

**Minutes of Economic Development Board Meeting
Held on April 01, 2025**

1. CALL TO ORDER – 6:45 PM

- a. Work session was held before the meeting from 5:30-6:30 PM

2. ROLL CALL

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

STAFF: Kate Thomas, JR Meek

3. AMENDMENTS TO THE AGENDA - None

4. CONFLICT OF INTEREST

O'Brien declared a conflict as he is working with the Borough on the Timber Initiative, specifically to perform appraisals in advance of timber sales.

The commission determined that there was no conflict of interest.

5. PERSONS TO BE HEARD - None

6. APPROVAL OF MINUTES - None

7. DIRECTOR REPORT - None

8. CORRESPONDENCE - None

9. UNFINISHED BUSINESS - None

10. NEW BUSINESS

- a) Facility Use Agreement between the City and Borough of Wrangell and the Wrangell Chamber of Commerce.

M/S: Privett/Dalrymple

Move to recommend to the Borough Assembly approval of the Facility Use Agreement between the City and Borough of Wrangell and the Wrangell Chamber of Commerce, as presented.

Polled Vote: All in favor

Staff expanded the discussion to address storage capacity, the decision to forgo raffles and pull tabs, and the establishment of a three-year agreement, which will still require separate Assembly approval. Chair Dalrymple approved the facility-use agreement between the Chamber and the Borough but expressed concerns about cybersecurity, particularly regarding the potential risk of hacking. Staff clarified that the Chamber and the Borough will maintain separate document storage, servers, and phone lines, with the option for the Chamber to install its own phone and network services at the Nolan Center. A separate line item will be added to the agreement to specifically address cybersecurity measures.

- b) Review and approval of the Tideline Construction proposal to purchase a portion of the Six-Mile-Deep Water Port property for economic development purposes.

M/S: Privett/DeRuyter

Move to recommend that the Borough Assembly authorize the Borough Manager to proceed with project development plans and the negotiation of a Purchase and Sale Agreement with Tideline Construction, LLC, for economic development purposes.

Staff clarified that William Tonsgard, owner of Tideline Construction, LLC, submitted a proposal in January. Tideline is a sister company to Channel Construction. Channel Construction has operated locally for five years, assisting with abandoned vehicle removal and town clean-up efforts, providing relief to Borough resources. Tideline Construction offered \$250,000 for approximately 10 acres of land, although the land has not yet been appraised. Staff explained that the offer includes both monetary payment and labor contributions, such as clearing logs, sawdust, and abandoned buildings, to improve the site's marketability for future development.

Staff emphasized that Tideline's operations would likely compete with small businesses, focusing instead on larger-scale commercial industry and projects. The Borough currently lacks the funding and manpower to complete the site clean-up, which remains a barrier to attracting new investment.

Further discussion covered the need for a formal appraisal and survey to establish fair market value before negotiations proceed. Staff noted that Tideline's offer aligns with the Borough's long-term economic development goals. DeRuyter stressed the importance of proper documentation of appraisals and clear valuation metrics. The Borough Manager, Borough Attorney, and Tideline Construction will collaborate to draft an agreement.

Chair Dalrymple expressed concern about conducting land clearing activities without proper environmental clearance and recommended that environmental oversight and a long-term land development plan be clearly outlined in the agreement, to ensure protection of community interests and support responsible site development. He further commended Tideline Construction, LLC, for their productive contributions to Wrangell, recognizing the company's positive long-term impact and identifying them as a key tenant critical to helping centralize economic activity needed for the Borough's growth.

Staff referenced a 2016 Assessment and Feasibility study that had designated 12.6 acres for future development but had not identified a specific use. The study identified recycling and processing as a viable use, although costly for a municipally operated division/ Staff highlighted that incentivizing an existing tenant like Tideline could finally move land development forward. Staff stated that an Appraisal, Survey, and Driveway permit are all necessary for the sale of the requested area.

There was also a discussion about whether Tideline would move all operations or just a portion to the area. Staff stated that it is the understanding that Tideline would relocate all regional operations to Wrangell. Staff referenced Tideline's larger-scale work history and affirmed their proven experience and strong relationship with the Borough as valuable assets for the project.

- c) Information and Resources on the Wrangell Timber Initiative and prospective areas for zoning Timber Management.

Staff presented a PowerPoint overview to the Planning & Zoning Commission regarding efforts for the Borough to gain ownership and control over the development of land entitlement. Surveying these lands will be necessary, at a cost of approximately \$2,000 per application. Staff outlined the challenges in prioritizing land areas for recreational versus environmental purposes.

The Borough identified rights to entitlement land areas, allowing for zoning and potential timber harvesting activities, provided they occur away from sensitive areas. A partnership opportunity was noted with the Mental Health Trust, an organization that manages timber land assets. Ongoing discussions were held with the Trust Land Office to better understand the economic potential of these lands. Staff also highlighted other development efforts under the Initiative and noted outreach to companies such as Viking and Alcan to explore timber development opportunities in Wrangell.

The Borough Manager has engaged with key stakeholders to advance the Initiative. The proposed plan is to zone all identified lands for timber management initially, with the flexibility to recommend different zoning designations at a later time if needed. Staff clarified that land use under this Initiative would be multi-purpose unless formally re-zoned through an adopting district.

Chair Dalrymple emphasized the significant, underutilized potential of Wrangell's timber resources and stressed the importance of inter-agency cooperation to responsibly develop these assets. He commended the Borough's proactive approach in launching the Initiative.

Staff announced plans for a lumber workshop to be established in Wrangell. Staff also referenced the University of Alaska Fairbanks' training programs that could further support the timber initiative.

11. BOARD MEMBER REPORTS

Chair Dalrymple reported that the USFS Tongass Forest Management Plan is currently on hold.

12. NEXT AGENDA ITEMS

Staff will need a special meeting within the next two months, topics TBD. DeRuyter will be absent within the last few weeks of June; Chair Dalrymple will also be absent for a portion of the summer.

May 6th is tentatively scheduled for a special meeting.

13. ADJOURN – 8:05 PM

Chair

ATTEST: _____
Secretary