



City and Borough of Wrangell
Port Commission
AGENDA

Thursday, July 17, 2025
5:30 PM

Location: Borough Assembly Chambers
City Hall

1. CALL TO ORDER

2. ROLL CALL

3. APPROVAL OF MINUTES (*MOTION - Move to approve the Minutes, as presented*)

a. 6/18/25 Port Commission Minutes

4. AMENDMENTS TO THE AGENDA

5. CORRESPONDENCE

6. PERSONS TO BE HEARD

7. HARBORMASTER'S REPORT

8. COMMISSIONER REPORTS

9. UNFINISHED BUSINESS

a. Approval of lease agreement - Marine Service Center Lot #5 40'X50' to Mike Nurco, DBA Stem to Stern Shipwright Services

10. NEW BUSINESS

11. NEXT AGENDA ITEMS

12. ADJOURN

**Minutes of the Regular Wrangell Port Commission Meeting
Held June 18, 2025**

Item a.

Chairman John Yeager called the Regular Port Commission meeting to order at 6:00 p.m. on June 18, 2025.

PRESENT: Commissioners Yeager, Yancey, Bunes
Harbormaster Steve Miller was also in attendance.

APPROVAL OF MINUTES

a. Approval of minutes from meeting held on April 3, 2024.

M/S: Bunes/Yancey to approve the minutes as presented. Motion approved unanimously.

AMENDMENTS TO THE AGENDA – none.

CORRESPONDENCE/PERSONS TO BE HEARD –

Sylvia Ettefagh was present and spoke on the cruise ships scheduled to be in Wrangell on July 4, 2025. She stated she doesn't foresee the cruise ship passengers being filtered downtown much since the tour bus and tour boat schedules will be highlighting parts of town that are not located downtown. Ettefagh also noted that the airplane float needs non-skid and described a chain link fence system that may be beneficial for creating and maintaining a secure area for cruise ship security on WHD dock systems.

HARBORMASTER'S REPORT

- Harbormaster Miller went through the prepared Harbormaster Report.
- All cranes have been certified.

COMMISSIONER REPORTS

- Bunes – Mentioned CVB had a good meeting, talked about mitigating foot traffic on July 4th.
- Davies – absent.
- Yeager – none.
- Yancey – none.
- Silva – absent.

UNFINISHED BUSINESS – none.

NEW BUSINESS –

10a. Brett Woodbury request to purchase Tidelands Parcel 02-003-254 Lot 12, Block 12 A Subdivision 39-03, Plat 2004-9 and Parcel 02-003-258 Lot 13, block 12A Subdivision 39-03.

Mr. Woodbury was present to answer questions. Bunes asked if the fill might impede ferry access, Woodbury doesn't anticipate any issues.

M/S: Bunes/Yancey to approve the motion as presented. Motion approved unanimously by polled vote.

10b. Request to lease Marine Service Cetner Lot #5 40'x50' to Mike Nurco, DBA Stem to Stern Shipwright Services.

Mr. Nurco was present via Zoom to answer questions. Yeager asked if this lot size is sustainable for the growth of Nurco's business, Nurco said he can make it work. Yancey asked about employees, Nurco responded that he currently does not have any employees but hopes to hire a young person to eventually take over the business. Bunes asked about vendor insurance for the building on the lot, Miller and Nurco

said they would check with the respective parties involved in making those decisions. Yeager proposed putting an updated lease agreement together and revisiting this in next month's meeting.

M/S: Buness/Yancey to approve the motion as presented. Motion denied unanimously by polled vote.

10c. Request from American Cruise Lines to lease a portion of Borough-owned tidelands identified as APN 02-024-600, of the Wrangell Townsite, zoned Waterfront Development.

Yancey stated he has heard some local concern about the proposed location of the dock. Miller said that there is so much left to discuss and negotiate, and that PND is working on a fill estimate as well as some concepts for dock/bulkhead, or potentially repurposing old infrastructure.

M/S: Buness/Yancey to approve the motion as presented. Motion approved unanimously by polled vote.

NEXT AGENDA ITEMS: - Mike Nurco Lease

The next Regular meeting will be held on TBD.

The Regular Port Commission meeting was adjourned at 7:05 p.m.

CITY & BOROUGH OF WRANGELL, ALASKA PORT COMMISSION AGENDA STATEMENT

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	July 17, 2025
	<u>Agenda Section</u>	10

Approval of lease agreement - Marine Service Center Lot #5 40'X50' to Mike Nurco, DBA Stem to Stern Shipwright Services

SUBMITTED BY:

Steve Miller, Port & Harbor Director

FISCAL NOTE:

Expenditure Required: \$XXX Total

FY 24: \$	FY 25: \$	FY26: \$
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Amount Budgeted:

	FY 20 \$XXX
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Account Number(s):

	XXXXXX XXX XXXX
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Account Name(s):

	Enter Text Here
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Unencumbered Balance(s) (prior to expenditure):

	\$XXX
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Reviews/Approvals/Recommendations



Name(s)

Name(s)

XXXX

Attorney

xxxxx

Insurance

ATTACHMENTS: 1. Lease application form from Mike Nurco. 2. Picture of lot to be leased.

MOTION:

Move to approve lease agreement - Marine Service Center Lot #5 to Mike Nurco DBA Stem to Stern Shipwright Services

SUMMARY STATEMENT: The lease has been vested by the city attorney and the city's insurance underwriter. This lease supports continued development of marine trades at the facility and aligns with the Harbor Department's goal of maximizing use of service center lots by active, marine-related businesses.

WRANGELL MARINE SERVICE CENTER (WMSC) FACILITY LEASE AGREEMENT

This Wrangell Marine Service Center Facility Lease Agreement (this “Lease”) is entered to be effective as of the latest date indicated on page 8 of this Lease (“Effective Date”) by and between the City and Borough of Wrangell, a Unified Home Rule Borough (“Seller”), having an address at 205 Brueger St., Wrangell, Alaska 99929 (hereinafter “Lessor”), and **Michael Nurco, dba Stem to Stearn Shipwright Services** (hereinafter “Lessee”), a business owner, doing business in the State of Alaska, for purpose of leasing borough-owned land in Wrangell. The term "Lessee" includes Lessee, any subsidiaries of the Lessee, any partnership or joint ventures involving the Lessee, Lessee's agents, representatives, employees, invitees, or contractors or any agents, representatives, employees, invitees, or contractors of Lessee's subsidiaries, partnerships, or joint ventures. The Lessor and Lessee (collectively, the “Parties”) hereby agree to the following conditions:

1. DURATION

This Lease shall be in effect from the Effective Date until June 30, 2027.

2. LEASED PREMISES

The property subject to this Lease is described as: **Boat Yard, Lot 5, parcel 02-023-740, more specifically 40 ft x 50 ft (2000 square feet) and building** (“Leased Premises”).

3. PERMISSIBLE USES

- A. Lessee shall utilize the Leased Premises only for the purpose of installing tools and equipment to operate full traditional shipwright shop and business to offer services for boat repair to fishermen, yachts, and all vessels, and to train younger people in the trade of boatbuilding and repairing vessels. Accessory uses of the Leased Premises are allowed if pre-approved in advance in writing by the Lessor and Port Commission, as applicable. Lessee shall not use the Leased Premises for any other purpose without the prior written consent of Lessor. Lessor may withhold consent to any proposed use in Lessor’s sole discretion.
- B. Lessee agrees to abide by all Federal, State, and local laws in the operation and maintenance of the permitted commercial activity at the Leased Premises.
- C. The Lessor does not warrant that the Leased Premises are suitable for the purposes sought. Lessee assumes all risks associated with the location of the Leased Premises. Lessee acknowledges that the Leased Premises are delivered to Lessee in an “AS IS, WHERE-IS” condition with all faults, with all improvements acceptable to Lessee.

4. CONDITIONS OF LEASING

- A. Lease costs will be as described in this Section 4.

Lease Rate Breakdown:

Base Land Lease: Land-only leases are charged at a rate of \$0.104 per square foot per month (as set in FY2023), with annual increases of 2% each fiscal year.

- Current land rate (FY2025): \$0.108 per sq ft × 2,000 sq ft = \$216.40/month (plus applicable tax)
- This rate is valid through June 30, 2026.

Improvement Rate: The value of the on-site improvements (\$61,100) is subject to an 8.11% annual rate of return, equating to \$412.13/month.

Total Monthly Lease: \$216.40 (land) + \$412.13 (improvements) = \$628.53/month (plus tax) with 2% annual increase.

Any additional maintenance required to safely utilize the facility will be the responsibility of the Lessee and may be charged separately as additional rent.

July 1, 2025 – June 30, 2026	\$628.53	each month
July 1, 2026 – June 30, 2027	\$641.10	each month

- B. Lessee shall comply with all rules and yard Best Management Practices as set forth by the Harbor Department or Port Commission.
- C. Lessee must sign and agree to fully comply with the WRANGELL MARINE SERVICE CENTER (WMSC) FACILITY USE AGREEMENT.
- D. Lessee shall, at its sole cost and expense, obtain and maintain during the Lease term all water, gas, heat, light, power, sewer, cable, telephone, and all other services and utilities desired by Lessee which are to be supplied to the Leased Premises, and shall be responsible for the payment of all charges due as a result of such services, together with any taxes thereon. Lessor shall not be liable to Lessee for any interruption of utility services and Lessee shall not be entitled to any rent abatement or other remedy for such interruption.

5. RENEWAL

- A. This Lease may be renewed at the option of the Lessor upon written request by the Lessee within at least sixty (60) days of the expiration of the current term, provided that the Lessee is current in the payment of all fees, and that the Lessee has been compliant with all yard rules and all provisions of this agreement as determined by the Lessor and Port Commission.
- B. The terms and conditions of this Lease for each renewal term shall be identical with the original term except for the lease payment.

6. OPERATION AND MAINTENANCE

- A. Lessee shall at all times provide sufficient personnel to operate and maintain the Leased Premises. Lessee shall keep and maintain the Leased Premises in good, clean, safe, and sanitary condition.
- B. Items stored on the Leased Premises must be directly related to the commercial business operating on the Leased Premises.
- C. Lessee shall be responsible for any and all special assessments for public improvements which may be made against the Leased Premises during the term of this Lease or any option to renew by the Lessee.
- D. Lessee shall pay all property taxes owed on the Leased Premises in accordance with the Wrangell Municipal Code. Lessee shall also collect and remit sales tax in accordance with Wrangell Municipal Code.
- E. Lessee shall promptly repair, rebuild, or restore the Leased Premises, facilities or surrounding property damaged or destroyed by any event whatsoever, with the exception of intentional acts of Lessor employees, contractors or representatives, or by inherent condition of normal wear and tear.
- F. Lessor may, at all reasonable times and without prior notice, enter upon and inspect the Leased Premises. If the Lessee has failed to perform maintenance or repair work required under the Lease, and if the Lessee, after prior notice of the deficiencies, fails to correct the deficiency or to begin corrective action within a reasonable time, as determined by Lessor, the Lessor may enter any part of the Leased Premises and perform the necessary work, repair, or maintenance. The Lessee shall reimburse the Lessor for all expenses incurred by Lessor's work, repair, or maintenance at the Leased Premises.

7. INDEMNITY AND INSURANCE

- A. Lessee shall defend, indemnify, and hold harmless the Lessor from any and all claims or actions for injuries or damages sustained by any person or property arising, arisen, or to arise out of or in connection with, or incident to the operation of the Leased Premises.
- B. Lessee shall provide adequate liability property and personal injury damage insurance as described below. The Lessor shall be listed as an additional insured on this policy. Proof of such insurance shall be provided to the Lessor as a condition of entering into the Lease. Lessee must notify the Lessor thirty (30) days in advance of any cancellation or alteration of such insurance. Failure to maintain insurance as specifically described in this section shall constitute default by Lessee.
- C. Lessee shall keep the Leased Premises insured at Lessee's expense against fire and other risks covered by a standard fire insurance policy with an endorsement for extended coverage. Lessee covenants that it shall maintain at all times and pay the premiums on such policy or policies of casualty insurance to the Leased Premises

designated the Lessor as loss payee, said policy to be in such amount and contain such terms as shall be from time to time determined sufficient by the Lessor. Lessee shall furnish the Lessor with a copy of said policy and all amendments or modifications thereto.

8. INSURANCE REQUIREMENTS

The Lessee shall not commence with use of the Leased Premises until the Lessee has obtained the insurance required under this Lease. All coverage shall be with insurance carriers licensed and authorized to do business in the State of Alaska. All coverage shall be with carriers acceptable to Lessor. The required lines and limits of insurance are as follows:

- A. **General Liability Insurance:** Lessee shall procure and maintain during the life of this agreement, General Liability Insurance on an “occurrence basis” with limits of liability not less than **\$ 1,000,000** per occurrence and/or aggregate combined single limit, personal injury, bodily injury and property damage.
- B. **Motor Vehicle Liability Insurance:** Lessee shall procure and maintain during the life of this agreement: Motor Vehicle Liability Insurance, including applicable no fault coverages, with limits of liability of not less than \$1,000,000 per occurrence combined single limit. If the vehicle is a boom truck or is a boom truck combination, the policy must contain **LOAD/UNLOAD** coverage.
- C. **Workers Compensation Insurance:** If the facility user has employees, Lessee shall procure and maintain during the life of this agreement: Workers Compensation Insurance, including Employers’ Liability Coverage, in accordance with all applicable statutes of the State of Alaska.
- D. **Property Insurance:** Lessee shall procure and maintain during the life of this Agreement, Property Insurance on the Leased Premises, with limits of liability of not less than \$125,000 per occurrence combined single limit.
- E. **Additional Insured:** Insurance, as described above, shall include an endorsement stating the following shall be an Additional Insured:

The City and Borough of Wrangell, its elected and appointed officials, all employees and volunteers, all boards, commissions and/or authorities and board members, including employees and volunteers thereof.

This coverage shall be primary to the Additional Insured’s and not contributing with any other insurance or similar protection available to the Additional Insured’s, whether the other available coverage be primary, contributing or excess.

- F. **Cancellation Notice:** General liability insurance and vehicle liability insurance, as described above, shall include an endorsement stating the following: “30 days advance written notice of cancellation, non-renewal, reduction and/or material change shall be

sent to: Steve Miller, Harbormaster, City and Borough of Wrangell, PO Box 531, Wrangell, AK 99929.”

- G. **Proof of Insurance Coverage:** Prior to commencement of the permitted activities described in Section 3A of this Lease at the WMSC, Lessee shall provide Lessor with certificates of insurance and/or policies, acceptable to Lessor, for each of the insurance policies described above.

9. ENVIRONMENTAL INDEMNITY

- A. Lessee acknowledges and agrees that environmental contamination may exist on or adjacent to the Leased Premises. Lessor has not made, and Lessee has not relied on, any representations whatsoever regarding the Leased Premises, including but not limited to any representations or warranties regarding the presence, absence, nature, or extent of any such environmental contamination by Lessor. Lessee hereby expressly assumes the risk that any such environmental contamination may cause loss of or damage to Lessee's real and personal property and improvements and may render the Leased Premises unfit for Lessee's purposes.
- B. Lessee shall use, store, handle, and deal with all Environmental Substances (as defined below) in compliance with all Environmental Laws (as defined below). Lessee shall take prompt and responsible action to correct any noncompliance reported by Lessee or alleged by DEC or EPA with any requirements of any and all Environmental Laws. Lessee shall obtain all necessary permits, licenses, and other authorizations issued pursuant to Environmental Laws required for Lessee to operate the Leased Premises. Lessee's operation of the Leased Premises shall be in compliance with any terms and/or conditions of such permits, license, and other authorizations required under any and all Environmental Laws. "Environmental Laws" means all federal, State, or local laws, statutes, ordinance, codes, rules, regulations, orders, decrees, and directives imposing liability or standards of conduct for or relating to the protection of health, safety, or the environment. "Environmental Substances" include without limitation any substance, material, waste, pollutants, contaminant or chemical, regardless of how it is referred to or defined, that is regulated in, or pursuant to, any Environmental Laws.
- C. Lessee acknowledges and agrees that the creation, use, handling, storage, release, and disposal of waste, garbage, pollutants, and toxic or hazardous substances, and the investigation, remediation, and clean-up of environmental contamination, are governed by a wide variety of Environmental Laws. Lessee shall comply with all Environmental Laws and exercise the highest degree of care in the use, handling, and storage of hazardous substances and Environmental Substances and shall take all practicable measures to minimize the quantity and toxicity of hazardous substances and Environmental Substances used, handled, or stored on the Leased Premises.
- D. Lessee shall defend, indemnify, and hold harmless Lessor from and against all claims, including but not limited to nuisance described in Section 9 of this Lease, liabilities, suits, obligations, fines, judgments and penalties (and any other expenses, including attorneys' fees and other costs of litigation, raised, sought, or imposed by third parties in connection with Lessee's violation of any Environmental Laws or in connection with

Lessee's creation, use, handling, storage, release, or disposal of any waste, garbage, pollutants, or toxic or hazardous substances (regardless of whether such creation, use, handling, storage, release, or disposal violated an Environmental Law) on the Leased Premises or in connection with Lessee's use of the Leased Premises or by any persons or entity associated with the Lessee whatsoever.

- E. Nothing in this Lease alters any obligation Lessee may have to investigate, remediate, or clean up any environmental contamination that may exist on the Leased Premises.

10. WASTE AND NUISANCE PROHIBITED

During the term of this Lease, Lessee shall comply with all federal, State, and local laws affecting the Leased Premises, the breach of which might result in any penalty on Lessor or forfeiture of Lessor's title to the Leased Premises. Lessee shall not commit, or suffer to be committed, any waste on the Leased Premises, or any nuisance. Lessee shall not operate Leased Premises in any manner which might constitute a nuisance.

11. ABANDONMENT OF LEASED PREMISES

Lessee shall not vacate or abandon the Leased Premises at any time during the term of this Lease, as determined by Lessor in its sole discretion. If Lessee shall abandon, vacate, or surrender the Leased Premises, or be dispossessed by process of law or otherwise, any personal property belonging to Lessee and left on the Leased Premises shall be deemed to be abandoned, and at the option of the Lessor, the personal property shall become the property of the Lessor, except such property as may be encumbered to the Lessor. Lessee agrees to defend, indemnify, and hold harmless the Lessor for any harm, damage, or injury to person or property, alleged to arise out of the actions of the Lessee in vacating or abandoning the Leased Premises, and as to any harm, damage, or injury to person or property arising out of the condition of the property at the time of vacating or abandoning the Leased Premises.

12. LIENS

Except with respect to activities for which Lessor is responsible, Lessee shall pay all claims for work done on and for services rendered or material furnished to the Leased Premises and shall keep the Leased Premises free from any and all liens whatsoever. If Lessee fails to pay such claims or to discharge any liens, the Lessor may do so in its sole discretion and collect the cost as additional rent. Any amount so added shall bear interest at the highest legal rate as allowed by law from the date of payment by the Lessor. Any amount paid by the Lessor on behalf of the Lessee shall be payable on demand. Such action by the Lessor shall not constitute a waiver of any right or remedy which the Lessor may have on account of Lessee's default.

13. LESSOR'S RIGHTS UNDER THIS LEASE

- A. The Lessor may sue periodically to recover damages during the period corresponding to the remainder of the Lease term, and no action for damages shall bar a later action for damages subsequently accruing.
- B. If Lessee fails to perform any obligation under this Lease, the Lessor shall have the

option to do so after ten (10) days' written notice to Lessee. All of the Lessor's expenditures to correct the default shall be reimbursed by Lessee on demand with interest at the highest legal rate of interest allowed by law from the date of payment by the Lessor. Such action by the Lessor shall not waive any other remedies available to the Lessor because of the default.

- C. All remedies in this Lease shall be in addition to and shall not exclude any other remedy available to the Lessor under any applicable law.

14. GOVERNING LAW

The laws of the State of Alaska shall govern the construction and interpretation of this Lease. The Superior Court for the State of Alaska, First Judicial District at Wrangell, Alaska, shall be the exclusive court for jurisdiction and venue of any and all actions of any kind and any nature arising out of or related to this Lease. The Parties agree that trial of any action filed shall be in Wrangell, Alaska.

15. DEFAULT

If the Lessor determines that the provisions of the Lease are not being met and attempts to resolve the dispute in a reasonable manner are unsuccessful, written notice shall be given to the Lessee stating the nature of the deficiency and the necessary corrective action. Lessee shall either take immediate corrective action or respond to the Lessor within ten (10) calendar days stating the reason for the noncompliance and a schedule for compliance. If the Lessor determines that this response is unacceptable, the Lessor shall give Lessee written notice of default, and the Lease is terminated. Lessee shall have a reasonable amount of time to remove all personal property, as determined by Lessor. If the personal property is not removed within the time stated in the notice of default, the Lessor may take possession of the property.

16. TERMINATION

Lessor shall have the right to terminate this Lease upon providing written notice to Lessee of the intent to terminate sixty (60) days prior to the date of termination.

17. NOTICE

All notices and requests concerning this lease shall be in writing and addressed as follows:

Lessee: Michael Nurco dba Stem to Stem Shipwright Services
617 Katlian St A-6
Sitka, AK 99835

Lessor: City and Borough of Wrangell
P.O. Box 531, Wrangell, AK 99929

18. LIMITATION ON LESSOR LIABILITY

Lessor shall not be liable for any loss or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, electricity, water, or rain unless caused by, or due to, the intentional misconduct or gross negligence of Lessor or its employees. Lessor shall not be liable for interference with the light, air, or for any latent defect in the Leased Premises. In consideration of the benefits accruing under this Lease, Lessee covenants and agrees that, in the event of any actual or alleged failure, breach, or default under this Lease by Lessor the sole and exclusive remedy shall be against Lessor's interest in the Leased Premises. If Lessor is in default under this Lease, and as a consequence Lessee recovers a monetary judgment against Lessor, the judgment shall be satisfied only out of rent or other income from the Leased Premises receivable by Lessor.

19. MISCELLANEOUS

- A. This Lease cannot be assigned or subleased without prior written consent of Lessor, Port Commission and Borough Assembly. Provided, this Lease shall be binding upon and shall ensure, to the benefit of the Parties and each of their respective successors and permitted assigns.
- B. The failure of either party at any time to enforce a provision of this Lease shall in no way constitute a waiver of the provision, nor in any way affect the validity of the Lease or any part of the lease, or any right of the party thereafter to enforce each and every provision hereof.
- C. If any term of this Lease is held to be invalid, void or unenforceable by a court of competent jurisdiction, the remaining provisions of the Lease shall be valid and binding upon the Parties.
- D. The provisions of this Lease are and will be for the benefit of the Parties only and are not for the benefit of any third party, no third party shall have the right to enforce the provisions of this Lease.
- E. In the event of a dispute under this Lease, the Lessor shall be entitled to recover its attorney fees and costs from Lessee.
- F. Lessee represents and warrants to Lessor that he is duly authorized to execute this Lease, and that this Lease constitutes the binding obligation of the Lessee.
- G. This Lease contains the entire agreement between the parties with respect to the subject matter hereof, and supersedes all prior understandings, agreements, or representations by or between the parties, written or oral, to the extent they relate in any way to the subject matter hereof.
- H. In the event that Lessor or Lessee cannot perform any obligation of such party under this Lease by the date specified therefor because of acts of God, war, civil commotion, fire, or other casualty, or other similar cause beyond the reasonable control of such party ("Uncontrollable Events"), the time for such performance shall be automatically extended for the period of delay due to the Uncontrollable Event. However, in no event shall this Section be construed to excuse or delay the performance of any monetary obligation.

- I. Notwithstanding any specific references in this Lease to the survival of provisions, the parties agree that all provisions of this Lease that anticipate or involve obligations to be performed or satisfied after expiration or earlier termination of this Lease shall survive such expiration or termination.

The Lessee acknowledges that the Lessee has read and understands the terms of this Lease and has had the opportunity to review this Lease with counsel of his/her choice and is executing this Lease of his/her own free will.

[Signatures on following Page]

IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement to effective as of the latest date indicated below.

Date: _____, 2025

City and Borough of Wrangell, Alaska
Lessor

By: _____

Patricia Gilbert
Borough Mayor

By:

Mason Villarma
Borough Manager

Attest

By: _____

Kim Lane
Borough Clerk

Date: _____, 2025

Michael Nurco
Lessee

By: _____

Title: _____

The foregoing instrument was acknowledged before me this ____ day of _____, 2025,
by _____.

Notary Public for Alaska
Commission expires: _____