



**Minutes of Economic Development Committee Meeting
Held on December 20, 2023**

1. CALL TO ORDER: Call to order at: 5:30pm.

2. ROLL CALL:

PRESENT: Chair Bob Dalrymple, Brian Ashton, John DeRuyter, Caitlin Cardinell, Jillian Privett

ABSENT: NONE

STAFF: Kate Thomas, Matt Henson

3. AMENDMENTS TO THE AGENDA: NONE

4. CONFLICT OF INTEREST: NONE

5. APPROVAL OF MINUTES

- a. Approval of the Economic Development Board meeting minutes from September 7th, 2023.

M/S: JP/JD move to approve the Regular Meeting minutes of the Economic Development Board from September 7th, 2023.

Approved unanimously by polled vote.

6. CORRESPONDENCE: NONE

7. PERSONS TO BE HEARD: NONE

8. BOARD MEMBER REPORTS

Privett announced that the City and Borough Ketchikan and Saxman were awarded \$4.5m from the Alaska Housing Finance Corporation to build nine units by 2025. Similar to Sitka, Ketchikan lacks readily available land to develop which has similarities to Wrangell's current situation.

Dalrymple stated that the US Forest Service cabin environmental assessment has been completed as the Forest Service continues to look for areas for future cabins. The official report is forthcoming.

9. DIRECTOR REPORT:

Director Thomas provided an oral report. FY25 State and Federal Capital Project priorities approved by the Assembly were distributed.

10. UNFINISHED BUSINESS: NONE

11. NEW BUSINESS

- a. Nomination and appointment of Chair and Vice Chair for the Economic Development Board.

M/S: JD/CC move to appoint Bob Dalrymple as chair and Jillian Privett as vice chair of the Economic Development Board.



Approved unanimously by polled vote.

- b. Approval of the 2024 regular meeting schedule to include the work session in January.

DeRuyter stated that in his opinion, the number of meetings currently proposed do not allow for a proper amount of time for the board to properly digest the information proposed on actions items or for the execution of the annual work plan.

Ashton stated that he agrees with DeRuyter that there needs to be more time but that he doesn't have a solution. He will continue to brainstorm ways to maximize time.

M/S: JP/JD move to approve the 2024 regular meeting schedule as presented to include the January work session on January 27th at 9:00am.

Approved by polled vote.

- c. Review and approval of the Alder Top Village land sale proposal.

Director Thomas gave an administrative report. Stated that she would like to see a homeowners financing workshop to help the public understand their options for funding in February.

DeRuyter mentioned that based on the handbook presented in September, there is precedent for land lottery with stipulations and/or eligibility criteria. Asks what liability the borough may take on by this approach. Thomas stated that the land lottery the borough based their process off was based in Skagway. The handbook refers to lotteries that took place in the 80s and 90s. She continued to state that the borough is looking for ways to make the land sale fair. However, there is no clause in the currently drafted non-codified ordinance that states a person is limited to one lot if more than one ticket is pulled. DeRuyter stated that he would like to see a limit placed on the number of parcels that can be purchased by one party. Cardinell stated that she would support the recommendation of limiting parcel sales to one. Privett stated that she would support a cap on parcel sales but would like to see a higher number to give the public a variety of options which would help encourage more land sales. Cardinell stated that loose restrictions at the beginning do not allow for tightened restrictions in the long term and that she would like to see more people have an opportunity to own land.

Ashton stated that by subsidizing the lots, we would be misusing taxpayer money if one person can buy multiple lots via the lottery. If there is a surplus of lottery lots, then the sale should switch to bid which would help set a precedent for future borough land sales. He recommended that phase one lots be sold to the highest bidder rather than a lottery and then review how the sale went to better inform phase two. Stated that the borough is not subsidizing building dream homes but rather starter homes.

Thomas stated that the current project timeline states that there will be a public surplus auction of land before the lottery takes place. She also stated that she fully supports the limit of parcel per applicant for lottery sales. Lots that go unsold go to public auction. Thomas also mentioned that surplus procedure is in the Borough's current code, but the lottery is a non-codified ordinance that has not been approved.

Ashton asks that boards thought of releasing the high dollar lots immediately, and deferring sale of the lottery lots at a later time. Will this slow down the process? Thomas stated that yes, it will.



Thomas explained that the administration of the sale is a big part of the timeline and that it her understanding from leadership and the council they would like to tackle all aspects of phase 1 sales at one time, including determination of methods of sale and procedures.

Cardinell stated that she likes the direction the board is going and is ok with one party purchasing more than one lot in the surplus auction but still wants to make sure that the lottery sales are limited to one lot per person. If the lottery runs out of tickets, then a process must be in place to address that.

Dalrymple stated that he agrees with Ms. Cardinell but mentioned that there is need to maximize money for the borough but also to mitigate financial lust and agreed that there should be a limit of one lot per person in the lottery. He reminded that board that there are a lot of administrative functions that staff are engaging in daily that the board does not need to engage on. He also stated that the assembly has a desire for action and does not want to draw this process out and would see the board's recommendation in one comprehensive package rather than portions over time. He stated he would support an amendment to the motion to add a limit to the number of parcels an individual could purchase in the lottery.

Ashton stated that there was interest from the community in the borough to provide subsidy or financing for lots and asked if this were still something the borough would consider. Thomas stated that the Finance director is not interested in financing lots for the public and this is the reason staff are proposing a financing symposium to educate the public on their options. She also mentioned that the sale terms for the lottery are different than the public surplus and these differences are meant to address the lack of financing. The borough has financed the development of the lots through a balance of funds. No grant or outside agency funding has been provided on the current construction.

Dalrymple stated that his belief is that the borough doesn't view itself as a housing authority therefore it would not offer financing.

M/S: JP/CC move to approve recommendation to the Assembly on the methods of sale, protective covenants, financing, sale terms and participation eligibility as presented for lot sales at Alder Top Village.

M/S: JD/JP move to amend the motion to limit the number of parcels to one per person in the land lottery.

Amendment approved unanimously by polled vote.

Motion approved unanimously as amended by polled vote.

12. NEXT AGENDA ITEMS

Thomas restated that the retreat is scheduled for January 27th from 9:00am to 12:00pm and that this will help set the workplan for the next calendar year.

13. ADJOURN

Adjourned at 7:12pm. Next regular meeting is scheduled March 5th, 2024. A board retreat has been scheduled for January 27th, 2024.



ATTEST: _____
Secretary

Chair of the Board