DOCK STREET (PARCEL #01-010-037) BY DIRECT SALE TO
WIKAN ENTERPRISES, INC.**

WHEREAS, the Borough owns property located at 103A Dock Street, more particularly described as follows ("the property"):

Wikan Enterprises, Inc. Tidelands Lease Plat #92-23, Petersburg Recording District, First Judicial District, State of Alaska (Borough parcel # 01-010-037)

;and

WHEREAS, the property has a 2023 assessed value of \$75,300; and

WHEREAS, the property is currently leased to Wikan Enterprises, Inc. for an annual rate of \$4,032 with 24 years left on the 55 year lease; and

WHEREAS, application has been made to purchase the parcel and on July 11, 2023, a noticed public hearing was held by the Petersburg Planning Commission; and

WHEREAS, the Planning Commission considered and reviewed applicant materials, public comments and testimony, and staff comments, and have made recommendation to the Assembly to sell the property; and

WHEREAS, Borough Code Section 16.12.005, Leasing Preference, states, "The orderly development of the borough with due consideration toward ocean resource harvesting, economic development, public recreation and public service centers, combined with dwindling municipal revenues and limited land available for public purposes, supports a strong preference toward leasing land versus outright sale of land"; and

WHEREAS, Borough Code Section 16.16.070, Sale of Tidelands, states:

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

; and

WHEREAS, Borough Code Section 16.12.080(E) provides the Assembly the option of authorizing the Borough Manager to commence such negotiations, the final terms of which are subject to Assembly approval.

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

Section 1. The Assembly hereby authorizes the sale of the following property to Wikan Enterprises, Inc.:

Wikan Enterprises, Inc. Tidelands Lease Plat #92-23, Petersburg Recording District, First Judicial District, State of Alaska (Borough parcel # 01-010-037)

Section 2. The Assembly finds that the benefits of sale of the tideland property that could not be realized through leasing has been clearly demonstrated and that Wikan Enterprises, Inc. has conclusively demonstrated that the outright sale of the tideland property is in the Borough's best interests.

Section 3. The Assembly determines that exemption of this tideland property from public sale is in the best interests of the Borough, and that the property shall be disposed of by direct negotiations with Wikan Enterprises, Inc.

Section 4. The Borough Manager is hereby authorized and directed to commence direct negotiations with Wikan Enterprises, Inc. for disposal of the property, the final terms of which are subject to approval by the Assembly.

PASSED AND APPROVED by the Petersburg Borough Assembly on August 21, 2023.

Mark Jensen, Mayor

ATTEST:

Debra K. Thompson, Borough Clerk



Petersburg Medical Center

103 Fram Street
PO Box 589
Petersburg, AK 99833

Phone: 907-772-4291
Fax: 907-772-3085

August 14, 2023

Petersburg Borough Assembly

RE: New Hospital Project – Dawson Contract Amendment for Sitework

Dear Assembly Members:

Borough Resolution 2023-04 authorized PMC to execute a CM/GC contract with Dawson Construction for pre-construction services for the new hospital project. The resolution also stipulated that the Borough Assembly must authorize Guaranteed Maximum Price (GMP) amendments to the contract for any service that does not constitute a pre-construction service. The CM/GC contract was executed on May 5, 2023, and Dawson has been providing pre-construction services in support of the project since that time.

PMC is now ready to execute a GMP amendment to the Dawson contract to prepare the site for construction. Starting sitework is important for two reasons; (1) site preparation is required before construction of the new hospital facility itself can begin, and (2) completing the sitework will make the overall project truly shovel ready which will help attract additional partners to complete the funding stack for the project.

On July 27, 2023 the PMC Board passed the following motion; The Petersburg Medical Center Board of Directors, assuming a competitive bid is received that is reconciled against an independent estimate, authorizes the CEO to, (1) identify the most appropriate funding source(s) for the site work, (2) negotiate a sitework package with Dawson Construction, (3) present a contract amendment to the Borough Assembly for approval, and (4) execute a contract amendment with Dawson Construction.

Sitework plans and specifications were prepared by the Architect/Engineer team for the project (Bettisworth North Architects and Planners) dated July 20, 2023. Dawson Construction initiated a public bid process for an earthwork subcontractor on July 21st. Two bids were submitted on August 9th. The low bidder was Rock-N-Road Construction, Inc. from Petersburg. The proposed overall GMP Amendment, which includes Rock-N-Road subcontract costs, Dawson direct costs, and other related costs is \$5,898,643. This amount is within 1.4% of an independent estimate for the work. The \$5,816,900 independent estimate was prepared by Estimations, Inc., who is a subconsultant to Bettisworth North.

The source of funds for the sitework GMP amendment will be the pending Department of Treasury grant and/or the HRSA grant which was awarded to PMC in August 2022. After the GMP Amendment is executed, PMC will work with Dawson to determine an NTP date and

detailed schedule for the work, pending a final determination on the source of funding and once all permits and clearances are obtained. Note that the USACE 404 Permit was issued on August 2, 2023, and PMC expects final NEPA clearance by early September.

RECOMMENDATION: That the Borough Assembly authorize PMC to execute a GMP Amendment to the Dawson Construction contract for sitework, in an amount not to exceed \$5,898,643.

Thank you for your consideration.

Sincerely,



Phil Hofstetter

copy: Steve Giesbrecht, Borough Manager
Jody Tow, Borough Finance Director
Debbie Thompson, Borough Clerk
Jerod Cook, PMC Board President

**PETERSBURG BOROUGH
RESOLUTION #2023-04**

A RESOLUTION OF THE PETERSBURG BOROUGH APPROVING THE HOSPITAL BOARD'S SITE SELECTION FOR A NEW HOSPITAL FACILITY, AUTHORIZING THE HOSPITAL BOARD'S SUBMISSION OF REZONING AND SUBDIVISION APPLICATIONS FOR THE SITE, AND AUTHORIZING THE HOSPITAL BOARD TO PROCEED WITH CONTRACTING WITH DAWSON CONSTRUCTION FOR PRECONSTRUCTION SERVICES UNDER A CONSTRUCTION MANAGER/GENERAL CONTRACTOR AGREEMENT

WHEREAS, on May 17, 2021, the Assembly approved Resolution #2021-04, a copy of which is attached hereto as Exhibit A, stating its support for the Hospital Board ("the Board") to commence phased planning for a new hospital facility ("the project"); and

WHEREAS, the Board has now selected a preferred site for the project, a 17-acre area owned by the Borough, and referred to as the North Haugen-Excel St. Site ("the site"); and

WHEREAS, the Borough Assembly wishes to approve this selection, dedicate the site for such use, and authorize the Board to submit applications for rezoning and subdivision/replatting of the site as may be necessary for the project under the Petersburg Municipal Code; and

WHEREAS, pursuant to PMC 3.50.070C, the Board hired Bettisworth North Architects & Planners to act as the architect for the project and the Preliminary Design phase has commenced, including geotechnical investigation and site and utility assessment; and

WHEREAS, at its April 3, 2023 regular meeting, the Assembly appointed Borough Manager Giesbrecht to the PMC Project Steering Committee, so that he can advise the Assembly on the progress of the project moving forward; and

WHEREAS, in December 2022, the Hospital Board issued a Request for Proposals (RFP), seeking proposals for a Construction Manager/General Contractor (CM/GC) for the project; and

WHEREAS, the CM/GC would provide preconstruction services for the project during the design phase, including assisting with phasing of the project, cost estimating, and value engineering; and

WHEREAS, under the CM/GC contract, a Guaranteed Maximum Price amendment could be executed upon completion of the design, for the CM/GC to construct the project for an agreed upon maximum price; and

WHEREAS, if a Guaranteed Maximum Price cannot be agreed upon between the parties, the contract can be terminated; and

WHEREAS, in response to the RFP, the Board received two proposals, which were evaluated and scored by the Board's selection committee; and

WHEREAS, the committee recommended to the Board that the proposal submitted by

Dawson Construction be accepted, and the Board adopted that recommendation on February 23, 2023; and

WHEREAS, the Borough Assembly wishes to now authorize the Board to proceed with contracting with Dawson Construction under a CM/GC contract, under the conditions set forth in this Resolution.

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

1. The parcels identified in attached Exhibit B, located within the Airport Addition Subdivision (Plat Nos.77-2 and 94-6, Petersburg Recording District), selected by the Hospital Board as the preferred site, are hereby dedicated for use by the Hospital Board for the new hospital facility.
2. Pursuant to the selection of this site for the project, the Hospital Board is authorized to submit applications for a change of zoning of the parcels from their current zoning to Public Use, and for subdivision/replatting of this area, along with any necessary right-of-way vacations, as may be required under the provisions of Petersburg Municipal Code.
3. Pursuant to Section 9.03 of the Borough Charter and Sections 3.50.060 and 3.50.080 of the Petersburg Municipal Code, the Hospital Board is authorized to proceed with execution of a CM/GC contract with Dawson Construction, in substantially the form as attached hereto as Exhibit C. The Hospital Board shall administer, supervise and manage all aspects of Dawson's performance under the contract.
4. No Guaranteed Maximum Price amendment or Notice to Proceed for any service that does not constitute a preconstruction service shall be executed without authorization of the Assembly.
5. The Borough shall be notified when the Hospital Board issues any Notice to Proceed (NTP) to Dawson for preconstruction services. Such notice shall be given by email or personal delivery to the Borough Manager and to the Borough Clerk. A NTP can be issued by the Hospital Board only if the funds for the work to be performed under the NTP are fully appropriated for that work in the current hospital budget and said appropriation shall not lapse until the work called for under the NTP has been fully performed.
6. The Borough Manager is authorized to acknowledge in writing the CM/GC contract under the terms and conditions of this Resolution, and the Manager's signature shall be attested to by the Borough Clerk.

PASSED AND APPROVED BY the Petersburg Borough Assembly on this 17th day of April, 2023.


Mark Jensen, Mayor

ATTEST:


Debra K. Thompson, Borough Clerk

Debra Thompson

From: Sarah Fine <sarah@finewalshlaw.com>
Sent: Monday, August 7, 2023 1:46 PM
To: Assembly
Subject: Re: Selling Lot to PIA "At or Under" Market Value

My apologies, I intended to mean "at or under" assessed value (not market value).

SFW

On Mon, Aug 7, 2023 at 1:43 PM Sarah Fine <sarah@finewalshlaw.com> wrote:

Dear Assembly:

At the next meeting, please consider selling the lot to PIA in a direct sale for "at or under market value." This would give the Manager the ability to both pay PIA respect as our sister government and additional room for negotiation.

Further, I specifically support selling the property to PIA under market value as this would free up PIA's resources to help our community as a whole in other ways.

Sincerely yours,
 Sarah Fine-Walsh

--



Sarah Fine-Walsh, Attorney
 Partner | Fine & Walsh, Attorneys at Law

15 North 12th Street, Suite 213A
 Petersburg, Alaska 99833

907.650.7589 | sarah@finewalshlaw.com

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Debra Thompson

From: Marja Smets <marjasmets@gmail.com>
Sent: Wednesday, August 9, 2023 1:33 PM
To: Assembly
Subject: The Market in Petersburg

Aug 9th, 2023

To the members of the Petersburg Borough Council,

This summer is the 14th season for The Market in Petersburg, a locally organized community market that takes place twice a month from May through September. The Market features vendors who sell handmade and homegrown goods including fresh vegetables, baked goods and artisan jewelry. It is a celebration of the creativity and talent found in our small island community.

This year The Market in Petersburg was awarded a grant from the Alaska Farmers Market Association (AFMA)/USDA, administered by Cook Inlet Keeper. This award provides The Market with funds to increase its level of local advertising, including online, in the paper, and over the radio. Through increased advertising we hope to broaden our reach in the community and increase the number of vendors and participants at The Market this summer. The board of directors for The Market in Petersburg would like to invite you to participate in the event sometime this summer. The gathering happens every second and fourth Saturday of the month at Inga's Galley and the next market is scheduled for Saturday August 12th. Hope to see you there!

Sincerely,
Marja Smets
Member of the Board of Directors for The Market in Petersburg