

Minutes of Economic Development Board Meeting
Held on January 05, 2026

1. CALL TO ORDER: 5:34 PM

2. ROLL CALL:

PRESENT: Ashton, Privett, DeRuyter, Dalrymple, O'Brien

STAFF: Kate Thomas, JR Meek

3. AMENDMENTS TO THE AGENDA: None

4. CONFLICT OF INTEREST:

O'Brien disclosed a conflict of interest for Item 10C related to the Timber consultant service agreement with the Borough.

5. APPROVAL OF MINUTES:

- a) Approval of the Economic Development Board regular meeting minutes from December 2, 2025.**

M/S: O'Brien/DeRuyter

All in favor.

6. DIRECTOR REPORT:

Staff advised that a written Director's Report will be prepared for the Board in March, providing a more detailed analysis of the grant. Staff also reminded the Board that the Borough Assembly will hear a presentation on this matter at its upcoming meeting. Commissioners are invited to attend the Assembly meeting, scheduled for Wednesday at 5:30 p.m., regarding American Cruise Lines (ACL).

7. CORRESPONDENCE: None

8. PERSONS TO BE HEARD:

Joan Sargent addressed the Board on Item 10a. Sargent stated that the public has limited awareness of the GreenSparc proposal's potential impacts related to water use, waste management, and heat or air expulsion. She also stated that the information currently available lacks sufficient detail to address these issues. Sargent noted the increasing cost of living within the community and addressed concerns that additional development could further increase expenses and place financial burdens on residents. Sargent referenced an article related to excess power generation within the industry and noted fail-safe measures in the event of power outages or system failures, along with other contingency planning considerations for GreenSparc.

Diane O'Brien also addressed the Board with questions regarding the Green Sparc proposal. She requested additional information on the company's industry history, anticipated duration

of operations, total energy consumption of the facility, water discharge methods following construction, potential light and noise impacts, employment opportunities, expected lifespan of the project, and decommissioning or teardown plans should the operation cease in the future.

9. UNFINISHED BUSINESS: None

10. NEW BUSINESS:

- a) Review and approval of a request from Green Sparc to lease Borough-owned real property at the Deep-Water Port.**

M/S: DeRuyter/O'Brien

Move to recommend that the Borough Assembly approve the GreenSparc request for a lease of Borough-owned property at the Deep Water Port, based on its alignment with Borough economic development and infrastructure resilience goals, its contribution to long-term industrial diversification at the former Mill Site, and its potential to support utility investment and community resilience, subject to the conditions outlined in the staff recommendation.

Staff provided administrative report. The proposal involves development of a 10,000-square-foot facility. Staff noted that the Borough purchased the former mill property in 2022 and has since been actively seeking economic partners to support redevelopment of the site. Staff explained that GreenSparc has been considered in part due to its potential to support utility development and energy expansion.

DeRuyter asked whether utility costs could increase in the event of a power outage or low-power alert, particularly if demand increases. Staff responded that no definitive answer is available at this time but confirmed that the Borough Manager is aware of the concern and intends to address it during negotiations. Staff noted that this issue could be incorporated into recommendations from the Board. Staff clarified that community needs on power consumption would be prioritized over those of the data center.

O'Brien commented that overall energy consumption remains uncertain with the addition of JAG and AML. He recommended evaluating the proposal from a holistic perspective to better understand cumulative impacts as additional developments are considered. Staff explained that the project team is evaluating each prospective tenant's energy and service demands to ensure those are incorporated into the site development and construction scope.

DeRuyter asked whether the Board would have the opportunity to review the proposal following negotiations. Staff responded that the Board would not review the proposal during or after negotiations once the advisory period concludes. Following approval of a motion, review authority would rest with the Borough Assembly, which may introduce motions or amendments during its deliberative process. The agreement would include lease payments,

appraisals, and consideration of possessory interest, along with other relevant terms and conditions.

O'Brien inquired about the location of the proposed backup generators. Staff responded that existing structure remains on site but requires upgrades to serve new tenants. GreenSparc has proposed to rehabilitate; however, staff noted that the Borough is also evaluating the building for other potential uses such as housing the generators. Staff also stated that an existing 2" water line is on site and will be evaluated for condition and future use within the subdivision. O'Brien inquired whether the water service line crosses private property. Staff stated that the source water does traverse other upland properties.

Privett referenced a comparable situation involving Tidal Network, where community input was limited, and recommended that GreenSparc engage directly with the public through Q&A sessions. Privett stated and recommended GreenSparc to provide company history to the community to help create transparency with residents. While acknowledging the potential economic benefits of the data center, Privett stated reluctance to move forward without additional information and greater due diligence on potential impacts to the community.

Ashton noted that similar facilities in other communities have faced public backlash, particularly related to waste management concerns. Ashton stated concern if power supply costs could ultimately be passed on to residents, as has occurred in other communities. Ashton also inquired how the proposed facility would adequately support GreenSparc's operational needs in Wrangell. Staff responded that the Borough maintains representation on the SEAPA Board and that SEAPA is currently exploring alternative energy and expanded power supply to enhance Wrangell's capacity.

Ashton shared information about heat generation associated with artificial intelligence data centers. He explained that such facilities produce significant heat at accelerated rates which could be repurposed as an energy/heating source for another entity.

Staff informed the Board that a series of public presentations are planned for January to address the scale of infrastructure proposed for development at the former mill site. These presentations are intended to respond to public concerns, for GreenSparc and other industry partners, during comment periods.

Chair Dalrymple requested staff to incorporate specific conditions into the motion, including a requirement for Green Sparc to complete a power assessment prior to any vote, provisions to protect community ratepayers and essential services from adverse impacts, and a requirement that Green Sparc conduct a community presentation. Staff outlined additional conditions that will be incorporated into an amended motion.

The Board recommended including the following terms and provisions in the recommendation to the Borough Manager and Assembly regarding lease negotiations and subsequent approval; utility thresholds and rates including power and water; interruptible rates; consultation and coordination with SEAPA; capital improvement and maintenance

responsibilities; waste management and environmental provisions; vacant facility and/or lease termination; coordination with other site tenants to ensure capacity can be met; engineer assessment of utilities and construction; noise and lighting outputs and limitations; workforce development opportunities; and, local taxes requirements.

Polled Vote – All in Favor

- b) Review and approval of a request from JAG Marine Group to lease Borough-owned tidelands and real property at the Deep-Water Port.**

M/S: DeRuyter/O'Brien

Move to recommend that the Borough Assembly approve the JAG Marine Group request for a long-term lease of Borough-owned property at the Deep-Water Port, based on its alignment with Borough economic development goals, its potential to anchor long-term maritime industrial activity, its contribution to workforce development and regional vessel repair capacity, and its strategic value to Alaska and national maritime operations, subject to the conditions outlined in the staff recommendation.

Sargent asked questions regarding the visual impact of the proposed development as viewed from the highway and waste management boundaries, specifically whether responsibility for garbage disposal would fall to the Borough or the leaseholder. Staff then provided an administrative report. Staff explained that JAG plans to expand its footprint in Alaska and has identified Wrangell's location as well suited to meet its operational needs.

Staff referenced 2016 community feedback identifying marine freight, fabrication, and repair services as highly sought-after economic priorities. JAG proposed to provide marine repair services for large vessels, JAG sought to partner with the Borough on a feasibility study that would include site feasibility, market demand, cost estimates and 30% design.

Staff noted that the partnership could support job creation, workforce development, and broader marine industry growth within the community. JAG has worked with Senator Sullivan's office to better understand cost estimates related to facility development and Department of Defense operations. The proposed development could generate beneficial employment opportunities, potentially supporting residential growth at Alder Top Village and other areas, as well as increasing enrollment and support for local schools.

O'Brien asked whether the overall EDA grant would be focused on JAG as part of the full development of the deep-water port site. Staff stated that the Borough is developing its project scope around infrastructure that is necessary for all tenants of the site through the EDA grant. O'Brien inquired about JAG business model and referenced the recent lease termination of Vigor in Ketchikan, specifically addressing a lack of market demand as a concern. Staff stated that JAG has expressed confidence in their ability to capture much of the market that is being lost to the lower 48 due to Alaska's capacity to service ships of a certain size and volume at present.

Staff noted that JAG has not yet completed development of its Seward facilities due to complications with private property boundaries, which may be an important topic to address during community presentations. O'Brien also asked whether JAG initially sought to purchase the entire mill property. Staff explained that the Borough chose not to sell the property to a single entity, instead pursuing a strategy involving multiple partners and agencies, supported through coordinated and shared development efforts. Sargent inquired on access points that were missing from the draft materials. Staff responded that access details missing are from the preliminary drawings in rough draft form and will be refined as things progress.

Chair Dalrymple recommended for staff to include information on employment programs within future materials, including workforce development opportunities, apprenticeships, training programs, and long-term plans for engaging with the local population. He further recommended that such commitments be incorporated as stipulations within any contractual agreements. Staff confirmed that these comments would be added to the memorandum.

Polled Vote – All in Favor

c) Review and approval of zoning designation of Earl West Entitlement Lands for Timber Management.

M/S: DeRuyter/Ashton

Move to recommend that the Borough Assembly designate the Earl West Entitlement Lands for Timber Management, authorizing the Borough to utilize the land for sustainably harvested timber sales to support the local economy, small sawmill operators, and long-term Borough revenue generation, while maintaining flexibility for future land use and development consistent with Borough policy and applicable review processes.

Staff provided an administrative report. Staff reported that the Earl West area has been identified as a suitable location for timber management and the area is considered a priority harvesting site at the state level within the next five years. Staff explained that the proposed priority designation would next be forwarded to the Planning and Zoning Commission for ordinance consideration, and subsequently to the Borough Assembly for final review and action.

Staff reported that work was conducted with Mike Allen Enterprises (local Mill Operator) to review survey-related information for the area and to identify key advantages and constraints, including location, best-use considerations, and timber identification efforts. Staff clarified that a formal survey is not required for the land; however, careful planning will be necessary to avoid boundary line encroachment and ensure compliance with applicable requirements.

Staff reported that the Earl West area under consideration encompasses approximately 900.2 acres. Staff stated that the Borough is pursuing a stewardship or "Good Neighbor Authority" agreement with the forest service to help propel further timber initiatives. Borough staff will continue coordinating at an agency level with the state and feds through this process.

Polled Vote – O'Brien abstains. Privett, Ashton, DeRuyter and Chair Dalrymple vote in favor. Motion passes.

11. BOARD MEMBER REPORTS: None

12. NEXT AGENDA ITEMS:

Staff advised that a special meeting may be called in February as the EDA grant review process approaches its final stages. The purpose of the meeting would be to provide the Board with an advisory opportunity prior to advancing the grant process.

The next regular meeting of the Economic Development Board is scheduled for March, with the date to be determined.

13. ADJOURN: 7:41 PM

Chair

ATTEST: _____
Secretary