



City and Borough of Wrangell
Economic Development Board
AGENDA

Tuesday, December 02, 2025
5:30 PM

Location: Borough Assembly Chambers
City Hall

1. CALL TO ORDER

2. ROLL CALL

3. AMENDMENTS TO THE AGENDA

4. CONFLICT OF INTEREST

5. APPROVAL OF MINUTES

- [a.](#) Approval of the Economic Development Board regular meeting minutes from September 2, 2025.

6. DIRECTOR REPORT

7. CORRESPONDENCE

8. PERSONS TO BE HEARD

9. UNFINISHED BUSINESS

10. NEW BUSINESS

- [a.](#) Review and approval of a request from Alaska Marine Lines to lease borough-owned tidelands.

11. BOARD MEMBER REPORTS

12. NEXT AGENDA ITEMS

13. ADJOURN

**Minutes of Economic Development Board Meeting
Held on September 02, 2025**

1. CALL TO ORDER - 5:35 PM

2. ROLL CALL –

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

ABSENT: None

STAFF: Kate Thomas, JR Meek

3. AMENDMENTS TO THE AGENDA – None

4. CONFLICT OF INTEREST – None

5. APPROVAL OF MINUTES -

- **Approval of the Economic Development Board regular meeting minutes from June 3, 2025.**

M/S: Privett/O’Brien

Upon review of the written minutes, only one correction has been identified: Item 11, page 5: The word “Paton” should be corrected to “patent.” No other substantive changes are necessary. The minutes otherwise remain accurate and complete.

Minutes approved by Commission

6. DIRECTOR REPORT -

- **August Directors Report**

Staff presented a director’s report on Alaska Marine Lines and Samson Tug & Barge regarding ongoing, largely informal, discussions about the relocation of the barge ramp. Staff noted varying levels of engagement from the companies: Samson has not committed the necessary capital to relocate facilities, while Alaska Marine Lines has expressed both interest and financial capacity to participate.

Staff further reported that a representative from the Economic Development Administration (EDA) recently visited Wrangell and confirmed the Borough’s eligibility to apply for \$50 million in funding to support industry transformation. To qualify, the Borough must demonstrate a private sector investment match. This requirement prompted the expedited review and approval of three Memorandum of Understandings (MOUs) at the most recent Assembly meeting.

Staff emphasized the importance of transparency with the public, the need to communicate the narrative around these developments, and the necessity of issuing press releases to inform residents about significant decisions made at the Assembly level.

Staff confirmed that relocation of the barge ramp to the old mill dock site was considered but dismissed due to large costs for limited scope of work. A design estimate was not pursued because preliminary assessments made it clear the cost would exceed viable thresholds. The decision was made to shift focus and allocate resources to Six-Mile property.

Alaska Marine Lines has prepared a high-level site tour with the Borough of both the Marine Service Center and the Six-Mile Mill property for company executives to evaluate options and

compare costs. Staff also noted concerns from the Marine Service Center fabricators regarding congestion caused by barge ramp accommodations. Staff closed their remarks by stressing the Borough's commitment to stretching new funding as far as possible to maximize economic benefit for Wrangell and reiterated the need for consistent public communication with economic decisions made by the Borough.

O'Brien commented that Trident Seafoods has historically been a good partner to the community but raised concerns about their uncertain long-term presence in Wrangell. He expressed hope that the partnership could continue. He suggested that it would be difficult to base a large economic decision on the presence or tenure of one entity and encouraged broader influence of the decision making and the greater impact beyond one sector over another.

Chair Dalrymple agreed with staff's recommendation that complex economic matters be communicated to the public as clearly and simply as possible. Privett concurred, adding that information should be delivered in a timely manner and broken down into small, digestible pieces for the public's understanding.

Staff additionally reported on several other areas of development. With respect to SEARHC, staff noted positive progress in residential housing projects that will contribute to Wrangell's housing stock. Staff also described improvements at Head Start, highlighting the positive impact on the childcare environment and the addition of new services for families. Chair Dalrymple responded favorably to these enhancements.

Staff provided an update on Alder Top Village, where archaeological findings have temporarily halted construction pending review by a qualified archaeologist. While the project timeline is uncertain, staff remain confident that construction and clearing will be completed by the October 31st deadline. Interest in Alder Top parcels and Borough financing continues to grow, with most applicants being local, regional, or tied to the Wrangell community, though some out-of-state applicants with prior moorage ties to the harbors have also applied.

Staff further noted that while the Marine Service Center in Sitka is moving forward with a five-year development plan, Wrangell's Marine Service Center will also see improvements, beginning with the launch of a new website within the next six weeks. Website redevelopment for the Nolan Center will follow, with an emphasis on promoting Wrangell as a conference and convention destination.

Staff also highlighted positive progress in roadside development. The Borough has secured reserved funding for Public Works to improve roads and is preparing a prioritized list of roadside projects that are in dire need of improvements such as St. Michaels and McKinnon Street. In addition, equipment and training are being provided so staff can undertake road construction work in-house. Multiple sidewalks and road patches were improved prior to the meeting.

Chair Dalrymple requested information on the 12/13 Mile Cell Tower project discussed at the Planning and Zoning Commission meeting. Staff clarified that Tidal Network had sought a conditional use permit to expand its network, but the Commission conditionally denied the application due to concerns regarding tower height, lighting, and potential residential impacts, deeming the application incomplete. Tidal Network was encouraged to resubmit additional information, and Privett emphasized that the applicant should provide further documentation, hold public workshops, and offer greater context to address resident concerns.

Privett also inquired about the proposed location of the data center. Staff responded that the facility would occupy less than one acre at the north end of the mill property, situated adjacent to the roadway. The site will have its own circuit and is expected to have minimal impact on overall energy consumption.

7. CORRESPONDENCE – None

8. PERSONS TO BE HEARD – None

9. UNFINISHED BUSINESS – None

10. NEW BUSINESS -

- a) Review and Approval of a proposed land exchange of borough real property identified as Lot 5A of the Spur Road Subdivision, according to Plat No. 98-13, zoned Industrial Development, owned by the City and Borough of Wrangell, exchanging the land with the State of Alaska Mental Health Trust Land Office.**

M/S: Privett/DeRuyter

Move to recommend that the Borough Assembly approve the proposed land exchange of Borough-owned Lot 5A, Spur Road Subdivision, with the Alaska Mental Health Trust Land Office, consistent with the December 2024 MOU and subject to completion of appraisals, rezoning, buffering, and provision of on-site utilities as outlined in the staff report.

Staff provided an administrative report on the partnership between the Borough and the Alaska Mental Health Trust Land Office (TLO). The report highlighted ongoing discussions regarding landownership, use, and cooperation between the two entities. The Mental Health Trust generates revenue through timber harvesting and sales, which supports its services. The Trust Land Office has proposed a land exchange with the Borough, offering one property in exchange for Borough-owned land of equal value. Staff clarified that details of the negotiations and survey development have not yet been made public, as discussions remain preliminary.

Staff noted that while the Mental Health Trust may pursue rezoning for residential purposes, the Borough anticipates the exchange would prioritize industrial development on land of equivalent value. The property in question is currently zoned rural residential but lacks utility infrastructure, and the Borough has no plans to provide power or water services to the site. The Planning and Zoning Commission reviewed the proposal at its August meeting and approved it.

Chair Dalrymple inquired about the dollar or acre value of the exchange. Staff clarified that valuation is being determined by dollar value of both properties and will be finalized prior to Assembly review. Staff also noted that, depending on the outcome, the matter may not be returned to the Economic Development Board for further review, though clarification will be sought for confirmation of this action.

DeRuyter asked about potential downsides of the exchange and emphasized the importance of evaluating long-term consequences. Staff responded that negotiations remain confidential and detailed information is not yet available for public disclosure. DeRuyter also inquired whether information would be released publicly prior to Assembly action. Staff stated that confidentiality provisions prevent disclosure at this stage but confirmed that public review and comment, “public protest period”, will occur once negotiations advance. Board members agreed on the importance of public input and emphasized that the Board should provide feedback on the feasibility of the exchange as part of the economic development review process.

Ashton expressed support for the process but concurred with other board members that additional details must be made available before the Board can fully evaluate the proposal. Ashton asked whether the Borough initiated the exchange or if it was proposed by TLO. Staff explained that both parties had interest: the Trust identified Borough land as a priority acquisition, while the Borough sought to secure land more conducive to industrial development. Staff noted that potential Borough priorities include waterway access, timber initiatives, and utilization of natural resources, and that TLO was considered an appropriate partner given its capacity to clear land and facilitate development with experienced private sector partners.

When asked by Ashton if any assurances had been provided, staff responded that no guarantees are in place at this time but emphasized that stipulations would be built into any agreement to ensure development rather than holding the land. TLO has a proven record on developing land and is easier to coordinate with as a government entity when arranging for the exchange.

Chair Dalrymple referenced prior land exchanges with the U.S. Forest Service, noting past efforts under a previous Economic Development Director to identify underdeveloped properties suitable for trade. He emphasized the value of acquiring natural resources, such as rock, which could benefit the Borough for future development projects. Staff concurred with the importance of securing rock resources and potential energy-related opportunities through this current land exchange opportunity.

Chair Dalrymple further noted that wetlands mitigation presents challenges for residential development in the area, limiting such opportunities, but affirmed that the exchange would nonetheless support broader economic development goals. He asked staff whether residential development near the airport runway would present safety concerns. Staff responded that they do not anticipate safety issues but confirmed that public notices will be delivered to affected property owners. No objections are expected from the airport, though road development will be considered as part of the project to mitigate potential impacts.

Chair Dalrymple asked whether a motion could incorporate language affirming the Board's support for the initiative while requesting further detail on valuation. Staff responded that valuation is dependent on appraisals and zoning outcomes but recommended that the motion include a request for additional information regarding the economic benefit of the exchange. O'Brien supported the request and emphasized the need for a clearer understanding of the Borough's potential gain. Staff recommend an amendment to the motion but add that the discussion today would also be incorporated in the recommendation as part of supplying additional context for the Assembly to consider before voting.

Ashton stressed the importance of a thorough vetting process and the need for information to be provided in advance of Assembly deliberations. He stated his support for the exchange but noted that the Board's recommendation is based on limited information and cannot fully address the unknowns. Staff emphasize that the Board's action serves as an initial recommendation of confidence for the Assembly and that additional context and concerns raised by the Board would be provided in the Assembly packet.

Staff also noted that Title 16 of the Borough Code has historically not been exercised to its full scope, and that this case underscores the importance of reviewing its provisions. Ashton stated that he has confidence in staff to conduct due diligence for the Assembly's consideration. Chair Dalrymple agreed, emphasizing that concerns, context, and potential pitfalls should be clearly conveyed to the Assembly. DeRuyter concurred and suggested that Board members should have

the opportunity to review the property in person once preliminary studies, appraisals, and valuations are complete.

Chair Dalrymple formally requested an amendment to Item 10A to include an Economic Development Board review of the property following the completion of preliminary studies, appraisals, and valuations.

M/S: DeRuyter/Privett

Amendment to the motion of Item 10A to request additional review of the property to be gained for economic purposes, for when it is available publicly.

Polled Vote for Amendment – All in favor

Polled Vote for Motion – All in favor

11. BOARD MEMBER REPORTS –

Privett noted positive feedback received from American Cruise Lines regarding Wrangell and its operations. Ashton reported ongoing collaboration with the Alaska Department of Fish and Game on a restoration initiative for wild salmon, describing the effort as a work in progress. DeRuyter expressed enthusiasm for the arrival of the new school superintendent and stated optimism for the upcoming school year.

12. NEXT AGENDA ITEMS –

The next regular meeting of the Economic Development Board is scheduled for December 2. However, staff noted that a special meeting may be required in October or November to address special elections and the determination of Commission chair roles.

13. ADJOURN - 7:25 PM

Bob Dalrymple, Chair

ATTEST: _____
J.R Meek, Secretary



Agenda Item: New Business, Item 10A

From: Kate Thomas, Economic Development Director

Subject: Review and approval of a request from Alaska Marine Lines to lease Borough-owned tidelands.

INTRODUCTION

Alaska Marine Lines, Inc. (AML) has submitted an application requesting a long-term lease of Borough-owned tidelands and associated uplands at the Six-Mile-Deep Water Port. The proposal supports the relocation of Wrangell's freight operations from the downtown waterfront to an industrially appropriate site and represents approximately \$8 million in private investment in marine cargo infrastructure.

For the Economic Development Board (EDB), this project falls within the Board's scope: increasing economic resilience, strengthening marine-industrial capacity, supporting private investment, and aligning redevelopment of the former mill site.

The EDB is asked to review the proposal for economic impacts, investment value, alignment with local economic priorities, and contribution to long-term industrial development.

BACKGROUND

The Borough acquired the upland mill site in 2022 as part of a long-term strategy to restore industrial operations, increase local job opportunities, and prepare for federal investment in marine and port infrastructure. The tidelands were previously conveyed to the Borough under State Patent 392, granting CBW management authority for leasing.

Freight service is currently operating temporarily at the Marine Service Center after the former downtown barge ramp was decommissioned in 2025 due to structural failure. This location is inefficient, impacts boatyard operations, and constrains industrial activity.

Relocation to the Six-Mile site has been identified as a prospective site in many planning documents since 2010, with more recent public engagement activities to help inform decision-making, partnership negotiations, and conceptual site design.

In August 2025, CBW and AML executed an MOU outlining a partnership approach to developing the site, supporting reliable long-term freight service, efficient cargo handling infrastructure, shared timelines for construction readiness, and coordinated planning for utilities and site layout.

SUPPORTING INFORMATION

ECONOMIC DEVELOPMENT BOARD

Agenda Statement & Report



- Location: Six-Mile-Deep Water Port, Borough-owned tidelands (APN 03-010-300) and uplands on Lot 4 USS 3534 (APN 03-010-220)
- Lease Proposal: 30-year lease of tidelands (see aerial)
- Project Value: \$8 million privately funded infrastructure
- Construction Timeline: To be determined
- Proposed Improvements: Four mooring dolphins, 120-foot barge ramp, cargo transfer platform, associated marine and upland support infrastructure

ECONOMIC DEVELOPMENT ANALYSIS

Relocating Wrangell's freight operations to an appropriate industrial site is a long-standing community priority, and securing a dependable location for marine cargo handling is critical to maintaining reliable freight service and supporting the broader local economy. The Six-Mile Deep Water Port offers physical characteristics and land capacity that make it suitable for long-term industrial use, and the proposed Alaska Marine Lines lease would establish a foundational freight presence that can help the Borough advance redevelopment of the former mill site. While the project itself does not guarantee specific economic outcomes, the establishment of modern freight infrastructure at a deep-water industrial location creates the conditions that may support increased efficiency for local businesses, more predictable supply chains, and improved opportunities for compatible industrial activities to co-locate in the future.

AML's estimated \$8 million private investment reflects a significant commitment to Wrangell's freight reliability and overall industrial capacity. When paired with ongoing Borough planning efforts and potential federal funding opportunities, such investment can help position the community for expanded economic activity over time. Additionally, transitioning freight out of the downtown waterfront reduces longstanding spatial conflicts between industrial and visitor-facing uses, supporting the Borough's ability to pursue waterfront revitalization, tourism development, and improved public access. Overall, while the benefits will depend on future market conditions and subsequent development decisions, establishing a dedicated freight and industrial site at the deep-water port is an essential step toward fostering long-term economic resilience and creating opportunities for diversified industrial growth.

ADDITIONAL CONSIDERATIONS

In evaluating the lease proposal, the Borough will consider the lease structure, with consideration towards wharfage fees, design and construction cost share, and infrastructure ownership. Topics for further discussion include shared economic value, revenue models, upland improvements, public utility needs, and alignment with Wrangell's operational and community needs.



STAFF RECOMMENDATION

Staff recommends that the Economic Development Board support the Alaska Marine Lines request for a long-term tidelands lease at the Six-Mile Deep Water Port and forward a positive recommendation to the Borough Assembly. In addition to the standard procedural and permitting requirements, staff further recommends that the Borough evaluate and document the economic impacts of the proposed relocation, including a comparative cost analysis of freight operations, potential effects on local freight rates, and broader opportunity prospects associated with private investment and expanded industrial activity at the site. This analysis should be incorporated into the Borough's ongoing public engagement efforts and shared with the community in a clear narrative format to ensure residents understand both the economic rationale and long-term benefits of the project. Final lease terms should be reviewed by the Borough Attorney and Assembly in accordance with WMC Title 16; coordination with DOT&PF on freight-related traffic management must occur prior to operation; all required federal, state, and local permits must be obtained; and utility and infrastructure coordination between CBW and AML must be finalized prior to construction.

RECOMMENDED MOTION

Move to recommend that the Borough Assembly approve the Alaska Marine Lines request for a long-term tidelands lease at the Six-Mile Deep Water Port, based on its demonstrated economic benefits, alignment with Borough development goals, and its role in advancing industrial redevelopment and freight reliability for the community, subject to the conditions outlined in the staff report.

Item a.



WRANGELL
CITY OF THE FUTURE
INCORPORATED AUGUST 1972

**DISCLAIMER: THESE MAPS ARE FOR PLANNING PURPOSES ONLY.
PROPERTY LINES ARE APPROXIMATE. AERIAL 2002.**

PLANNING DEPARTMENT

PO BOX 531 WRANGELL, AK, 99929 | +1 (907) 874-2381
205 BRUEGER STREET, WRANGELL, AK, 99929



Date: Wednesday, November 5, 2025

To: Honorable Mayor and Borough Assembly
Mason Villarma, Borough Manager
Kim Lane, Borough Clerk

From: Kate Thomas, Economic Development Director

Subject: Request from Alaska Marine Lines to lease Borough-owned tidelands identified as ATS 1143 according to Plat No. 80-10 (APN 03-010-300) and Borough-owned real property identified as Lot 4 of USS 3534, according to Plat No. 29-20 (APN 03-010-220), zoned Waterfront Development, within the Wrangell Recording District.

Recommendation: The Planning and Zoning Commission recommends that the Borough Assembly approve a 30-year tidelands lease to Alaska Marine Lines, Inc. (AML) for a portion of Borough-owned tidelands identified as ATS 1143 (Plat No. 80-10, Parcel ID 03-010-300) and adjoining Borough uplands identified as Lot 4, USS 3534 (Plat No. 29-20, Parcel ID 03-010-220), zoned Waterfront Development (WFD), subject to the following conditions:

1. The final lease shall be reviewed by the Borough Attorney and approved by the Borough Assembly in accordance with WMC 16.08 and 16.10.
2. The Borough shall consult with the Alaska Department of Natural Resources, Office of History and Archaeology (OHA), prior to any construction or ground disturbance.
3. The applicant shall obtain all required local, state, and federal permits prior to construction.
4. The applicant shall coordinate with CBW and DOT&PF to develop a traffic and road-impact management plan before commencing operations.
5. The tidelands lease area shall be professionally surveyed and described in a recorded exhibit prior to lease execution.
6. All development shall comply with Borough, state, and federal environmental standards.

Attachments: 1.) Staff Report, 2.) Aerial Map, 3.) Plat Map & Tidelands Survey

Summary of Decision: At its regular meeting on November 4, 2025, the Planning and Zoning Commission held a public hearing to consider the Alaska Marine Lines application to lease Borough-owned tidelands at the Six-Mile-Deep Water Port (former sawmill site).

After review of the staff report and consideration of public testimony, the Commission approved the findings of fact and unanimously recommended that the Borough Assembly approve the application for a 30-year tidelands lease, subject to the conditions outlined above.

The Commission's findings noted that:

- The proposed lease area is consistent with the Waterfront Development zoning district and compatible with industrial uses.
- The proposal aligns with the 2010 Comprehensive Plan, 2015 Waterfront Master Plan, and current Economic and Port Development goals to relocate freight operations from downtown to an industrial site.
- The project advances Borough economic diversification and infrastructure investment priorities.
- The tidelands are governed by State Patent No. 392, which allows leasing but prohibits sale or restriction of public-trust uses.
- The lease proposal supports long-term goals for establishing a coordinated Industrial Planned Unit Development (PUD) at the Six-Mile Port site.

Following deliberation, the Commission approved findings of fact and unanimously recommended forwarding the land lease request to the Borough Assembly for final consideration.

The Commission's recommendation forwards this matter to the Assembly for final action.

Public Comment: Two members of the public provided oral comment during the public hearing:

- Sylvia Ettefagh expressed that the lease appears to represent a procedural step under the existing Memorandum of Understanding (MOU) between CBW and AML rather than a finalized agreement. Sylvia stated that she wishes to see continued transparency on the relocation of the barge operations, as her interpretation of discussion to date is that the decision is not final.
- Joan Sargent inquired whether the request was being processed as a conditional use permit and requested that a buffer be considered between industrial and other surrounding uses.

Staff clarified that the current request pertains solely to authorization to lease Borough tidelands and represents an early procedural step in project development. Any future construction will require additional permitting, design review, and compliance with all applicable regulatory standards.