



NIXLE Registration

Tuesday, February 24, 2026
6:00 PM

Location: Borough Assembly Chambers

Assembly Meetings are livestreamed through Zoom Webinar. You can listen and watch from your device with the information below

Link: <https://us02web.zoom.us/j/82198672624?pwd=nQmF3oaRoa5WHYzHCFMvEivvbaFMIS.1>

Passcode: 99929

Or to join via audio by dialing: (253) 215-8782 or (253) 205-0468
Webinar (meeting) ID: 821 9867 2624 | **Passcode:** 99929



Please note that Persons to be Heard is not available through Zoom.

PRESENTATION (6:00 - 7:00 PM)

a. SEAPA Presentation

1. CALL TO ORDER

- a. PLEDGE OF ALLEGIANCE led by Assembly Member Mach
- b. ROLL CALL

2. CEREMONIAL MATTERS - None.

3. PERSONS TO BE HEARD

- a. CORRESPONDENCE: Emailed from Kim Szczatko

4. AMENDMENTS TO THE AGENDA

5. CONFLICT OF INTEREST

6. CONSENT AGENDA

- a. Minutes from the February 10, 2026 Regular Assembly Meeting

7. BOROUGH MANAGER'S REPORT

- a. Borough Manager's Report (Verbal at the meeting)
- b. Library Report

8. BOROUGH CLERK'S REPORT

- a. Borough Clerk's Report

9. MAYOR AND ASSEMBLY BUSINESS

10. MAYOR AND ASSEMBLY APPOINTMENTS

11. PUBLIC HEARING

- a. RESOLUTION No. 02-26-2023** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, APPROVING THE TIDELANDS LEASE TO JAG MARINE GROUP
- b. RESOLUTION No. 02-26-2024** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, APPROVING THE LAND EXCHANGE BETWEEN THE STATE OF ALASKA, TRUST LAND OFFICE AND THE CITY AND BOROUGH OF WRANGELL

12. UNFINISHED BUSINESS

13. NEW BUSINESS

- a. ORDINANCE NO. 1098** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, ADDING SECTION 5.04.065, TITLED “PERMANENT VEHICLE REGISTRATION” IN THE WRANGELL MUNICIPAL CODE
- b. RESOLUTION No. 02-26-2025** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE FY2026 BUDGET IN THE RESIDENTIAL CONSTRUCTION FUND BY ACCEPTING THE REVENUE FROM THE SALE OF THE ALDER TOP SUBDIVISION LOTS 11 and 19, BLOCK 1 OF THE ALDER TOP SUBDIVISION IN THE AMOUNT OF \$114,300
- c. RESOLUTION No. 02-26-2026** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, APPROVING THE EDA DISASTER SUPPLEMENTAL GRANT APPLICATION
- d. RESOLUTION No. 02-26-2027** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, APPROVING A BUDGET AMENDMENT FOR THE EDA DISASTER SUPPLEMENTAL GRANT
- e. RESOLUTION No. 02-26-2028** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, SUPPORTING SENATOR DAN SULLIVAN’S EFFORTS TO EXPAND ALASKA SHIPBUILDING AND MARINE INDUSTRIAL CAPACITY AND EXPRESSING STRONG SUPPORT FOR A LARGE-VESSEL SHIPYARD AND UNITED STATES COAST GUARD HOMEPORTING IN WRANGELL, ALASKA
- f.** Approval to reschedule the Board of Equalization Hearing from May 11, 2026 to May 18, 2026

14. ATTORNEY’S FILE – Available for Assembly review in the Borough Clerk’s office

15. EXECUTIVE SESSION – None.

16. ADJOURNMENT

Madam Mayor and Members of the Council,

I would like to weigh in on a topic being discussed around town as people become more aware of the waterfront development, as a year-round local business owner. Like every storefront in town, I carry real, fixed costs to operate in Wrangell: lease, electric, water and sewer, garbage, insurance, marketing, inventory, repairs & upgrades, and payroll. On top of that, I collect city sales tax on behalf of the City, pay credit card processing fees of roughly 3.5% on those taxes, and pay CPA fees to handle the required reporting and paperwork — all without any compensation from the City of Wrangell. In effect, local businesses provide a service to the City at our own expense. My sales tax is paid to the City routinely on the 1st of the new quarter or at the first opportunity the City offices are open. Sales tax isn't my money, but collected for your convenience.

Cooper's, as a local gift store, also supports local makers through consignment at the store for a nominal 20% to cover the above mentioned expenses. I have a storefront, they don't. I'm trying to give them a chance at success. I take on the overhead, the staffing, the space, and the administrative work of collecting and remitting city sales tax on their behalf because I believe in supporting local artists. I believe in their talents and ultimately they have legitimacy and better pricing in a storefront than on a table at a market, where they are most often underselling their products. By providing this service, it also keeps money circulating in our community.

At the same time, the Community Market model allows people to present themselves as "businesses" while paying a nominal table fee of \$10, with little visibility or accountability around licensing, tax collection, or record keeping. These temporary sales events directly compete with year-round storefronts that are contributing consistently to the local tax base and economy. The playing field is not level.

I'm not writing to argue against community markets or local makers — they add vibrancy to Wrangell, and I support local creativity. What I am asking for is fairness and consistency. If someone is operating as a business, collecting money from the public, and competing with established retailers, then the same basic expectations should apply: PROPER business registration, sales tax collection and remittance, and accountability. In addition, makers should be properly charged to use City property to display their wares.

Brick-and-mortar businesses are part of the long-term infrastructure of this town. We're here year-round, we weather the slow seasons, we invest in buildings, and we help carry the City through good times and bad. I'd like Council to consider policies that ensure community markets, similar pop-up booths at the docks on ship dates, and 4th of July to operate under the same basic rules as storefront businesses, so supporting local makers doesn't come at the expense of the local businesses who are already carrying so much of the load.

I want local makers to succeed. I carry their work, I promote them, and I believe in keeping money circulating in Wrangell. But success as a maker also means accountability. If someone is selling to the public as a business, then they should be operating with the same basic requirements the rest of us follow — state and local business licenses, and proper collection and remittance of local sales tax, and yes a realistic lease of space. That's not about making it harder for makers; it's about fairness and respecting the system that funds our city services. When everyone plays by the same rules, local business, local makers, and the City all benefit.

I know the benefits of a Community Market, I actually started my business at the Community Market. In 2017, I retired from the University of Alaska, Southeast. Soon after I started my business at home and displayed my handmades at the local Community Market. Even then, I had

an Alaska Business License and an EIN, and I paid local sales tax through my Etsy site and Square. The market helped me with my success and to grow into a year-round storefront, and I'm grateful for that pathway. I didn't play games with the system, and I didn't try to work around the rules — I treated it like a real business from day one.

That's all I'm asking for now: that the same basic expectations apply to everyone who is selling their products in Wrangell. It's difficult for storefront owners in Wrangell to accept the neglect for the fairness of rules toward some "business owners," especially when the blatant act of defiance is most often carried out on City property, that is partially paid for by the sales tax remitted by those who collect sales tax, at their own expense without compensation. There has to be more oversight by the City at these events, because it has become quite apparent accountability by all is not currently taking place; this includes most local makers, as well as those who travel to town to sell their wares. Due diligence is long delinquent.

Thank you for your time and consideration.

Kimberly Szczatko
Cooper's Corner
124 Front Street
Wrangell, Alaska 99929
909.305.1026

Cover Note

This packet provides simple, practical tools used by many small communities to support community markets while ensuring fairness and consistent sales tax compliance for all sellers competing with year-round storefront businesses.

The intent is not punitive, but to make it easy for everyone to operate on a level playing field.

Issue:

Community markets, dockside pop-ups, and special-event vendors provide value and vibrancy to Wrangell, but the current model lacks consistent accountability around business licensing and sales tax collection. This creates an uneven playing field for year-round storefront businesses that bear fixed operating costs and reliably collect and remit City sales tax at their own expense.

Impact:

- Brick-and-mortar businesses face unfair competition from temporary sellers who may not be operating under the same rules.
- The City risks inconsistent sales tax compliance, particularly for cash-heavy sales at events and on City property.
- Local makers who *do* comply are disadvantaged when others do not.

Principle:

Support local makers and community markets **without** undermining fairness, accountability, and the City's tax base. Markets should function as a launchpad for compliant small businesses—not a loophole around basic business requirements.

Three Clear Policy Asks

1) Require Basic Vendor Compliance at ALL Markets & Pop-Ups within the City & Borough of Wrangell

Ask: Require all sellers at community markets, dockside pop-ups, and special events to provide:

- Alaska Business License (or Temporary Vendor Permit)
- City Sales Tax Account (or use an approved event-based tax method)

Why: Creates fairness and ensures all sellers are operating as legitimate businesses.

2) Implement End-of-Day Sales Tax Settlement

Ask: Require sales tax to be reported and settled immediately following each market day or selling event, either:

- Directly to the City within 24–72 hours, or
- Through the market organizer as a single remittance

Why: Immediate settlement dramatically increases accountability for cash-heavy sales and reduces underreporting.

3) Apply the Same Rules on Markets Conducted Within the City & Borough of Wrangell

Ask: Adopt a clear policy that any Market sales activity conducted within the City & Borough of Wrangell (docks, parks, Fourth of July events, public and private) must comply with business licensing and sales tax requirements.

Why: Eliminates gray areas, ensures consistency, and avoids selective enforcement.

Community Market Vendor Accountability Packet

Simple tools to support local makers, ensure fairness, and improve sales tax compliance

1) End-of-Market Sales & Tax Settlement Form

(For Community Markets, Dockside Pop-Ups, & Special Events)

Event Name: _____

Event Date: _____

Location: _____

Vendor Information

- Business Name: _____
- Vendor Name: _____
- AK Business License #: _____
- City Sales Tax Account #: _____
- Phone/Email: _____

Sales Summary (Today Only)

- Gross Sales (before tax): \$_____
- Sales Tax Collected: \$_____
- Total Collected from Customers: \$_____

Payment Method Breakdown

- Cash: \$_____
- Card/Digital: \$_____

Sales Tax Settlement

Sales tax paid to Market Organizer

Sales tax paid directly to City

Amount Paid Today: \$_____

Payment Method: Cash Check Card Other

Vendor Certification

I certify the above sales and tax amounts are accurate for today's event.

Vendor Signature: _____ Date: _____

Organizer Verification (if applicable)

Received Sales Tax Amount: \$_____

Organizer Signature: _____ Date: _____

2) Vendor Compliance Checklist

Before You Sell

- Alaska Business License (or Temporary Vendor Permit)
- City Sales Tax Account (or approved event tax method)
- Simple way to track sales (cash log, receipt book, POS)
- Prices clearly note sales tax
- Event fees have been paid

During the Event

- Collect City sales tax on all taxable sales
- Track gross sales (cash and card)

End of Market Day

- Complete Sales & Tax Settlement Form
- Remit sales tax (per event policy)
- Keep a copy for your records

Ongoing

- File City sales tax reports on time
- Maintain current licenses
- Keep basic sales records

Reminder: Selling at a market is still operating a business.

3) Market Organizer Policy Template

Purpose

Support community markets and local makers while ensuring fairness, accountability, and consistent tax compliance for all sellers.

Vendor Requirements

- Vendors must provide:
 - Alaska Business License or Temporary Vendor Permit
 - City Sales Tax Account (or use approved event tax method)
 - Contact information
- Traveling vendors must meet the same requirements.

Sales Tax Handling (Choose One)

- Vendors remit sales tax to City within 24–72 hours
OR
- Organizer collects end-of-day sales tax and remits to City

End-of-Day Process

- Vendors complete Sales & Tax Settlement Form
- Organizer maintains vendor list + daily totals
- Organizer submits summary to City (per event or weekly)

City Property Rule

All Market sales must comply with local business licensing and sales tax requirements.

Non-Compliance

Failure to submit forms or remit tax may restrict future participation.

**Minutes of Regular Assembly Meeting
Held on February 10, 2026**

Mayor Patricia Gilbert called the Regular Assembly meeting to order at 7:00 p.m., February 10, 2026, in the Borough Assembly Chambers. Assembly Member Ottesen led the pledge of allegiance.

PRESENT – GILBERT, DALRYMPLE, DEBORD, POWELL, POWERS, MACH (by Zoom), OTTESEN

ABSENT –

Borough Manager Villarma (by Zoom) and Clerk Lane were also present.

CEREMONIAL MATTERS

PERSONS TO BE HEARD

Bernie Masson, Resident, commented on the waterfront design, not in favor of the proposed dock; thinks it could be put at Heritage Harbor instead.

Tony Haubrich Resident, spoke on the community market; would like to see the market expand due to the larger number of passengers that are expected to come to town; asked if there was any thought going into improving water lines throughout the community.

AMENDMENTS TO THE AGENDA – None.

CONFLICT OF INTEREST

Powers declared that he may have a conflict of interest to Items 13d and 13e since they are related to the school and he is on the School Board. Gilbert stated that he does not have a conflict. There were no objections from the Assembly.

CONSENT AGENDA

6a Minutes from the January 27, 2026 Regular Assembly Meeting

6b RESOLUTION No. 02-26-2022 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, ADOPTING AN ALTERNATIVE ALLOCATION METHOD FOR THE FY26 SHARED FISHERIES BUSINESS TAX PROGRAM (FMA 18 – CENTRAL SOUTHEAST ALASKA)

M/S: Powell/Ottesen to approve the consent agenda, as submitted. Motion approved by polled vote.

BOROUGH MANAGER'S REPORT

Borough Manager's Villarma provided a verbal report.

The Nolan Center report was provided

BOROUGH CLERK'S REPORT

Borough Clerk Lane's report was provided.

MAYOR AND ASSEMBLY BUSINESS

Dalrymple stated that he attended the SSRAA Board Meeting; had a good year; continuing to improve their sites; another proposal to cut production by 25%; would recommend that we send the Borough Manager to the Board of Fish meeting to provide comments.

Dalrymple stated that the Forest plan amendment, is on pause.

Powell thanked Mason and his team for all the work they have been doing.

Powell stated that he would like to direct the Manager to address zoning violations, building permits, derelict vehicles being tagged and not removed. There were no objections from the assembly to provide direction to the Manager.

Villarma stated that sales tax audits are happening now; encouraging best practice with those who are not in conformance.

MAYOR AND ASSEMBLY APPOINTMENTS – None.

PUBLIC HEARING

ORDINANCE No. 1097 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, ADDING CHAPTER 14.10, TITLED “INACTIVE VESSELS”, IN THE WRANGELL MUNICIPAL CODE

Gilbert opened the Public Hearing for this item and asked for an administrative report.

Villarma reported that this item was to address inactive vessels in the harbor.

Gilbert asked if there were any persons who wished to speak on this item. Hearing none, Gilbert asked for a motion.

M/S: Powell/Ottesen to approve Ordinance No. 1097. Motion approved by polled vote.

UNFINISHED BUSINESS – None.

NEW BUSINESS

13a Approval of a Memorandum of Understanding with Wrangell Rod and Gun Club

M/S: Powell/Ottesen to approve a Memorandum of Understanding with Wrangell Rod & Gun Club. Motion approved by polled vote.

Clerk Note: After the administrative report, Powell stated that he may have a conflict of interest to this item, although there is no monetary value associated with this MOU since it's all volunteer. Gilbert stated that there is no conflict. There were no objections from the Assembly.

13b Approval of a contract for Federal Lobbying Services

M/S: Powell/Ottesen to approve the contract for Federal Lobbying Services. Motion approved by polled vote.

13c RESOLUTION No. 02-26-2020 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, APPROVING THE ESTABLISHMENT AND USE OF REVOCABLE SEASONAL COMMERCIAL PERMITS FOR THE CITY DOCK CUL-DE-SAC AREA AND AUTHORIZING THE HARBORMASTER TO ADMINISTER THE PERMIT PROGRAM

M/S: Powell/Ottesen to approve Resolution No. 02-26-2020. Motion approved by polled vote.

13d RESOLUTION No. 02-26-2021 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA APPROVING A BUDGET AMENDMENT FOR THE HIGH SCHOOL AND PUBLIC SAFETY BUILDING FUEL TANKS REPLACEMENT PROJECT AND AUTHORIZING ITS EXPENDITURES

M/S: Powell/Ottesen to approve Resolution No. 02-26-2021. Motion approved by polled vote.

13e Approval of a Contract Award to Schmolck Mechanical for the High School and Public Safety Building Fuel Tanks Replacement Project

M/S: Powell/Ottesen to approve a contract award to Schmolck Mechanical for the High School and Public Safety Building Fuel Tanks Replacement Project. Motion approved by polled vote.

13f Approval of Mutual Non-Disclosure and Exclusivity Agreement with JAG Marine Group

M/S: Powell/Powers to approve the Mutual Non-Disclosure and Exclusivity Agreement between the City and Borough of Wrangell and JAG Marine Group, LLC. Motion approved by polled vote.

13g Approval of a Professional Services Agreement with the Pearlson Group

M/S: Powell/Ottesen to approve a professional Services Agreement with the Pearlson Group.

M/S: Powell/Dalrymple to amend the motion to add “the borough manager to execute”. Amendment was approved by polled vote.

Main motion as amended was approved by polled vote.

13h Approval of a Contract Award to PND Engineers for the Deep-Water Port Development, PIDP Planning Project

M/S: Powell/Ottesen to approve a Contract Award to PND Engineers for the Deep-Water Port Development, PIDP Planned Project. Motion approved by polled vote.

The borough manager to execute a professional services agreement

ATTORNEY’S FILE – Available for Assembly review in the Borough Clerk’s office

EXECUTIVE SESSION

15a Executive Session: Discussion of Strategic Land Exchange Negotiations

M/S: Powell/Powers pursuant to AS 44.62.310 (c)(1), that we recess into executive session and invite the Borough Manager into the session to discuss matters in which the immediate knowledge would clearly have an adverse effect upon the finances of the borough, specifically regarding the Discussion of Strategic Land Exchange Negotiations. Motion approved by polled vote.

Recessed into Executive Session at 8:09 p.m.

Reconvened from Executive Session at 8:41 p.m.

Regular Assembly meeting adjourned at 8:41 p.m.

Patricia Gilbert, Borough Mayor

ATTEST: _____
Kim Lane, MMC, Borough Clerk

City & Borough of Wrangell
IRENE INGLE PUBLIC LIBRARY
Administrative Report



To: HONORABLE MAYOR AND MEMBERS OF THE ASSEMBLY
Cc: MASON VILLARMA, BOROUGH MANAGER
From: SARAH SCAMBLER, LIBRARY DIRECTOR
Subject: LIBRARY REPORT
Date: 2/24/2026

Programming

2026 is off to a strong start at the library. In the first six weeks of the year, we have offered 30 programs with total attendance of 433. During the same period in 2025, we offered 11 programs with attendance of 156. This increase is a direct result of our new Library Program Coordinator position.

Having a dedicated staff member responsible for planning, promoting, and implementing programs has created greater consistency and predictability in our programs schedule. It has also allowed other staff to focus on collection development, maintenance, and inventory, while freeing administrative time for budgeting, reporting, and grant development.

After a short planning break in January, our regular seasonal programming resumed in February, including Story Time, Kids Club, and Baby Music, all with strong attendance. Kids Club continues to be especially busy, with 51 participants at the first session and 39 at the second. Due to the high energy nature of the program, we have recently developed and posted a clearer set of rules and expectations to promote a positive and consistent environment.

Several newer programs are gaining traction. Senior Social Hour on Mondays at 10:00 a.m. provides a welcoming space for adults to gather for coffee and conversation. Teen After Hours on Tuesdays from 6:00 p.m. to 9:00 p.m. has been especially successful, with 64 participants across five sessions. Middle School Meet Up is growing steadily and will move from biweekly to weekly offerings on Sundays from 1:00 p.m. to 3:00 p.m. beginning in March. Several select programs are being offered outside of regular open hours, helping foster a sense of ownership and belonging, particularly among middle school and teen participants.

We have also begun offering family friendly programming every Saturday morning from 10:00 a.m. to 12:00 p.m. Our goal is to establish a reliable time when families know they can come to the library and find something engaging to do together. Examples include Valentine's Day card making, Family Build & Play sessions, Lunar New Year crafts, weekend Storytimes, Family board games, and more.

Another component of our IMLS Enhancement Grant that has now launched is middle and high school tutoring. Tutoring is offered at the library on Tuesdays and Thursdays from 3:30 to 4:30 p.m. Students register through a simple online form, and sessions are led by our Program Coordinator, Chana Garrett. This service supports students who may be struggling in a subject or who want additional help to

strengthen their skills. Community members are encouraged to refer students who could benefit from this opportunity.

If you would like to see our full calendar of events, please visit: tinyurl.com/librarywrangell

Operations and Administration

While programming has expanded significantly, regular library operations continue as normal. Staff remain focused on collection development, maintaining an organized and up to date collection, assisting patrons with technology and research needs, and managing day to day facility operations. Administrative work continues in the areas of budgeting, grant management, and long-term planning.

Director Projects and Professional Development

At the end of March, I will be presenting at the Alaska Library Association Conference in Sitka. I will lead a session on “3D Printing in the Library 101” and participate on a panel discussing the growing popularity of the romance genre. These sessions reflect our investment in emerging technologies and responsiveness to current reading trends.

Kaitlin and Chana will also attend the conference. We look forward to bringing back ideas and best practices to strengthen library services in Wrangell.

As always, thank you to the Assembly for your continued support of the Irene Ingle Public Library.

Sincerely,

SARAH SCAMBLER

Library Director

City & Borough of Wrangell
OFFICE OF THE BOROUGH CLERK
 Administrative Report



To: Mayor and Borough Assembly Members
 From: Kim Lane, MMC, Borough Clerk
 Subject: February 24, 2026 Borough Clerk's Report

**Upcoming Work Sessions (scheduled), Public Hearings (scheduled),
 Regular Assembly Meetings, and Other Meetings (scheduled)**

| DATE | MEETING TYPE/EVENT | WS? - TOPIC | TIME | NOTES |
|-----------------------|--|--------------------|---------------------------|---|
| 2026-02-24 | REGULAR | SEAPA Presentation | 6-7 PM (SEAPA) 7PM REG | |
| 2026-03-05 | SCHOOL BOARD / BOROUGH ASSEMBLY WORK SESSION | BUDGET/FACILITIES | 6PM | This will take place in the Borough Assembly Chambers |
| 2026-03-10 | REGULAR | WS ?? | 6PM REG | |
| 2026-03-24 | REGULAR | WS ?? | 6PM REG | |
| 2026-04-14 | REGULAR | WS ?? | 6PM REG | |
| 2026-04-28 | REGULAR | WS ?? | 6PM REG | CANCELLED |
| 2026-05-12 | REGULAR | WS ?? | 6PM REG | |
| 2026-05-18 | Board of Equalization Hearing (rescheduled from May 11) | | 5:30PM | |
| 2026-05-26 | REGULAR | WS | | |

Other Borough Boards & Commission meetings:

| | | | | |
|------------|---------------------|------------------------|-----|---------------------------|
| 2026-02-26 | Port Commission Mtg | Rescheduled from Feb 5 | 6PM | Borough Assembly Chambers |
| | | | | |

ALDER TOP VILLAGE LOTS:

Below is the list of Alder Top lots that have sold and the lots that have been relisted due to either not selling yet (Only Lot 22) or defaulted and have been relisted. As you can see, only Lots 8, 9, and 22 are currently listed on Public Surplus.

| Description | Final Bid/Or Currently on Public Surplus |
|--------------------|---|
| LOT 2 | \$81,100.00 |
| LOT 3 | \$65,500.00 |
| LOT 4 | \$70,200.00 |
| LOT 5 | \$75,200.00 |
| LOT 6 | \$80,300.00 |
| LOT 7 | \$99,500.00 |
| LOT 8 | DEFAULTED - RELISTED ON SURPLUS (starting bid \$68,500 (ends March 4th) <i>-Currently has at least one bid-</i> |
| LOT 9 | DEFAULTED - RELISTED ON SURPLUS (starting bid \$75,400 (ends March 6th) |
| LOT 11 | \$55,100.00 |
| LOT 12 | \$63,600.00 |
| LOT 13 | \$66,100.00 |
| LOT 14 | \$62,000.00 |
| LOT 15 | \$59,300.00 |
| LOT 16 | \$56,600.00 |
| LOT 17 | \$53,900.00 |
| LOT 18 | \$54,700.00 |
| LOT 19 | \$59,200.00 |
| LOT 20 | \$64,800.00 |
| LOT 21 | \$49,800.00 |
| LOT 22 | NOT SOLD - STILL ON SURPLUS (starting bid \$68,800 (ends March 1st) |



NIXLE: It is extremely important to borough staff, the assembly, and residents to encourage everyone to sign up to receive local NIXLE alerts. Please open the link above to register.

Nixle Community Information Service allows us to create and publish messages to be delivered to subscribed residents instantly via cell phone text message and/or email. Notifications can also be accessed online at Nixle's website.

The service is secure and reliable for Wrangell residents to use. Wrangell emergency services will be utilizing NIXLE for critical situations such as severe weather events or evacuation alerts.

Purchasing or Leasing Borough-owned property:

Applying to purchase or lease borough-owned land can be a bit confusing. We have created applications for both purchasing and leasing in order to make the process easier. Below are the steps one would take to lease or purchase borough-owned land.

[Steps for Leasing Borough-Owned Real Property as per WMC 16.10](#)

[Steps for Leasing Borough-Owned Tidelands as per WMC 16.08](#)

Applications for tidelands leases shall be submitted to the borough clerk and then shall be submitted to the borough manager, planning and zoning and port commissions before being presented to the borough assembly for consideration.

Applications for real property leases shall be submitted to the borough clerk and then shall be submitted to the borough manager and the planning and zoning commission for review before being presented to the borough assembly for consideration.

The applicant shall provide additional information, including a development plan, designs, and specifications, as the planning and zoning and/or port commissions

may request. The planning and zoning and port commissions may require the applicant to amend its development plan. All fees associated with the lease shall be paid by the applicant. Such fees include but are not limited to an application fee, survey, assessment, public notices, and recording fees.

For procedural questions, please contact City Hall at (907) 874-2381 Kim Lane (Borough Clerk) by email to clerk@wrangell.com.

For land questions and documents, please contact City Hall at (907) 874-2381 or Kate Thomas (Economic Development Director) by email to kthomas@wrangell.com.

**CITY & BOROUGH OF WRANGELL, ALASKA
BOROUGH ASSEMBLY AGENDA STATEMENT**

| | | |
|---------------------------|-----------------------|-------------------|
| <u>AGENDA ITEM TITLE:</u> | <u>DATE:</u> | February 24, 2026 |
| | <u>Agenda Section</u> | 11 |

RESOLUTION No. 02-26-2023 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, APPROVING THE TIDELANDS LEASE TO JAG MARINE GROUP

SUBMITTED BY:

Mason Villarma, Borough Manager

FISCAL NOTE:

Expenditure Required: \$XXX Total

| | |
|-------------------|------------|
| Fiscal Year (FY): | Amount: \$ |
|-------------------|------------|

Amount Budgeted:

| | |
|-----|----|
| FY: | \$ |
|-----|----|

Account Number(s):

| |
|----------------|
| XXXXX XXX XXXX |
|----------------|

Account Name(s):

| |
|-----------------|
| Enter Text Here |
|-----------------|

Unencumbered Balance(s) (prior to expenditure):

| |
|-------|
| \$XXX |
|-------|

Reviews/Approvals/Recommendations

| | |
|--------------------------|-----------|
| <input type="checkbox"/> | |
| Name(s) | |
| Name(s) | |
| <input type="checkbox"/> | Attorney |
| <input type="checkbox"/> | Insurance |

ATTACHMENTS: 1. Resolution No. 02-26-2023 2. Port Commission Memo 3) PZ/EDB Memo 4) Deepwater Port Subdivision 5) Lease Agreement

MAYOR PROCEDURE: Declare the Public Hearing open. The Mayor shall ask if there is any administrative report on the Public Hearing Item. Persons who signed up to talk on this item shall be called to the podium.

Once all persons have been heard, declare the Public Hearing closed and entertain a motion.

RECOMMENDATION MOTION:
Move to approve Resolution No. 02-26-2023.

SUMMARY STATEMENT:

Background

Following the execution of a Memorandum of Understanding (MOU) between the City and Borough of Wrangell and JAG Marine Group, and the Assembly's prior authorization to jointly fund a 30% design, cost estimate, and feasibility study with the Pearlson Group, this short-term lease agreement represents the next critical step in formalizing the partnership and advancing the development of a new shipyard at the Borough's deepwater port site.

These coordinated efforts are intended to position Wrangell and JAG Marine Group with the technical, financial, and strategic readiness necessary to compete for significant State and Federal investment, including opportunities tied to expanded commercial maritime activity and national defense support. The primary purpose of this lease is to secure JAG Marine Group's interest in the site while both parties continue design, engineering, financing, and pre-development activities necessary to deliver a state-of-the-art shipyard facility.

The proposed lease has been reviewed by the Borough's boards and commissions, all of which recommend approval as a strategic step forward in advancing maritime industrial development:

- **Port Commission** – Recommended approval on December 19th, 2025
- **Planning and Zoning Commission** – Recommended approval on January 22, 2026
- **Economic Development Board** – Recommended approval on January 5, 2026

Each body recognized the importance of securing a qualified development partner, maintaining Borough participation in future revenues, and ensuring the project remains competitive for outside funding and federal investment.

The lease is intentionally structured as an interim agreement to allow progress on the project while preserving flexibility as design, funding, and partnership structures evolve. Key provisions of the lease include:

- **Site Control for Development:** Grants JAG Marine Group the right to access and utilize the property for planning, design, and early-stage development activities.
- **Proportional Ownership of Improvements:** Establishes that ownership of improvements will be allocated between the Borough and JAG based on each party's financial contributions toward design, development, and construction.

- **Shared Maintenance and Capital Responsibility:** Requires that operation, repair, and capital maintenance obligations be shared proportionally based on each party's respective investment.
- **Revenue Generation Trigger:** Defines the point at which the facility becomes operational (first earned revenue from shipyard-related services), which will trigger formal negotiations for a long-term lease.
- **Long-Term Lease Intent:** Expresses the parties' intent to enter into a long-term ground lease of not less than forty (40) years, with renewal options, aligned with the useful life and operational needs of the facility.
- **Revenue-Based Economic Structure:** Anticipates that the long-term lease will be structured around a revenue-sharing or dividend-based model, ensuring the Borough participates in the long-term success of the project.
- **Alignment with Funding Strategy:** Acknowledges that the project will require a combination of federal, state, and private funding sources—including grants, loans, bonds, and potential equity participation—and ensures the lease framework remains compatible with those requirements.

This lease secures a committed development partner while maintaining the Borough's long-term ownership interests and participation in the project's success. It represents a deliberate step toward establishing Wrangell as a strategic hub for shipbuilding, repair, and maintenance in Alaska, strengthening the region's maritime economy and supporting future opportunities with both commercial operators and federal partners, including the U.S. Coast Guard.

CITY AND BOROUGH OF WRANGELL**RESOLUTION No. 02-26-2023**

RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, APPROVING AND AUTHORIZING THE BOROUGH MANAGER TO EXECUTE A LEASE AGREEMENT WITH JAG MARINE GROUP FOR THE DEVELOPMENT OF A SHIPYARD AT THE BOROUGH'S DEEPWATER PORT SITE

WHEREAS, the Borough has identified shipbuilding, vessel repair, and maritime industrial activity as key components of its long-term economic development strategy; and

WHEREAS, the Borough and JAG Marine Group ("JAG") entered into a Memorandum of Understanding (MOU) on January 28, 2026, establishing a framework for collaboration on the development of a shipyard facility in Wrangell; and

WHEREAS, on February 10, 2026, the Assembly authorized the Borough to jointly fund, with JAG, a 30% design, cost estimate, and feasibility study with the Pearlson Group to advance the project and strengthen the Borough's position for State and Federal funding opportunities; and

WHEREAS, the Borough desires to enter into a short-term lease agreement with JAG to secure JAG's interest in the site and facilitate ongoing planning, design, financing, and pre-development activities; and

WHEREAS, the lease agreement is structured as an interim agreement that provides site control while preserving flexibility as project design, funding, and partnership structures evolve; and

WHEREAS, the lease establishes a framework for proportional ownership of improvements and shared responsibility for maintenance based on each party's financial contributions; and

WHEREAS, the lease includes a defined "Revenue Generation" trigger, upon which the parties will commence negotiations for a long-term ground lease of not less than forty (40) years, anticipated to be structured on a revenue-sharing or dividend-based model; and

WHEREAS, the project is expected to require a combination of federal, state, and private funding sources, including grants, loans, bonds, and potential equity participation, and the lease framework is designed to remain compatible with such funding requirements; and

WHEREAS, the Port Commission, Planning and Zoning Commission, and Economic Development Board have each reviewed the proposed lease agreement and recommended approval; and

WHEREAS, the Assembly finds that entering into this lease agreement is in the best interest of the Borough and supports long-term economic growth, job creation, and the expansion of maritime infrastructure in Wrangell.

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA THAT:

Section 1: The Assembly hereby approves the short-term lease agreement between the City and Borough of Wrangell and JAG Marine Group for the development of a shipyard at the Borough’s deepwater port site.

Section 2: The Borough Manager is hereby authorized to execute the lease agreement in substantially the same form as presented, with such minor modifications as may be necessary to carry out the intent of this Resolution.

Section 3: The Borough Manager is further authorized to take all actions reasonably necessary to implement the terms of the lease and to advance the development of the project consistent with the intent of the Assembly.

Section 4: This Resolution shall be effective immediately upon adoption.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY & BOROUGH OF WRANGELL, ALASKA THIS 24TH DAY OF February 2026.

CITY & BOROUGH OF WRANGELL

Patricia Gilbert, Borough Mayor

ATTEST: _____
Kim Lane, MMC, Borough Clerk

City & Borough of Wrangell
PORTS & HARBORS DEPARTMENT
Memorandum



To: HONORABLE MAYOR AND MEMBERS OF THE ASSEMBLY

CITY AND BOROUGH OF WRANGELL

Cc: Mason Villarma

From: Steve Miller

Subject: Port Commission Action – JAG Lease Request at 6-Mile Deep-Water Port

Date: 12/19/2025

At its regular meeting, the Wrangell Port Commission reviewed a lease request from JAG for approximately 30 acres of land at the Borough's 6-Mile Deep-Water Port site. After discussion, the Commission voted unanimously to approve the request and forward it to the Borough Assembly for consideration.

The lease area is within the long-planned deep-water port redevelopment site. Commissioners agreed the request is consistent with the Borough's waterfront and port development goals and supports future industrial and maritime uses envisioned for the area.

The Commission also recognized that this is a large, long-term project. Additional coordination and planning will be needed as the proposal moves forward, including work related to utilities, infrastructure, permitting, and compatibility with other port operations.

Based on its review, the Port Commission unanimously recommends approval of the JAG lease request.

City & Borough of Wrangell

ECONOMIC DEVELOPMENT DEPARTMENT

Memorandum



Date: Friday, February 20, 2026

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

From: Kate Thomas, Economic Development Director

Subject: Request from JAG Marine Group to lease Borough-owned real property and tidelands at the Six-Mile-Deep Water Port

Recommendation: The Planning & Zoning Commission, at its January 22, 2026 regular meeting, and the Economic Development Board, at its January 5, 2026 regular meeting, recommend that the Borough Assembly approve the request from JAG Marine Group for a long-term lease of Borough-owned uplands and tidelands at the Six-Mile-Deep Water Port, zoned Waterfront Development, subject to the following conditions:

1. Final lease terms, boundaries, and conditions shall be reviewed by the Borough Attorney and approved by the Borough Assembly in accordance with WMC Title 16.
2. All development shall be subject to applicable local, state, and federal permits.
3. Infrastructure extensions, access improvements, and utility responsibilities shall be addressed through subsequent agreements and permitting.
4. Approval of the lease does not constitute approval of specific development plans.

Attachments: 1.) Site Occupancy Map

Summary of Decision:

Economic Development Board – January 5, 2026

The Board reviewed the proposal from an economic and strategic perspective. Members discussed the scale of the proposed shipyard, long-term site capacity, and cumulative infrastructure demands at the Deep-Water Port. Questions focused on market demand, coordination with other tenants, and alignment with the Borough's broader EDA infrastructure planning.

The Board recognized the proposal as a potential anchor investment with significant workforce development and maritime industry benefits. Members also emphasized the importance of clearly defining infrastructure responsibilities, housing coordination, and long-term site flexibility during lease negotiations.

The Economic Development Board voted unanimously to recommend approval and forward the matter to the Borough Assembly.

Planning & Zoning Commission – January 22, 2026

The Commission conducted a public hearing; no public testimony was received on the JAG lease item. Staff presented findings of fact confirming that the subject properties are Borough-owned and zoned Waterfront Development, which is intended to accommodate marine, industrial, and water-dependent uses.

Commissioners discussed infrastructure upgrades, final lease footprint refinement, and the long-term redevelopment strategy for the Deep-Water Port. Staff clarified that approval of the lease does not authorize construction and that future development will require additional permitting and technical review.

The Planning & Zoning Commission voted unanimously to recommend approval and forward the matter to the Borough Assembly.

Background:

JAG Marine Group has requested a long-term lease of multiple Borough-owned upland parcels and tidelands at the Six-Mile-Deep Water Port for development of a full-capacity shipyard and large-vessel repair facility.

The proposed facility would support vessel construction, fabrication, and repair services for commercial and government fleets. Conceptual plans include a ship-lift system, assembly hall, dry docks, fabrication shops, and associated marine infrastructure.

The Borough acquired the former mill site in 2022 to reestablish industrial activity and expand economic opportunity. Since that time, redevelopment efforts have focused on marine freight, logistics, and industrial use consistent with Waterfront Development zoning and adopted planning policies.

The JAG proposal represents a large-scale, long-term maritime investment. Both advisory bodies determined that the request is consistent with the intent of the Waterfront Development District and aligns with the Borough's long-term port redevelopment strategy. Final lease structure, infrastructure responsibilities, and phasing will be addressed through negotiation and subsequent permitting processes prior to construction.



AML FREIGHT YARD

FREIGHT YARD (AML)
4 ACRES

GENERATION
DATA CENTER

JAG MARINE GROUP

BARGE PULL-OUT

TODAY'S
CONSTRUCTION

SYNCRIFT

AML BARGE TERMINAL

TIDELANDS/ SUBMERGED LANDS LEASE

BY AND BETWEEN

THE CITY AND BOROUGH OF WRANGELL

A Municipal Corporation and Unified Home Rule Borough of the State of Alaska

AND

JAG MARINE GROUP, LLC.

A Texas limited liability company

PREAMBLE

This Tidelands/Submerged Lands Lease (the "Lease") is made and entered into as of _____ (the "Effective Date"), by and between the City and Borough of Wrangell, Alaska ("**Lessor**"), a municipal corporation organized under the laws of the State of Alaska, whose address is P.O. Box 531, Wrangell, Alaska 99929 and JAG MARINE GROUP, LLC, a Texas limited liability company ("**Lessee**"), a Texas limited liability corporation, whose principal office is located at 225 East Chicago Street, Jonesville, Michigan 49250741. Lessor and Lessee may hereinafter be referred to individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, Lessor owns the approximately 40-acre 6-Mile Mill Site south of Wrangell's downtown waterfront, a property featuring deep-water access suitable for industrial and marine development as a deepwater port (the "**Port**"), a strategic industrial asset with significant potential for maritime fabrication, vessel repair, and long-term infrastructure expansion including a syncrolift facility, assembly hall, and drydocks; and

WHEREAS, Lessee is a full-service maritime, industrial, fabrication, and vessel-repair firm with national experience supporting local and state governments and agencies, the U.S. Coast Guard, and United States Navy, commercial vessels, and industrial clients; and

WHEREAS, Lessee operates the two largest commercial shipyards in the United States north of Seattle, Washington in Seward, Alaska and Ketchikan, Alaska, respectively; and

WHEREAS, the Parties wish to explore a public/private partnership and business opportunity of mutual interest where Lessee and Lessor will collaborate on the development of the Port which may result in corresponding negotiated transactions, including, but not limited to, this short term Lease, which may be followed by a longer term lease; and

WHEREAS, Lessor and Lessee entered into that certain Memorandum of Understanding dated January 28th, 2026 (the "MOU") to collaborate on the analysis and strategic development of the Port; and

WHEREAS, the Parties recognize that expansion of Port will: (1) confer public benefits on Lessor by stimulating local economic growth, maritime fabrication, vessel repair, and long-term infrastructure expansion including a syncrolift facility, assembly hall, and drydocks; (2) support Lessee's strategic objectives for market expansion; and (3) provide operational effectiveness to Lessee, local and state governments and agencies, the U.S. Coast Guard and United States Navy, commercial vessels, industrial clients and other vessel owners; and

WHEREAS, on December 4, 2025, Lessee submitted an application to lease approximately 25 acres of the 6 Mile Mill Site in accordance with Wrangell Municipal Code 16.08.030A, along with a development proposal for review by the borough manager and the planning and zoning commission as required by Wrangell Municipal Code 16.08.030B ("Application"), a true and correct copy of which is attached as Exhibit A hereto and incorporated by reference as if fully set forth herein; and

WHEREAS, Lessee desires to lease from Lessor the tidelands/submerged lands described below in order to develop, construct, and operate a full-service maritime, industrial, fabrication, and vessel repair facility to support local and state governments and agencies, the U.S. Coast Guard and United States Navy, commercial vessels, and industrial clients; and

NOW, THEREFORE, in consideration of the mutual covenants herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

- 1. LEASE OF TIDELANDS/SUBMERGED LANDS.** Lessor agrees to lease to Lessee and Lessee agrees to lease from Lessor, upon the terms and conditions hereinafter set forth, approximately 25 acres of the tidelands/submerged property located at the former 6-Mile Mill Site south of Wrangell's downtown waterfront which is situated in the City and Borough of Wrangell, Alaska ("**Property**"), as more particularly described and depicted in that certain survey attached hereto as Exhibit "B" and incorporated by reference as if fully set forth herein.
- 2. ORIGINAL TERM OF LEASE.** The Original Term of the Lease shall be for a period of three (3) years commencing on March 1, 2026, ("**Commencement Date**") and expiring on the last day of the month following three (3) years after the Commencement Date, unless sooner terminated, cancelled, or extended as hereinafter provided.
- 3. OPTIONS TO EXTEND THE LEASE.** Any option granted by Lessor to Lessee is a privilege and is neither a right nor bargained-for-consideration. Notwithstanding, Lessor pursuant to WMC 16.08.070, hereby grants, in its sole discretion, to Lessee separate consecutive options to extend the Original Term for two (2) separate consecutive additional periods (the "**Extension Periods**") of one (1) years each provided:
 - a. Lessee makes written application therefore at least ninety (90) days prior to the expiration of the Original Term or any Extension Period then in effect;
 - b. Lessee is not in default under the Lease;

- c. The proposed use is compatible with the Lease, current use classification, and Borough Code including zoning provisions; and
- d. Mutually agreeable terms, consistent with the provisions of Borough code governing lease terms, are negotiated by Lessor and Lessee and approved by the Borough Assembly.

4. BASE RENT. Base rent shall be payable in the form of an annual lease payment, which such payment is due on or before March 1st of each subsequent lease year following the Commencement Date. In accordance with Wrangell Municipal Code 16.08.120, Base Rent shall be ten percent (10%) of the appraised value of the Property and any improvements thereon.

5. ADDITIONAL RENT. Any and all property taxes, sales taxes, possessory interest taxes, or substantially equivalent ad valorem taxes as described in Paragraph 17, insurance costs, water, and utility charges that Lessee may be required to pay by the terms of this Lease shall be paid in addition to the Base Rent on or before January 10th of each subsequent lease year following the Commencement Date.

6. LESSEE'S PERMITTED USE. The Property shall be used by Lessee exclusively for the purpose of developing the Port, including but not limited to, constructing and operating a full-service maritime, industrial, fabrication, and vessel repair facility capable of supporting local and state governments and agencies, the U.S. Coast Guard and United States Navy, commercial vessels, and industrial clients.

- a. Compliance with Law. Lessee's use of the Property shall conform to all ordinances of the Borough, including any applicable zoning ordinance and with all state and federal regulations, rules, and laws, as the code or any such rules, regulations, or laws may affect the activity upon or associated with the Property.
- b. Improvements. Consistent with the Development Plan, Lessee shall, subject to Lessor approval, which approval shall not be unreasonably withheld, not later than three (3) years from the Commencement Date substantially complete construction of the Port on the Property or be engaging in reasonable commercial efforts to complete the construction of the Port that ensures the operation of a full-service maritime, industrial, fabrication, and vessel repair facility capable of supporting local and state governments and agencies, the U.S. Coast Guard and United States Navy, commercial vessels, and industrial clients.

7. QUIET POSSESSION. Notwithstanding any other provisions of this Lease to the contrary or any other rights Lessor may have, Lessor covenants and agrees not to encumber the Property or otherwise alter or permit to the alteration of the status of the title to the Property such that Lessee's right to use the Property for Lessee's permitted use is diminished without Lessee's prior written consent. If Lessor breaches Lessor's covenants as set forth in this section, then Lessee may, in addition to any and all other

remedies available at law or in equity, terminate this Lease without owing any liability to Lessor. In the event that Lessor cures such breach within twenty (20) days after written notice from Lessee, then Lessee's termination shall be null and void.

8. PERMITS AND APPROVALS. If Lessee does not receive or is denied or refused any such approval (including, but not limited to, building and renovation permits, signage permits, zoning interpretations and confirmations, permits and approvals and all variances, utility permits, authorizations or easements necessary for Lessee's permitted use as described herein and the Development Plan (collectively, the "**Approvals**") necessary for Lessee to utilize or develop the Property for its permitted use, or if the necessary Approvals are granted subject to any conditions that materially prevent or impair Lessee from utilizing or developing the Property for its permitted use, or if adequate utilities and related facilities, including, without limitation, water, storm water/sewage disposal, telephone service and energy sources, to service the Property and any improvements thereto for Lessee's permitted use or easements therefore are not available to the satisfaction of Lessee, then Lessee may terminate this Lease without owing any liability to Lessor by providing written notice to Lessor, and if Lessee has commenced paying Base Rent and Additional Rent, Lessee's obligation to pay Base Rent and Additional Rent shall immediately and automatically terminate, and each Party shall be relieved of all further obligations under this Lease.

9. RIGHT TO BUILD. Subject to the provisions of this Lease, the Development Plan, and applicable law, Lessee has the right to design and construct the Port that ensures the operation of a full-service maritime, industrial, fabrication, and vessel repair facility capable of supporting local and state governments and agencies, the U.S. Coast Guard and United States Navy, commercial vessels, and industrial clients.

- a. Lessee shall have discretion in designing the Port and selecting a contractor for the construction of the Port subject to the prior written approval by Lessor with said approval to not be unreasonably withheld.
- b. Lessee shall also have the right, but not the obligation, to do any and all demolition, grading, drainage and pavement work on the Property Lessee deems necessary or appropriate for the purposes of constructing the Port subject to the prior written approval by Lessor with said approval to not be unreasonably withheld.
- c. During the Original Term and any extensions thereof, title to all improvements constructed on the Property shall be held by Lessor and Lessee in proportion to each party's respective financial contributions toward the design, development, and construction of such improvements. The parties shall maintain written documentation of all qualifying contributions, which shall govern their respective ownership interests. Each party shall be entitled to claim depreciation consistent with its proportional ownership interest, subject to applicable law.

Lessee shall, at its own expense, make any and all repairs, alterations, and improvements deemed necessary by Lessee, in compliance with all applicable laws.

- d. All improvements constructed on the Property by Lessee shall be constructed and maintained in accordance with all applicable laws, rules, regulations, statutes and ordinances and shall be performed by contractors licensed in the State of Alaska, and in good and workmanlike order.

10. MAINTENANCE OF THE PROPERTY. Except as expressly provided otherwise in this Lease, Lessor and Lessee shall be responsible for the operation, repair, replacement, and maintenance of the Port and all other improvements constructed on the Property in proportion to each party's respective financial contributions toward the design, development, and construction of such improvements, as documented by the parties. Such responsibilities shall include, without limitation, all major and capital maintenance. Each party shall be responsible for its proportional share of costs necessary to keep the improvements in good, safe, and serviceable condition, and in compliance with all applicable laws and regulations. Capital repairs shall be performed in accordance with this section regardless of whether the need arises from ordinary wear and tear, age, or obsolescence; provided, however, that any required maintenance directly and solely caused by the gross negligence or willful misconduct of either party shall be the sole responsibility of such party.

- a. **Utilities and Refuse.** Lessee shall pay for its metered water and power consumption, if any, at competitive rates established by Lessor for similarly situated commercial users. Lessor shall also provide garbage or refuse collection service to the Port and shall bill Lessee for such services at standard commercial rates. Lessor shall invoice Lessee monthly for utilities and refuse, and Lessee shall pay all such invoices within thirty (30) days of receipt.

11. MUTUAL WAIVER OF CONSEQUENTIAL DAMAGES. Neither Party shall be liable to the other Party, in connection with or arising out of such Party's rights or obligations under this Lease, for any special, incidental, indirect, exemplary, punitive, or consequential damages of any nature.

12. ENVIRONMENTAL. Lessor makes no warranty or representation with respect to the presence of Hazardous Materials on, above, or beneath the Property or any parcel in proximity thereto. Lessee expressly accepts the risk and assumes any and all liability for the facts, circumstances, conditions, and defects, if any, listed on the Alaska Department of Environmental Conservation, Division of Spill Prevention and Response, Contaminated Sites Database.

- a. As used herein, the term "Hazardous Materials" means: (a) those substances included within the definitions of any one or more of the terms "hazardous materials," "hazardous wastes," "hazardous substances," "industrial wastes," and "toxic pollutants," as such terms are defined under Environmental Laws, or any of them; (b) petroleum and petroleum products, including, without limitation, crude oil and any fractions thereof; (c) natural gas, synthetic gas, and any mixtures thereof;

(d) asbestos and/or any material which contains any hydrated mineral silicate, including, without limitation, chrysotile, amosite, crocidolite, tremolite, anthophyllite, and/or actinolite, whether friable or non-friable; (e) polychlorinated biphenyl ("PCBs") or PCB containing materials or fluids; (f) radon; (g) any other hazardous or radioactive substance, material, pollutant, contaminant, or waste; and (h) any other substance with respect to which any Environmental Law or governmental authority requires environmental investigation, monitoring, or remediation.

- b. As used herein, the term "Environmental Laws" means: all federal, state, and local laws, statutes, ordinances, and regulations, now or hereafter in effect, in each case as amended or supplemented from time-to-time, including, without limitation, all applicable judicial or administrative orders, applicable consent decrees, and binding judgments relating to the regulation and protections of human health, safety, the environment, and natural resources, including without limitation, ambient air, surface water, groundwater, wetlands, land surface or subsurface strata, wildlife, aquatic species and vegetation, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. §§ 9601 et seq.), the Hazardous Material Transportation Act, as amended (49 U.S.C. §§5101 et seq.), the Federal Insecticide, Fungicide, and Rodenticide Act, as amended (7 U.S.C. §§ 136 et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. §§ 9601 et seq.), the Toxic Substances Control Act, as amended (15 U.S.C. §§ 2601 et seq.), the Clean Air Act, as amended (42 U.S.C. §§ 7401 et seq.), the Federal Water Pollution Control Act, as amended (33 U.S.C. §§ 1251 et seq.), the Safe Drinking Water Act, as amended (42 U.S.C. §§300f et seq.) any state or local counterpart or equivalent of any of the foregoing, and any federal, state, or local transfer of ownership notification or approval statutes.
- c. Lessee is relying solely upon Lessee's own knowledge of the Property based on its own investigation, inspection, and due diligence of the Property in determining the Property's value and physical condition and Lessee agrees that it shall, subject to the express warranties, representations, and conditions, if any, contained in this Lease, assume the risk that adverse matters, including but not limited to, construction defects and adverse physical and environmental conditions, may not have been revealed by Lessee's investigations.
- d. Lessee shall not cause any Hazardous Substance to be located, used, spilled, leaked, disposed of, or otherwise released on or under the Property. Lessee shall comply with all environmental laws and exercise a high degree of care in the use and handling of Hazardous Substances in transfer of cargo and maintenance of the docking facilities.
- e. Lessee shall immediately notify Lessor upon becoming aware of the following:
- (i) any spill, leak, disposal or other release of a Hazardous Substance on, under or adjacent to the Property required to be reported to the United States Coast Guard ("USCG") or the State of Alaska Department of Environmental

Conservation ("ADEC") and shall provide Lessor with a copy of any written notification submitted to USCG or ADEC; (ii) any notice or communication from a governmental agency or any other person relating to any Hazardous Substance on, under or adjacent to the Property; or (iii) any violation of any Environmental Law with respect to the Property or Lessee's activities on or in connection with the property or the docking facilities.

- f. In the event of a spill, leak, disposal or other release of a Hazardous Substance on or under the Property caused by Lessee or any of its contractors, agents or employees or invitees, or the suspicion or threat of the same, Lessee shall: (a) immediately undertake all emergency response necessary to contain, clean up and remove the released Hazardous Substance; (b) promptly undertake investigation, remedial removal and other response action necessary or appropriate to insure that any Hazardous Substances contamination is eliminated to Lessor's reasonable satisfaction; and (c) provide Lessor copies of all correspondence with any governmental agency regarding the release (or threatened or suspected release) or the response action, and a detailed report documenting all such response action.
- g. Upon expiration or sooner termination of this Lease for any reason, unless otherwise agreed by Lessor, Lessee shall remove all Hazardous Substances and facilities used for the storage or handling of Hazardous Substances from the Property and shall restore the affected areas by repairing any damage caused by the installation or removal of the facilities.
- h. Lessee shall indemnify, defend, and hold harmless Lessor, its employees and agents and the respective successors and assigns of each of them from and against all claims, demands, liabilities, damages, fines, losses, costs (including without limitation the cost of any investigation, remedial, removal or other response action required by Environmental Law) and expenses (including without limitation attorney fees and expert fees in connection with any trial, appeal, petition for review or administrative proceeding) arising, arisen, or to arise out of or in any way referring or relating to the release or presence of Hazardous Substances on or under the Property caused by Lessee or any of its contractors, agents or employees or invitees.
- i. Lessee's obligations under sub-section h above shall survive the expiration or termination of this Lease for any reason. Lessor's rights under sub-section h above are in addition to and not in lieu of any other rights or remedies to which Lessor may be entitled under this lease or otherwise.
- j. Lessor shall indemnify, defend and hold harmless Lessee, its employees and agents and the respective successors and assigns of each of them from and against all claims, demands, liabilities, damages, fines, losses, costs (including without limitation the cost of any investigation, remedial, removal or other response action required by Environmental Law) and expenses (including without limitation

attorney fees and expert fees in connection with any trial, appeal, petition for review or administrative proceeding) arising out of or in any way relating to the use, treatment, storage, generation, transport, release, leak, spill, disposal or other handling of Hazardous Substances on or under the Property caused by Lessor or any of its contractors, agents, or employees or invitees prior to the Commencement Date, or unrelated to, Lessee's or its contractors', agents' or employees' or invitees' activities on the Property.

- k. Lessor's obligations under sub-section j above shall survive the expiration or termination of this Lease for any reason. Lessee's rights under sub-section j are in addition to and not in lieu of any other rights or remedies to which Lessee may be entitled under this Lease or otherwise.

13. RIGHT TO INSPECT AND ASSUMPTION OF THE RISK.

- a. Lessee shall pay as due all claims for work done on and for services rendered or material furnished to or on the Property and shall keep the property free from any liens. If Lessee fails to pay any such claims or to discharge any lien, Lessor may do so and collect the cost as Additional Rent. Such action by Lessor shall not constitute a waiver of any right or remedy which Lessor may have on account of Lessee's default.
- b. Lessee shall inspect the Property prior to commencement of the Original Term. Lessor agrees to provide reasonable access to the Property during regular business hours for Lessee's inspection.
- c. Lessee expressly assumes the risk of loss, damage, or injury arising, arisen, or to arise out of or referring or relating in any way to conditions existing on the Property prior to the Commencement Date.
- d. Lessor makes no representations with respect to the conditions of the Property. The Parties hereto expressly agree that the risk that actual physical conditions at the Property are materially different from the expected physical conditions at the Property is borne solely by the Lessee.

14. INSURANCE During the Original Term and any Extension Periods of this Lease, Lessee shall obtain and maintain, at Lessee's sole cost and expense:

- a. Comprehensive general liability insurance with limits of not less than \$2,000,000 per occurrence covering all risks arising directly or indirectly out of Lessee's activities on or any condition of the Property, and covering claims of Lessor against Lessee under the indemnity obligations assumed by Lessee in this Lease;
- b. Property damage and fire insurance for the replacement value of any improvements on the Property and on Lessee's personal property located on

the Property;

- c. Worker's compensation in accordance with applicable law as well as employer's liability coverage of not less than \$1,000,000 per occurrence, and, if applicable, longshore and harbor worker's insurance coverage; and
- d. Pollution insurance, \$2,000,000 combined single limit per loss applicable to bodily injury, property damage, including loss of use of damaged property or of property that has not been physically injured or destroyed; cleanup costs; and defense, including costs and expenses incurred in the investigation, defense or settlement of claims. Coverage shall apply to sudden and non-sudden pollution conditions resulting from the escape or release of petroleum products, smoke, vapors, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials, or other irritants, contaminants, or pollutants.

All of the required insurances (except for worker's compensation and USL&H) shall name Lessor as an additional insured and waive subrogation in favor of Lessor. Lessee's insurance coverage shall be primary insurance as respects Lessor, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by Lessor, its officers, officials, employees and volunteers shall be excess of Lessee's insurance and shall not contribute to it. Insurance is to be placed with reputable insurers qualified to do business in Alaska. Certificates evidencing such insurance and bearing endorsements requiring 30 days' written notice to Lessor prior to any decrease in limits or cancellation shall be furnished to Lessor prior to the Commencement Date.

15. LESSEE'S OBLIGATION TO INDEMNIFY. To the fullest extent allowed by law, during the Original Term and any Extension Periods of this Lease, Lessee shall protect, defend, indemnify and hold harmless Lessor, its elected officials, officers, directors, subsidiaries, Assembly members, employees and agents (collectively, "**Indemnitees**") from and against any and all demands, claims, causes of action, proceedings, damages, liabilities, fines, losses, costs and expenses, including but not limited to, reasonable attorneys' fees and litigation expenses, arising, arisen, or to arise out of or referring or relating in any way to Lessee's performance, or obligations under this Lease, Lessee's activities, while the Property is under the possession or control of Lessee, or Lessee's acts or omissions whether caused by Lessee's officers, directors, employees, servants, agents, representatives, invitees, or subcontractors, which results in damage to property and/or injuries to persons, provided, however, that Lessee's obligation to indemnify shall not apply to any claims, damages, or losses to the extent they arise solely from the negligence or willful misconduct of the Lessor or its Indemnitees. Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity which would otherwise exist as to a Party or person described in this Section. Lessee's obligation to protect, defend, indemnify and hold harmless shall survive the expiration, cancellation, or termination of this Lease.

16. LESSOR'S OBLIGATION TO INDEMNIFY. Likewise, to the fullest extent allowed by law, Lessor shall protect, defend, indemnify and hold harmless Lessee, its officers, directors, subsidiaries, commissioners, employees and agents (collectively,

“**Indemnitees**”) from and against any and all demands, claims, causes of action, proceedings, damages, liabilities, fines, losses, costs and expenses, including but not limited to, reasonable attorneys’ fees and litigation expenses, arising from Lessor’s performance of its operations or obligations under this Lease, whether caused by Lessor’s officers, directors, employees, servants, agents, representatives, invitees, or subcontractors, which results in damage to property and/or injuries to persons provided, however, that Lessor’s obligation to indemnify shall not apply to any claims, damages, or losses to the extent they arise solely from the negligence or willful misconduct of the Lessee or its Indemnitees. Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity which would otherwise exist as to a Party or person described in this Section. Lessee’s obligation to protect, defend, indemnify and hold harmless shall survive the expiration or termination of this Lease.

17. POSSESSORY INTEREST AND TAXES. Lessee acknowledges and agrees that consistent with Lessor’s treatment of all Borough real property and tidelands/submerged lands leases, Lessee’s leasehold interest in the Property and all leasehold improvements constructed thereon are subject to possessory interest taxation or substantially equivalent ad valorem taxation under applicable Borough ordinances and Alaska law. Accordingly, Lessee shall pay all real property taxes and special assessments levied against the Property.

- a. Lessor shall assess, or cause to be assessed, such possessory interest and improvements on the same basis and in the same manner as other similarly situated Borough lessees. Lessee shall be responsible for payment of all such possessory interest taxes and taxes on its leasehold improvements, when due, and shall not contest the applicability of such taxes on the basis that the underlying land is owned by the City and Borough of Wrangell.
- b. Lessor may, in its discretion, bill Lessee directly for such taxes or require that payment be made to the Borough’s tax collection authority, and Lessee shall furnish reasonable evidence of timely payment upon request.

18. LESSOR’S REPRESENTATIONS. Lessor hereby covenants, warrants and represents to Lessee that:

- a. Lessor has the sole right, legal power, and authority to enter into this Lease.
- b. All requisite municipal actions or any other required action have been taken and satisfied by Lessor to authorize the execution and performance of this Lease. No other proceedings or actions on the part of Lessor are necessary to authorize this Lease or to carry out the transactions contemplated hereby. This Lease constitutes the legal, valid and binding obligation of Lessor enforceable against Lessor in accordance with its terms.
- c. The individual(s) executing this Lease, on behalf of Lessor, has (or have) the full right, legal power and actual authority to bind Lessor to the terms and conditions hereof.

- d. Neither the execution nor the provisions of this Lease violates or breaches or shall violate or breach any term or provision of any other agreement, written or oral, between Lessor and any third party, and that if legal proceedings are instituted by any party based upon any term or provision of any other agreement to prohibit the use, operation or enjoyment of the Property, or any part thereof, as provided in this Lease, Lessor shall assume the defense of any such legal proceedings and shall indemnify Lessee from and against any and all claims arising from or out of any such legal proceedings and/or the total or partial loss of the use, operation or enjoyment of the Property.

19. EMINENT DOMAIN OR DESTRUCTION OF THE PROPERTY. If a portion of the Property is condemned, this Lease shall continue on the following terms:

- a. Lessee shall be entitled to all of the proceeds of condemnation relating to improvements constructed by Lessee, and Lessor shall be entitled to all of the proceeds of condemnation relating to the unimproved Property.
- b. After the date on which title vests in the condemning authority, the Base Rent and Additional Rent shall be reduced in proportion to the reduction in value of the Property as an economic unit on account of the partial taking.
- c. If such partial taking renders the Property reasonably unusable for Lessee's permitted use, then Lessee may at its option terminate this Lease without owing any liability to Lessor to be effective as of the date title vests in the condemning authority and the rights of Lessor and Lessee shall be as set forth below in the case of a total taking.
- d. If a condemning authority takes all the Property or a portion sufficient to render the remaining Property reasonably unsuitable for the permitted use that Lessee was then making of the Property, this Lease shall terminate as of the date the title vests in the condemning authority. Lessor shall be entitled to all the proceeds of condemnation, and Lessee shall have no claim against Lessor as a result of the condemnation.
- e. Sale of all or part of the Property to a purchaser with the power of eminent domain in the face of a threat or probability of the exercise of the power shall be treated as a total taking by condemnation.
- f. If the Property is damaged or destroyed so that Lessee is unable to reasonably use the Property for its permitted use, Lessor may terminate this Lease effective as of the date of the damage or destruction by giving Lessee written notice within five (5) days of the date of the damage or destruction.

20. FORCE MAJEURE: Lessee shall be entitled to suspend its operations or

terminate this Lease in the event a Force Majeure occurrence makes Lessee's performance of its rights, duties, and/or obligations under this Lease economically impracticable. Such Force Majeure events shall include, but are not limited to, acts of God; war; invasion; hostilities; rebellion; strikes; lockouts; fire; flood; hurricanes; epidemics; pandemics; outbreak; earthquake; explosion; decision of any court or other judicial body; unavailability of materials; labor shortages; volatile market conditions; transportation; satellite failure; or acts of governments. In the event of Lessee's suspension of operations or termination of this Lease pursuant to this provision, Lessee shall only be entitled to pay a prorated amount of Base Rent and Additional Rent calculated up and through the date of Lessee's notice of suspension or termination. In the event of suspension, Lessee's Base Rent and Additional Rent obligation shall resume when Lessee resumes use of the Property.

21. ASSIGNMENT AND SUBLETTING. No part of the Property may be assigned, mortgaged, or subleased by Lessee without the prior written approval of the Borough Assembly. In the event the Borough Assembly consents to an assignment at any time during this Lease, Lessee shall continue to remain liable to Lessor under the terms of this Lease, unless otherwise agreed in writing. Any assignment/sublease shall be in writing and be subject to the terms and conditions of this Lease and such further terms and conditions as the Borough Assembly may deem appropriate.

22. DEFAULT. The following shall be events of default:

- a. Failure of Lessee to pay any rent or other charge within ten (10) days after it is due.
- b. Failure of Lessee to comply with any term or condition or fulfill any obligation of this Lease (other than the payment of rent or other charges) within twenty (20) days after written notice by Lessor specifying the nature of the default with reasonable particularity. If the default is of such a nature that it cannot be completely remedied within the 20-day period, Lessee shall be in compliance with this provision if Lessee begins correction of the default within the 20-day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable.
- c. Insolvency of Lessee; an assignment by Lessee for the benefit of creditors; the filing by Lessee of a voluntary petition in bankruptcy; an adjudication that Lessee is bankrupt or the appointment of a receiver of the properties of Lessee; the filing of any involuntary petition of bankruptcy and failure of Lessee to secure a dismissal of the petition within 30 days after filing; attachment of or the levying of execution on the leasehold interest and failure of Lessee to secure discharge of the attachment or release of the levy of execution within 10 days shall each constitute a default.
- d. Lessee's failure to occupy the Property for one or more of the purposes permitted under this Lease, for at least thirty (30) days per year, unless such failure is

excused under other provisions of this Lease.

- e. Lessee's failure to comply with all regulations, rules, and the code of the Borough, and with all state and federal regulations, rules, and laws, as the code or any such rules, regulations, or laws may affect the activity upon or associated with the Property.
- f. Failure of Lessor to comply with any term or condition or fulfill any obligation of this Lease within twenty (20) days after written notice by Lessee specifying the nature of the default with reasonable particularity. If the default is of such a nature that it cannot be completely remedied within the 20-day period, Lessor shall be in compliance with this provision if Lessor begins correction of the default within the 20-day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable.

23. REMEDIES FOR DEFAULT. In the event of a default, this Lease may be terminated at the option of Lessor or Lessee by written notice to the other Party in default. If the Lease is terminated because of any default by the Lessee, the annual Base Rent and Additional Rent payment last made by the Lessee shall be forfeited and retained by the Lessor. This section shall also identify the event in which Lessee shall be entitled to terminate this Lease.

- a. In the event the Lease is terminated, or in the event that the Property, or any part thereof, are abandoned by the Lessee during the Original Term or any Extension Period, the Lessor or its agents, servants, or representatives may, immediately or any time thereafter, re-enter and resume possession of the Property or such part thereof, and remove all persons and property therefrom either by summary proceedings or by a suitable action or proceeding at law without being liable for any damages therefor. No re-entry by the Lessor shall be deemed an acceptance of a surrender of the Lease.
- b. In the event of termination or retaking of possession following default, Lessor shall be entitled to recover immediately all Base Rent due and payable for the remainder of the calendar year in which the termination took place.
- c. If Lessee or Lessor fail to perform any obligation under this Lease, the Party not in default will have the option to terminate this Lease.
- d. The foregoing remedies shall be the sole remedies available to the Parties.

24. CANCELLATION AND FORFEITURE. This Lease may be canceled in whole or in part at any time, upon written consent by the Lessee and the Borough Assembly.

- a. Any lease of tidelands/submerged lands used for an unlawful purpose may be terminated by the Borough Assembly, in its sole discretion.

- b. If the Lessee shall default in the performance or observance of any of the Lease terms, covenants, or stipulations, or any applicable ordinance of the Borough, and said default continues for twenty (20) calendar days after service of written notice by the Lessor on the Lessee without remedy by Lessee of the default, the Borough Assembly shall take such action as is necessary to protect the rights and the best interests of the Lessor, including the exercise of any or all rights after default set forth in this Lease. No improvements may be removed by Lessee or any other person during any time the Lessee is in default.
- c. Failure to make substantial use of the Property, consistent with the permitted use, within one year of the Commencement Date shall, with the approval of the Borough Assembly, constitute good cause for cancellation. This time period may be extended by the Borough Assembly by resolution in its sole discretion.

25. EXPIRATION OF LEASE. Unless the Lease is renewed or sooner terminated as provided herein, the Lessee shall peaceably and quietly leave, surrender, and yield up unto Lessor, the Property on the last day of the Original Term or any Extension Periods.

- a. All improvements constructed or purchased on the Property by Lessee shall within sixty (60) calendar days after the expiration of the Original Term or any Extension Periods, be removed by the Lessee; provided, that the Borough Assembly may extend the time for removing such improvements in cases where hardship is proven. All periods of time granted Lessee to remove improvements are subject to Lessee's paying to the Borough pro rata Base Rent and Additional Rent for said periods. If any improvements and/or chattels are not removed within the time allowed, such improvements and/or chattels shall revert to, and absolute title shall vest in, the Lessor.

26. LONG-TERM GROUND LEASE FRAMEWORK AND REVENUE-BASED NEGOTIATION TRIGGER. The parties acknowledge and agree that this Lease is intended to serve as an interim, short-term agreement to facilitate the planning, design, financing, and development of the Project.

- a. The parties express their mutual intent to negotiate and enter into a long-term ground lease aligned with the useful life, operational needs, and intended maritime use of the Project
- b. The parties acknowledge that the Project will likely require participation and support from multiple funding partners, including, but not limited to, federal and state agencies, and may be financed through a combination of grants, loans, bonds, and/or shared equity arrangements. The parties agree to cooperate in good faith to structure a long-term lease that is compatible with such funding sources and any associated requirements.
- c. For purposes of this Lease, "Revenue Generation" shall mean the receipt of earned revenue from the first bona fide transaction for services performed 6

at the Property consistent with the intended use of the Project, including, but not limited to, vessel repair, maintenance, fabrication, construction, or other maritime-related services.

- d. Upon the occurrence of Revenue Generation, the parties shall commence good faith negotiations for a long-term lease agreement within ninety (90) days.
- e. It is the expressed intent of the parties that such long-term lease shall have an initial term of not less than forty (40) years, with one or more renewal options of three (3) to five (5) years each, and that the primary economic consideration shall be structured on a revenue-sharing or dividend-based model derived from the operations of the Project.

27. NOTICES. All notices provided under this Agreement shall be in writing and shall be sent by certified mail, return receipt requested, and addressed as follows:

To the LESSOR: Mason Villarma, City Manager
 City and Borough of Wrangell, Alaska
 P.O. Box 531
 Wrangell, Alaska 99929

To the LESSEE: JAG KETCHIKAN, LLC
 Attn:
 805 Foxhollow Run
 Milton, Georgia 30004

JAG KETCHIKAN, LLC
 Attn:
 225, East Chicago Street
 Jonesville, Michigan 49250

28. GENERAL PROVISIONS.

- a. This Lease (and the documents referred to herein) constitutes the entire agreement between the Parties pertaining to the subject matter contained herein and supersedes any prior and contemporaneous agreements, representations and understandings, oral or otherwise, between or among the parties with respect to the matters contained herein.
- b. This Lease shall be binding upon, and inure to the benefit of, the Parties hereto and their respective heirs, legatees, distributees, legal representatives, successors, and assigns.
- c. This Lease shall not be modified, amended or supplemented, in whole or part, without the prior written consent of the Parties hereto. Each and every waiver of any covenant, representation, warranty or any other provision hereof must be in writing and signed by each Party whose interests are adversely affected by such

waiver. No waiver granted in any one instance shall be construed as a continuing waiver applicable in any other instance.

- d. The Parties hereby agree that each Party and its attorneys have reviewed and revised this Lease and that the normal rule of construction, to the effect that any ambiguities are resolved against the drafting party, shall not be employed in the interpretation of this Lease and no other rule of strict construction shall be used against any Party. All exhibits and schedules attached or to be attached hereto, and all other agreements and instruments referred to herein, are hereby incorporated herein by reference, as fully as if copied herein verbatim.
- e. The Parties further agree that upon request, they shall do such further acts and deeds, and shall execute, acknowledge, deliver and record such other documents and instruments, as may be reasonably necessary from time to time to evidence, confirm or carry out the intent and purposes of this Lease.
- f. If any one or more of the provisions hereof shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the validity or enforceability of any other provision hereof, which shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein. The Parties intend that if any provision hereof is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning which renders it valid.
- g. This Lease shall be governed exclusively by the laws of the State of Alaska, regardless of any choice of law provisions that might otherwise be applicable. The Parties shall attempt to resolve any dispute that arises out of or is related to this Lease by first submitting the dispute to mediation. Any mediation will be conducted by one mediator selected by the Parties and will be conducted in Wrangell, Alaska, or such other place selected by the Parties.
- h. The receipt of Base Rent or Additional Rent by Lessor with knowledge of any breach of the Lease by the Lessee or of any default on the part of the Lessee in observance or performance of any of the conditions or covenants of the Lease shall not be deemed to be a waiver of any provision of the Lease. No failure on the part of the Lessor to enforce any covenant or provision therein contained, nor any waiver of any right thereunder by Lessor unless in writing, shall discharge or invalidate such covenants or provisions or affect the right of Lessor to enforce the same in the event of any subsequent breach or default. The receipt by Lessor of any other sum of money after the termination, or after the giving by Lessor of any term demised, or after the giving by Lessor of any notice thereunder to effect such termination, shall not reinstate, continue, or extend the resultant term therein demised, unless so agreed to in writing and signed by the borough mayor.
- i. If suit or any action is instituted in connection with any controversy arising out of this Lease, the prevailing party shall be entitled to recover, in addition to costs,

such sum as the court may adjudge reasonable as attorney fees at trial, on petition for review, and on appeal.

- j. Any notice or demand, which under the terms of this Lease or under any statute must be given or made by the Parties thereto, shall be in writing and be given or made by registered or certified mail, addressed to the other party at the address of record. However, either Party may designate in writing such new or other address to which such notice or demand shall thereafter be so given, made, or mailed. A notice given hereunder shall be deemed delivered when deposited in the U.S. mail enclosed in a registered or certified mail prepaid envelope addressed as herein provided.
- k. The Lessee shall allow an authorized representative of Lessor to enter the Property at any reasonable time for the purposes of inspecting the Property and improvements thereon.
- l. Lessor shall have the right to audit Lessee's records and to require Lessee to prepare summaries or reports from its records to determine compliance with the payment terms of this Lease.
- m. Any rent or other payment required of Lessee by this Lease shall, if not paid within twenty (20) days after it is due, bear interest at the rate often percent (10%) per annum from the due date until paid, as Additional Rent.
- n. In the event of commencement or termination of this Lease at a time other than the beginning or end of one of the specified rental periods, for a reason other than breach of Lessee, then the Base Rent and Additional Rent shall be prorated as of the date of commencement or termination and in the event of termination for reasons other than default, all prepaid rent shall be refunded to Lessee or paid on its account; provided, however, that in the event that the Lease should be terminated because of any breach by Lessee, as herein provided, the annual rental payment last made by Lessee shall be forfeited and retained by Lessor.
- o. Time is of the essence of the performance of each of Lessee's obligations under this Lease.
- p. All oil, gas and other minerals and all deposits of stone, earth or gravel valuable for extraction or utilization are reserved by the Lessor and shall not be removed from the Property. The Lessee shall not sell or remove for use elsewhere any timber, stone, gravel, peat moss, topsoil, or any other material valuable for building or commercial purposes; provided, however, that material required for the development of the Property and docking facilities may be used, if its use is first approved by the Borough Assembly in writing.
- q. Lessor expressly reserves the right to grant easements or rights-of-way across the Property if it is determined in the best interest of the Lessor to do so. If Lessor grants an easement or right-of-way across any of the Property, Lessee shall be

entitled to damages for all Lessee-owned improvements destroyed or damaged. Damages shall be limited to improvements only and loss shall be determined by fair market value. Annual rentals may be adjusted to compensate the Lessee for the loss of use.

- r. Lessee shall make no temporary or permanent improvements on the Property of any kind without first obtaining all approvals and permits required by federal, state, and local law.
- s. Lessor does not warrant by its classification or leasing of the Property that the Property is suited for the use authorized under the Lease and no guaranty is given or implied that it will be profitable to employ the Property to said use.
- t. Any lawsuit brought by either Landlord or Lessee to enforce, interpret, or apply this Lease may only be brought in a court of competent jurisdiction in Wrangell, Alaska, and Lessor and Lessee hereby consent to the exclusive jurisdiction and venue of such court.
- u. This Lease embodies the entire understanding between the Parties and supersedes all prior Leases and understandings, written or oral, related to the subject matter of this Lease.
- v. In the event any provision, or any portion of any provision of this Lease is held invalid, the other provisions of this Lease and the remaining portion of said provision, shall not be affected thereby, and shall continue in full force and effect.
- w. Nothing contained in this Lease shall be deemed or construed by the Parties, or by any third person, to create the relationship of principal and agent or of partnership or of joint venture or of any association between Lessor and Lessee.
- x. The individuals signing this Lease on behalf of Lessor and Lessee represent and warrant that they are empowered and duly authorized to bind Lessor or Lessee to this Lease according to its terms.
- y. Any headings used in this Lease are for convenience only and do not define or limit the scope of this Lease.
- z. This Lease may be executed in counterparts (including by electronic transmission), each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties hereto have executed this Lease as of the day and year first above written.

SIGNATURE PAGE TO FOLLOW, REMAINDER OF PAGE LEFT INTENTIONALLY

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LESSOR:
CITY AND BOROUGH OF WRANGELL

By: Mason Villarma

Its: Borough Manager

STATE OF _____
BOROUGH OF _____

On this _____ day of _____, 2026, before me, a Notary public in and for the said State and Borough, duly commissioned and qualified, personally appeared _____, on behalf of the City and Borough of Wrangell, known to me to be the person identified above and who, upon oath, acknowledged that he voluntarily executed the foregoing Lease for the purpose therein contained.

NOTARY PUBLIC

My Commission Expires: _____

LESSEE:

JAG MARINE GROUP, LLC., a Texas limited liability corporation

By:

Its:

STATE OF _____ COUNTY OF _____

On this _____ day of _____, 2026, before me, a Notary public in and for the said State and County, duly commissioned and qualified, personally appeared _____, on behalf of JAG MARINE GROUP, LLC., known to me to be the person identified above and who, upon oath, acknowledged that he voluntarily executed the foregoing Lease for the purpose therein contained.

NOTARY PUBLIC

My Commission Expires: _____

**CITY & BOROUGH OF WRANGELL, ALASKA
BOROUGH ASSEMBLY AGENDA STATEMENT**

| | | |
|---------------------------|-----------------------|-------------------|
| <u>AGENDA ITEM TITLE:</u> | <u>DATE:</u> | February 24, 2026 |
| | <u>Agenda Section</u> | 11 |

RESOLUTION No. 02-26-2024 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, APPROVING THE LAND EXCHANGE BETWEEN THE STATE OF ALASKA, TRUST LAND OFFICE AND THE CITY AND BOROUGH OF WRANGELL

SUBMITTED BY:

Mason Villarma, Borough Manager

FISCAL NOTE:

| | |
|--|------------|
| Expenditure Required: \$XXX Total | |
| Fiscal Year (FY): | Amount: \$ |
| Amount Budgeted: | |
| FY: | \$ |
| Account Number(s): | |
| XXXXX XXX XXXX | |
| Account Name(s): | |
| Enter Text Here | |
| Unencumbered Balance(s) (prior to expenditure): | |
| \$XXX | |

Reviews/Approvals/Recommendations

| | |
|--------------------------|-----------|
| <input type="checkbox"/> | |
| Name(s) | |
| Name(s) | |
| <input type="checkbox"/> | Attorney |
| <input type="checkbox"/> | Insurance |

ATTACHMENTS: 1. Resolution No. 02-26-2024 2. Previously adopted RES 12-25-2008 3) Land Exchange Agreement 4) Exhibit A 5) Exhibit B

MAYOR PROCEDURE: Declare the Public Hearing open. The Mayor shall ask if there is any administrative report on the Public Hearing Item. Persons who signed up to talk on this item shall be called to the podium.

Once all persons have been heard, declare the Public Hearing closed and entertain a motion.

RECOMMENDATION MOTION:
Move to approve Resolution No. 02-26-2024.

SUMMARY STATEMENT:

The attached Land Exchange Agreement between the City and Borough of Wrangell and the Alaska Mental Health Trust Authority, acting through the Trust Land Office (TLO), formalizes a value-for-value exchange of land intended to improve land ownership patterns, advance development opportunities, and support long-term community and Trust objectives. This agreement builds upon the Memorandum of Understanding executed in January 2025 and is authorized pursuant to AS 38.50.

Under the proposed exchange, the Borough will convey Parcel No. 01-008-100 to the Trust, and in return, the Borough will receive multiple Trust parcels identified in Exhibit “A.” Independent appraisals establish the value of the Borough parcel at \$1,650,000 and the Trust parcels at \$1,621,000, resulting in a \$29,000 value disparity in favor of the Borough. The agreement provides for a cash equalization payment from the Trust to the Borough to ensure compliance with the State’s requirement for a value-for-value exchange.

The agreement is conditioned upon both parties completing all required statutory and regulatory processes. For the Trust, this includes a Best Interest Decision (BID) and public notice requirements. For the Borough, this includes Planning and Zoning Commission review, Assembly approval, and compliance with all applicable public notice and hearing requirements.

Following closing, the conveyed properties will be managed independently by each party in accordance with their respective authorities. The Trust intends to subdivide and market the Borough parcel to generate revenue for Trust beneficiaries, with anticipated subdivision and disposition beginning as early as FY27–FY28. The Borough will incorporate the acquired Trust parcels into its land inventory to support municipal land use priorities, including development, infrastructure coordination, and mitigation of slope stability concerns.

The agreement includes standard provisions addressing title, survey, environmental due diligence (with all properties conveyed “as-is”), legal description adjustments, and allocation of costs for notice and approvals. It also establishes a closing date of April 30, 2026, unless otherwise agreed by the parties.

This land exchange represents a strategic effort to align land ownership with each party’s development objectives, convert underutilized lands into performing assets, and support long-term economic development and land management goals within the Borough.

CITY AND BOROUGH OF WRANGELL**RESOLUTION No. 02-26-2024**

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, APPROVING AND AUTHORIZING THE BOROUGH MANAGER TO EXECUTE A LAND EXCHANGE AGREEMENT WITH THE ALASKA MENTAL HEALTH TRUST AUTHORITY, ACTING BY AND THROUGH THE TRUST LAND OFFICE

WHEREAS, the City and Borough of Wrangell (“Borough”) is a home rule municipality authorized to acquire, hold, and dispose of real property for municipal purposes; and

WHEREAS, the Alaska Mental Health Trust Authority, acting by and through its Trust Land Office (“Trust”), is authorized under AS 38.05.801 and AS 38.50.010 to exchange lands in order to consolidate land holdings, create more effective ownership patterns, and facilitate development consistent with its fiduciary obligations; and

WHEREAS, the Borough and the Trust entered into a Memorandum of Understanding in January 2025 to coordinate land management and development efforts; and

WHEREAS, the Borough and the Trust have negotiated a Land Exchange Agreement providing for the exchange of certain Borough-owned property identified as Parcel No. 01-008-100 for multiple Trust-owned parcels identified in Exhibit “A” of the Agreement; and

WHEREAS, the exchange has been appraised to ensure a value-for-value transaction consistent with AS 38.50.010, with the Borough parcel valued at \$1,650,000 and the Trust parcels valued at \$1,621,000, resulting in a \$29,000 value disparity in favor of the Borough; and

WHEREAS, the Land Exchange Agreement provides for a cash equalization payment from the Trust to the Borough in the amount of \$29,000 to satisfy the value-for-value requirement; and

WHEREAS, the Agreement is conditioned upon each party completing all required statutory, regulatory, and local approval processes, including a Best Interest Decision (BID) by the Trust and public notice and approval processes by the Borough; and

WHEREAS, following closing, the exchanged properties will be managed independently by each party in accordance with their respective authorities, with the Trust intending to subdivide and dispose of the Borough parcel to generate revenue for Trust beneficiaries, and the Borough incorporating the acquired Trust parcels into its land inventory to support municipal development objectives; and

WHEREAS, the Assembly finds that the proposed land exchange will improve land ownership patterns, support economic development, address land use and infrastructure considerations, and is in the best interest of the Borough.

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA THAT:

Section 1: The Assembly hereby approves the Land Exchange Agreement between the City and Borough of Wrangell and the Alaska Mental Health Trust Authority, acting by and through the Trust Land Office, in substantially the form presented.

Section 2: The Borough Manager is hereby authorized to execute the Land Exchange Agreement and any related documents necessary to complete the transaction, with such minor modifications as may be necessary to carry out the intent of this Resolution.

Section 3: The Borough Manager is further authorized to take all actions reasonably necessary to complete the land exchange, including coordination of surveys, title work, legal description adjustments, and acceptance of any equalization payment required under the Agreement.

Section 4: This Resolution shall be effective immediately upon adoption.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY & BOROUGH OF WRANGELL, ALASKA THIS 24TH DAY OF February 2026.

CITY & BOROUGH OF WRANGELL

Patricia Gilbert, Borough Mayor

ATTEST: _____
Kim Lane, MMC, Borough Clerk

CITY AND BOROUGH OF WRANGELL
RESOLUTION No. 12-25-2008

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AFFIRMING THE BOROUGH'S COMMITMENT TO PARTNERSHIP WITH THE ALASKA MENTAL HEALTH TRUST LAND OFFICE AND SUPPORTING CONTINUED PROGRESS TOWARD A MUTUALLY BENEFICIAL LAND EXCHANGE

WHEREAS, the City and Borough of Wrangell ("the Borough") and the Alaska Mental Health Trust Land Office ("TLO") entered into a Memorandum of Understanding in December 2024 for the purpose of coordinating land management activities, timber resource planning, subdivision development, and economic development opportunities; and

WHEREAS, the Borough and TLO have engaged in collaborative evaluation of a prospective land exchange that would support community housing needs, strategic industrial and economic development, and the long-term land management goals of both parties; and

WHEREAS, the Borough's Planning & Zoning Commission and Economic Development Board reviewed the proposed exchange in August and September 2025 and unanimously recommended that the Borough continue advancing the exchange process, subject to appropriate conditions including appraisals, rezoning, buffering, on-site utilities, comparable land values and preparation of a formal exchange agreement consistent with WMC 16.12.080; and

WHEREAS, the Trust Land Office is completing required appraisal work and preparing its materials for review and approval by its authorizing body, and a formal statement of Borough commitment will serve as meaningful documentation of partnership during this process; and

WHEREAS, the Borough recognizes the value of continued collaboration with the TLO to support shared objectives related to land stewardship, housing development, economic diversification, and the long-term prosperity of the community and Trust beneficiaries;

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA THAT:

Section 1. The Borough affirms its commitment to continued partnership with the Alaska Mental Health Trust Land Office and supports ongoing progress toward a mutually beneficial land exchange.

Section 2. This resolution does not authorize or approve a final land exchange agreement. Any proposed exchange will return to the Borough Assembly for review and approval following completion of appraisals, rezoning, and preparation of a formal exchange instrument consistent with Borough code.

Section 3. This resolution shall serve as an official record of the Borough’s collaborative intent as the Trust Land Office completes its internal review and approval process.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY & BOROUGH OF WRANGELL, ALASKA THIS 16th DAY OF DECEMBER 2025.

CITY & BOROUGH OF WRANGELL

Patricia Gilbert

Patricia Gilbert, Borough Mayor

ATTEST: *Kim Lane*
Kim Lane MMC, Borough Clerk



City & Borough of Wrangell

ECONOMIC DEVELOPMENT DEPARTMENT

Memorandum



Date: Wednesday, September 3, 2025

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

From: Kate Thomas, Economic Development Director

Subject: 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.

Recommendation: The Planning & Zoning Commission and the Economic Development Board 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 Memorandum of Understanding, and subject to the following conditions:

1. Completion of appraisals for both properties within the preceding 12 months.
2. Rezoning of Lot 5A to a residential designation before completion of the exchange.
3. Inclusion of buffers between residential and industrial uses through a public easement or platted right-of-way.
4. Provision of on-site water and wastewater systems in accordance with State of Alaska requirements.
5. Execution of a formal exchange agreement consistent with WMC 16.12.080 and to ensure property is developed for residential use and subsequent public sale.
6. Economic Development Board requests additional review of the property to be gained for economic purposes, when it is publicly available.

Attachments: 1.) Aerial Map, 2.) Future Growth Map

Summary of Decision:

1. Planning & Zoning Commission (August 14, 2025): Conducted a public hearing (no testimony received) and voted unanimously to recommend approval subject to the conditions listed above.
2. Economic Development Board (September 2, 2025): Reviewed the proposal in the context of long-term economic growth. Members emphasized the importance of appraisals, transparency, and valuation details. The Board unanimously recommended approval, subject to conditions, and requested an additional review after appraisals and preliminary studies are completed.

Background: Lot 5A is a 27.556-acre Borough-owned parcel zoned Industrial Development, located between State airport lands (leased to the Borough and subleased to the Wrangell Golf Club) and privately owned industrial waterfront property.

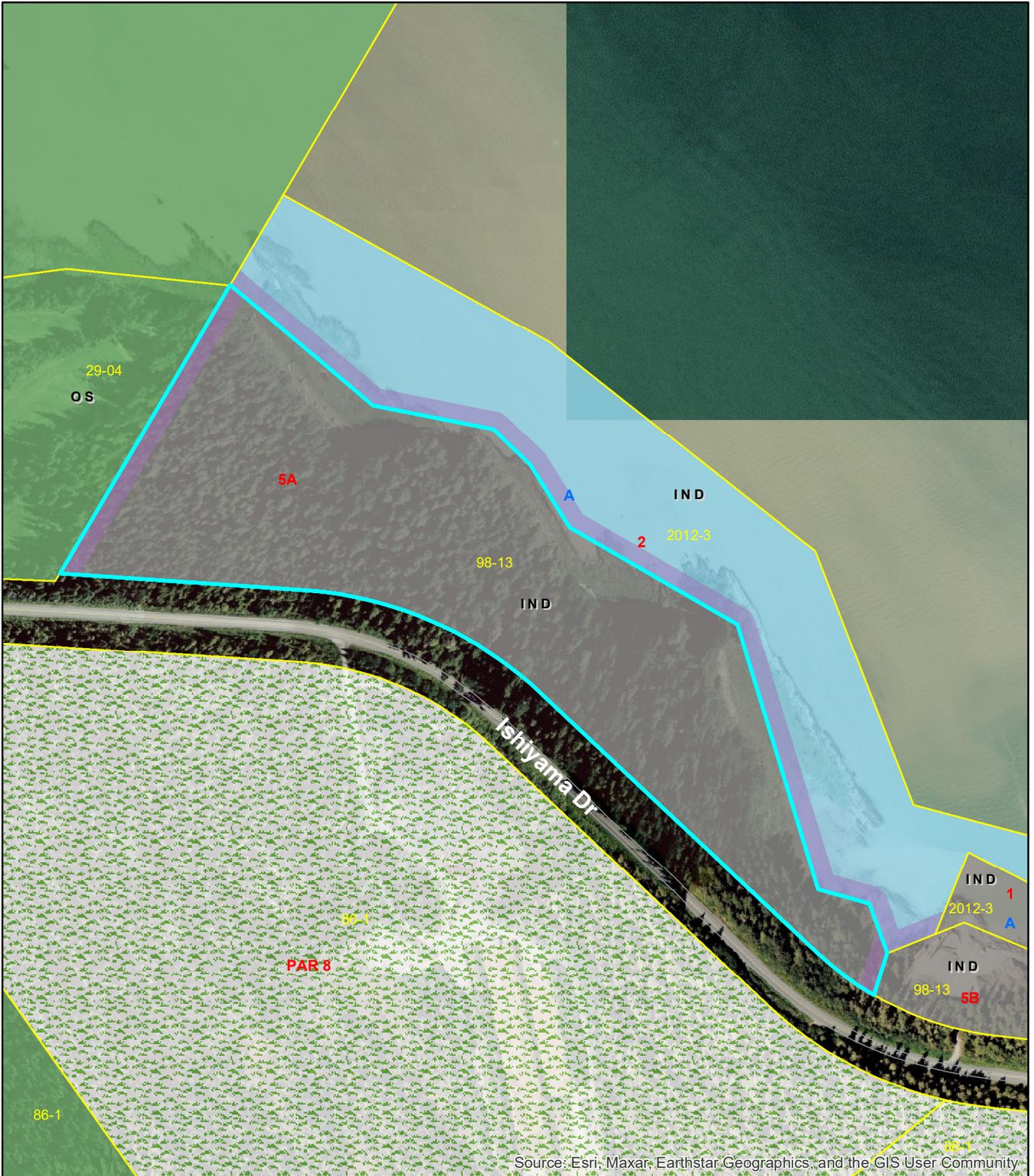
The December 2024 Memorandum of Understanding between the Borough and TLO commits both parties to collaborative land management, timber resource coordination, subdivision planning, and economic diversification. TLO intends to pursue rezoning of Lot 5A to a residential classification for subdivision development. In exchange, the Borough would acquire lands of equal appraised value from TLO that are strategically located for economic opportunity.

While Wrangell maintains a limited industrial-zoned inventory, Lot 5A is not identified for municipal retention. The exchange is therefore considered a strategic opportunity to expand residential development while positioning the Borough to secure more suitable lands for industrial and economic initiatives.

The exchange is authorized under WMC 16.12.080, which allows land trades when parcels are of comparable value and in the public interest. Both the Commission and Board stressed the importance of ensuring rezoning, buffering, and on-site utility provisions to manage compatibility between future residential use and existing industrial activities.

CITY AND BOROUGH OF WRANGELL, ALASKA

Item b.



1 inch = 383.81578 feet

55 Date: 8/11/2025

Public Map

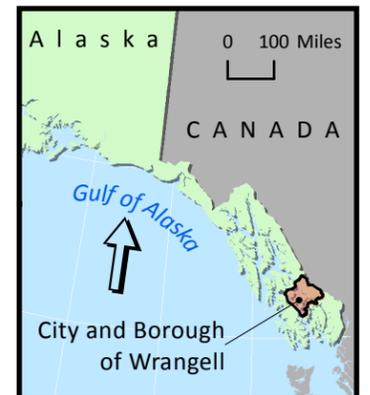


**DISCLAIMER: THESE MAPS ARE FOR PLANNING PURPOSES ONLY.
PROPERTY LINES ARE APPROXIMATE. AERIAL 2002.**

Future Growth Map

-  Residential
-  Remote Residential
-  Commercial
-  Public and Community Facilities
-  Industrial/ Light Industrial
-  Waterfront Development
-  Resource Development
-  Resource Development with Scenic Protection
-  Important Habitat/ Special Areas
-  Recreation, Parks or Open Space
-  Wilderness

0 Miles .5



T 62S
R 83E

T 62S
R 84E

Eastern Passage

Upper Reservoir

Lower Reservoir

March 2010

LAND EXCHANGE AGREEMENT

Between

ALASKA MENTAL HEALTH TRUST AUTHORITY

Acting by and through the Trust Land Office

and

CITY AND BOROUGH OF WRANGELL

This Land Exchange Agreement (“Agreement”) for the equal value exchange of land is made and entered into this ___ day of _____, 2026, by and between the Alaska Mental Health Trust Authority, acting by and through its Trust Land Office (“TLO” or “Trust”), 2600 Cordova Street, Suite 201, Anchorage, Alaska 99503, and the City and Borough of Wrangell (“CBW” or “Borough”), P.O. Box 531, Wrangell, Alaska 99929; together the Trust and CBW are referred to as the “Parties.” This Agreement is entered into pursuant to AS 38.50 and other applicable Alaska law.

WITNESSETH:

WHEREAS, the Alaska Mental Health Trust Authority is authorized to manage and dispose of Trust land and interests in land through the Trust Land Office, and AS 38.05.801 provides that Trust land is, in general, to be managed under the laws applicable to other state land,

WHEREAS, pursuant to AS 38.05.801, the Trust Land Office has the authority under AS 38.50.010 to exchange lands, to consolidate land holdings, to create more effective ownership patterns, to facilitate statutory objectives, and to serve public purposes;

WHEREAS, the City and Borough of Wrangell is a home rule municipality authorized to acquire, hold, and dispose of real property for municipal purposes;

WHEREAS, the Parties entered into a Memorandum of Understanding (MOU) in January 2025 to coordinate land management and development efforts;

WHEREAS, the Parties intend this exchange to be a value-for-value exchange up to \$1,650,000 based on independent appraisals;

NOW THEREFORE, in consideration of their mutual covenants and promises, the Parties agree as follows:

1. Ownership.

The Trust represents that it has sole ownership of the fee simple estate, including all right, title, and interest held by the Trust, in the Trust parcels described in Exhibit “A,” subject to valid existing rights, reservations, and encumbrances of record.

The Borough represents that it has sole ownership of the fee simple estate, including all right, title, and interest held by the Borough, in Borough Parcel No. 01-008-100 as described in Exhibit “B,” subject to valid existing rights, reservations, and encumbrances of record.

Each Party represents that, to its knowledge and except as may be disclosed in preliminary title materials, none of the parcels to be conveyed are encumbered by a lien, pledge, mortgage, or other obligation created by that Party that would prevent conveyance as contemplated by this Agreement.

2. Exchange Conditioned on Parties Completing Necessary Processes.

This Agreement is conditioned on the parties satisfying any and all constitutional requirements, statutory requirements, or ordinances prior to completing the proposed land exchange. For the Trust, that means completing a Best Interest Decision (BID), providing public notice as required by 11 AAC 99, receiving an affirmative outcome of the BID process, and any other processes outlined in AS 38.50.010.

For the Borough, this means obtaining all required approvals consistent with the Wrangell Municipal Code, including but not limited to review and recommendation by the Planning and Zoning Commission, and approval by the Assembly by ordinance or resolution as applicable; compliance with all public notice and hearing requirements; and satisfaction of any other applicable local, state, or federal legal requirements necessary to authorize and complete the land exchange.

3. Management of Property After Conveyances.

Upon completion of the proposed land exchange:

- A. The Trust parcels conveyed to the Borough shall be removed from Trust land inventory and thereafter managed and administered by the Borough in accordance with Borough authorities, land use controls, and applicable law.
- B. The Borough parcel conveyed to the Trust shall be incorporated into the Trust's land inventory and thereafter managed and administered by the Trust Land Office consistent with the Trust's Resource Management Strategy and land disposal programs, including subdivision and subsequent sale through competitive or over-the-counter programs as the Trust determines appropriate.

4. Subdivision Development and Marketing Timeline.

The Trust acknowledges that a primary purpose of this exchange is to convert the Borough parcel into performing Trust assets through subdivision and disposition.

Accordingly, the Trust plans to begin the subdivision process in FY27 or early FY28, with disposal through the Trust's land sale programs as early as FY28. The Trust Land Office agrees to use commercially reasonable efforts to complete subdivision design, rezoning, execution, and subsequent parcel disposals.

The Trust shall provide annual written updates to the Borough regarding progress toward subdivision and disposition.

Nothing in this section shall require the Trust to dispose of property below fair market value, in a manner inconsistent with its fiduciary obligations to Trust beneficiaries, or in a manner inconsistent with its required statutory or regulatory process.

5. Adjustment of Legal Descriptions.

The Parties acknowledge that while they have utilized their best efforts to arrive at the legal descriptions set forth in Exhibits "A" and "B" and believe such descriptions to be accurate and correct, it may be necessary to make technical corrections, including corrections arising from title review, plat references, scrivener's errors, or minor survey reconciliation. The Parties agree to negotiate in good faith any such correction as a Party may believe necessary. All corrections must be agreed upon in writing by the Parties. If corrections are needed after closing, the Parties shall execute such further transfer documents as are necessary to implement the intent of this Agreement without altering the value-for-value nature of the exchange.

6. Survey.

The parcels to be exchanged are described by reference to recorded plats and surveys identified in Exhibits “A” and “B,” including Trust Land Survey and Alaska State Land Survey references and Borough subdivision plats.

If, as part of due diligence or to satisfy recording, title, or administrative requirements, a supplemental survey, boundary clarification, or parcel reconfiguration is required, the Parties will confer and in a written agreement allocate responsibility for such supplemental survey work. Unless otherwise agreed in writing, each Party shall bear its own costs associated with any survey work required solely for that Party’s conveyance, and the Parties may share costs where survey work benefits both parties conveyances.

7. Warranties.

The Parties represent and warrant to each other that:

- A. They have the full right, power, and authority to make, execute, deliver, and perform this Agreement, to consummate the transactions contemplated hereby, and to comply with the terms, conditions, and provisions hereof;
- B. Neither the execution and delivery of this Agreement, nor consummation of the transactions contemplated hereby, will conflict with, result in a breach or default under, nor constitute a prohibited action under any agreement, commitment, instrument, judgment, ordinance, regulation, or order to which the Trust or Borough is a party, or by which any of the parcels are bound; and
- C. This Agreement, when executed and delivered as contemplated hereby, will constitute a legal, valid, and binding obligation of each Party, enforceable in accordance with its respective terms.

8. Conveyed Interest.

Subject to the conditions outlined in this Agreement:

- A. On or before the date of closing provided in this Agreement, the Borough will convey by quitclaim deed to the Trust all of its respective right, title, and interest in the Borough parcel identified in Exhibit “B,” subject to valid existing rights, including easements, rights-of-way, restrictions, and other reservations of record, and such additional reservations as may be mutually agreed upon in writing.

B. On or before the date of closing provided in this Agreement, the Trust will convey by quitclaim deed to the Borough all of its respective right, title, and interest in the Trust parcels identified in Exhibit "A," subject to valid existing rights, including easements, rights-of-way, restrictions, and other reservations of record, and such additional reservations as may be required by law or mutually agreed upon in writing. All lands conveyed are subject to all other valid existing rights, rights-of-way, easements, and other interests of record.

9. Value of Land and Equalization of Transfer.

Pursuant to AS 38.50.010, this land exchange shall constitute an equal value-for-value exchange. The Parties agree to rely upon the appraised fair market values of the parcels proposed for exchange. The appraised value of the Borough parcel to be conveyed to the Trust is \$1,650,000. The aggregate appraised value of the Trust parcels to be conveyed to the Borough is \$1,621,000. The Parties acknowledge a value disparity of Twenty-Nine Thousand Dollars (\$29,000) in favor of the Borough.

To equalize the value of the lands being exchanged and maintain compliance with AS 38.50.010, the Trust shall satisfy the \$29,000 disparity by remitting a payment in the amount of \$29,000 to the Borough at or following closing. Such payment shall be made by certified funds or electronic transfer to an account designated in writing by the Borough. Upon satisfaction of the equalization payment, the value-for-value nature of this exchange shall be deemed fulfilled.

10. Transfer of Funds.

If, as a result of final legal description adjustments, appraisal updates, or mutually agreed parcel inclusions/exclusions, the appraised values are not exactly equal at closing, the Parties agree that a cash equalization payment may be made at closing to equalize the value of the lands being exchanged. Any equalization payment shall be made by certified funds or electronic transfer at closing, in the amount necessary to equalize values based on the final agreed appraised values. The receiving Party shall identify, in writing prior to closing, the institution and account to which funds shall be transferred, or shall accept a check at closing.

11. Environmental Assessment.

The Parties acknowledge that the purpose of this exchange includes transferring parcels that present development challenges and that may include steep terrain and slope stability considerations. Each Party may, at its own expense, conduct customary due diligence investigations, including Phase I environmental site assessments or similar environmental audits, to evaluate potential recognized environmental conditions. Each Party conveys its property “AS IS, WHERE IS,” without any warranty as to environmental condition, except that each Party represents that it has not knowingly caused the release of hazardous substances on the property in violation of applicable law. The Parties may agree in writing to additional environmental diligence measures if warranted by findings.

12. Right of Entry.

From the date this Agreement is fully executed by the Parties until closing, the Trust and the Borough, and their employees, agents, contractors, and consultants, upon reasonable notice and at reasonable times, shall have the right to enter the parcels proposed for exchange for all lawful purposes in connection with this Agreement, including environmental audit purposes, survey verification, appraisal support activities, geotechnical review, access inspections, and title-related site investigations. Entry shall be conducted in a manner that minimizes disturbance and complies with applicable safety and site control requirements.

13. Third Party Interests.

The Parties acknowledge that lands in and around developed areas may be subject to existing utilities, access routes, encroachments, or informal uses. Except as disclosed through title review, survey records, or written disclosures exchanged between the Parties, no known third-party interests have been created by either Party that would materially impair conveyance of title as contemplated herein. Nothing in this Agreement shall be deemed or construed to grant any rights to the public or to entities that are not Parties to this Agreement or in privity with said Parties, and nothing herein shall be construed as an invitation or authorization for third-party use beyond existing lawful rights.

14. Cost of Notice and Hearings.

Each Party shall be responsible for satisfying the notice, hearing, and internal approval requirements applicable to it under law, regulation, and policy. The Trust Land Office shall bear the costs of any public notice processes required under laws

applicable to Trust land exchanges and Trust Authority consultation requirements, and the Borough shall bear the costs of any Borough public process and Assembly approval requirements, including agenda publication and meeting-related costs, unless otherwise agreed in writing.

15. Plan Consistency.

The Parties intend that this exchange be consistent with the Trust's Resource Management Strategy, which supports converting nonperforming assets into performing assets and maximizing return at prudent levels of risk while preventing liabilities. The Borough intends that the exchange be consistent with municipal land use and development objectives, including housing, infrastructure coordination, and mitigation of slope stability concerns adjacent to Borough lands and infrastructure. To the extent any land use plan consistency determinations, classifications, or administrative findings are required to complete the exchange, the Parties shall cooperate in good faith to complete them in a timely manner.

16. Mineral Reservations.

The Parties acknowledge that conveyances may be subject to mineral reservations or other reservations required by law, including reservations that may apply to Trust land and municipal land, and any rights related to navigable waters or other reserved interests that cannot be conveyed. The final deeds shall include such reservations as are required by applicable law and as are reflected in title commitments and legal descriptions. Nothing in this Agreement shall be construed as expanding or diminishing any mineral rights or reservations beyond those lawfully held and conveyable by the respective Parties.

17. Unanticipated Events.

The Parties acknowledge that there may be existing circumstances beyond the reasonable control of a Party that interfere with the Parties' ability to complete the transactions set forth in this Agreement, including but not limited to delays in appraisal completion, title curative requirements, survey corrections, public notice processes, or internal approvals. The Parties agree to use their best good faith efforts to complete the transactions contemplated by this Agreement as set forth herein. If, prior to closing, any material provision of this Agreement or any application thereof shall be found invalid or unenforceable, the Parties shall utilize their best good faith efforts to amend the Agreement and complete the transaction; otherwise, this Agreement as a whole likewise shall be deemed invalid or unenforceable. Following closing, if circumstances occur beyond the reasonable control of a Party that

significantly impair or detract from the rights and benefits provided herein, the Parties will negotiate, in good faith, reasonable modifications necessary to protect the rights, interests, and duties of the Parties and to carry out the intent of this Agreement.

18. Closing Date.

Closing shall be set for April 30, 2026, unless the Parties mutually agree in writing to an earlier or later date. At closing, each Party shall deliver duly executed conveyance instruments in recordable form. If an equalization payment is required under Paragraphs 8 and 9, the paying Party shall provide proof of electronic transfer or shall deliver certified funds at closing in the agreed amount.

19. Entire Agreement.

The Parties agree that this Agreement and its exhibits embody the whole agreement of the Parties regarding the land exchange, and that there are no promises, terms, conditions, or obligations other than those contained or referred to in this Agreement. No amendment, modification, or waiver of any provision of this Agreement shall be effective unless in writing and signed by both Parties.

20. Remedies.

Except as otherwise provided in this Agreement, the Parties shall be entitled to any and all remedies provided by law. This Agreement shall be interpreted, construed, and enforced in accordance with applicable state law and, where applicable, federal law. The Parties acknowledge that specific performance may not be available where prohibited by law, but that the Parties nevertheless intend to act in good faith to complete the exchange consistent with the public purposes described herein.

21. Modifications and Amendments.

This Agreement may be amended, modified, or supplemented only by a written amendment signed by the Parties. Any amendment that materially alters the parcels included, the value-for-value nature of the exchange, or the legal descriptions shall be subject to such additional approvals as may be required by each Party's internal processes and applicable law.

22. Notices.

All substantial communications, including requests to modify this Agreement, shall be in writing and addressed as follows:

To the Trust:

Executive Director, Trust Land Office
2600 Cordova Street, Suite 201
Anchorage, AK 99503

To the Borough:

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

Notices shall be deemed given when delivered personally, by certified mail, or by nationally recognized courier, or by electronic mail if confirmed by reply.

23. Construction.

This Agreement shall be construed and enforced in accordance with the laws of the State of Alaska. The Parties intend that the provisions of this Agreement be interpreted to effectuate a value-for-value exchange consistent with AS 38.50 and the Trust's authority under AS 38.05.801.

24. Binding Effect.

This Agreement shall be binding on and inure to the benefit of the respective Parties hereto, their successors and assigns, subject to any legal limitations on assignment applicable to municipal or Trust actions. Neither Party may assign its rights or obligations under this Agreement without the prior written consent of the other Party, except as required by law.

25. Waiver.

The failure of either Party to insist upon strict performance of any provision of this Agreement or to exercise any right, power, or remedy consequent upon a breach shall not constitute a waiver of such provision, breach, or subsequent breach of the same or any other provision. Any waiver must be in writing and signed by the waiving Party.

26. Paragraph Headings.

The descriptive paragraph headings throughout this Agreement are for convenience and reference only, and the words contained therein shall not be used to expand, modify, or amplify the meaning of this Agreement or to aid in interpretation or construction.

27. Counterparts.

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same Agreement. Signatures delivered electronically or by pdf shall be treated as originals for all purposes, subject to recording requirements for final conveyance instruments.

28. Survival.

The representations, commitments, and warranties contained in this Agreement shall survive closing and delivery of the Quitclaim Deed and Warranty Deed. In the event of any conflict between this Agreement and the conveyance instruments following closing, the terms of the conveyance instruments shall control.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

ALASKA MENTAL HEALTH TRUST AUTHORITY

By: _____ Date: _____
Jusdi Warner
Executive Director

CITY AND BOROUGH OF WRANGELL

By: _____ Date: _____
Mason F. Villarma
Borough Manager

ATTEST: _____, Borough Clerk

Exhibit A

Legals Descriptions for Parcel's Being Transferred to the City and Borough of Wrangell:

1. A portion of Trust parcel CRM-2454, containing 73.05 acres, appraised for \$430,000 and located in Sections 8 & 17, Township 63 South, Range 84 East, Copper River Meridian, Alaska and more particularly described as:

Lot 2 of Trust Land Survey No. 2018-10, W-2 and W-3 Subdivision, containing 73.05 acres, more or less, according to the survey plat recorded in the Wrangell Recording District on May 26, 2020, as Plat No. 2020-5.

2. A portion of Trust parcels CRM-2528 & CRM-2529, containing 20.18 acres, appraised for \$400,000 and located in Sections 5 & 6, Township 64 South, Range 84 East, Copper River Meridian, Alaska and more particularly described as:

Lot 5 of Trust Land Survey No. 2018-11, W-4 Subdivision, containing 20.18 acres, more or less, according to the survey plat recorded in the Wrangell Recording District on May 4, 2020, as Plat No. 2020-4.

3. Trust parcel CRM-2400-10, containing 8.148 acres, appraised for \$81,000, and located in Sections 19 & 30, Township 62 South, Range 84 East, Copper River Meridian, Alaska and more particularly described as:

Tract B of Alaska State Land Survey No. 84-83; containing 8.148 acres, more or less, according to the survey plat filed in the Wrangell Recording District on January 30, 1986 as plat 86-1.

4. Trust parcel CRM-2405-05, containing 133.166 acres, appraised for \$535,000, and located in Sections 19, 29 & 30, Township 62 South, Range 84 East, Copper River Meridian, Alaska and more particularly described as:

Tract C of Alaska State Land Survey No. 84-83; containing 133.166 acres, more or less, according to the survey plat filed in the Wrangell Recording District on January 30, 1986 as plat 86-1.

5. Trust parcel CRM-2530, containing 4.73 acres, appraised for \$175,000, and located in Section 6, Township 64 South, Range 84 East, Copper River Meridian, Alaska and more particularly described as:

Lot 6 of US Survey No. 3709; containing 4.730 acres, more or less, according to the survey plat accepted by the United States Department of the Interior, Bureau of Land Management in Washington, D.C. on May 26, 1961.

Exhibit A - Continued

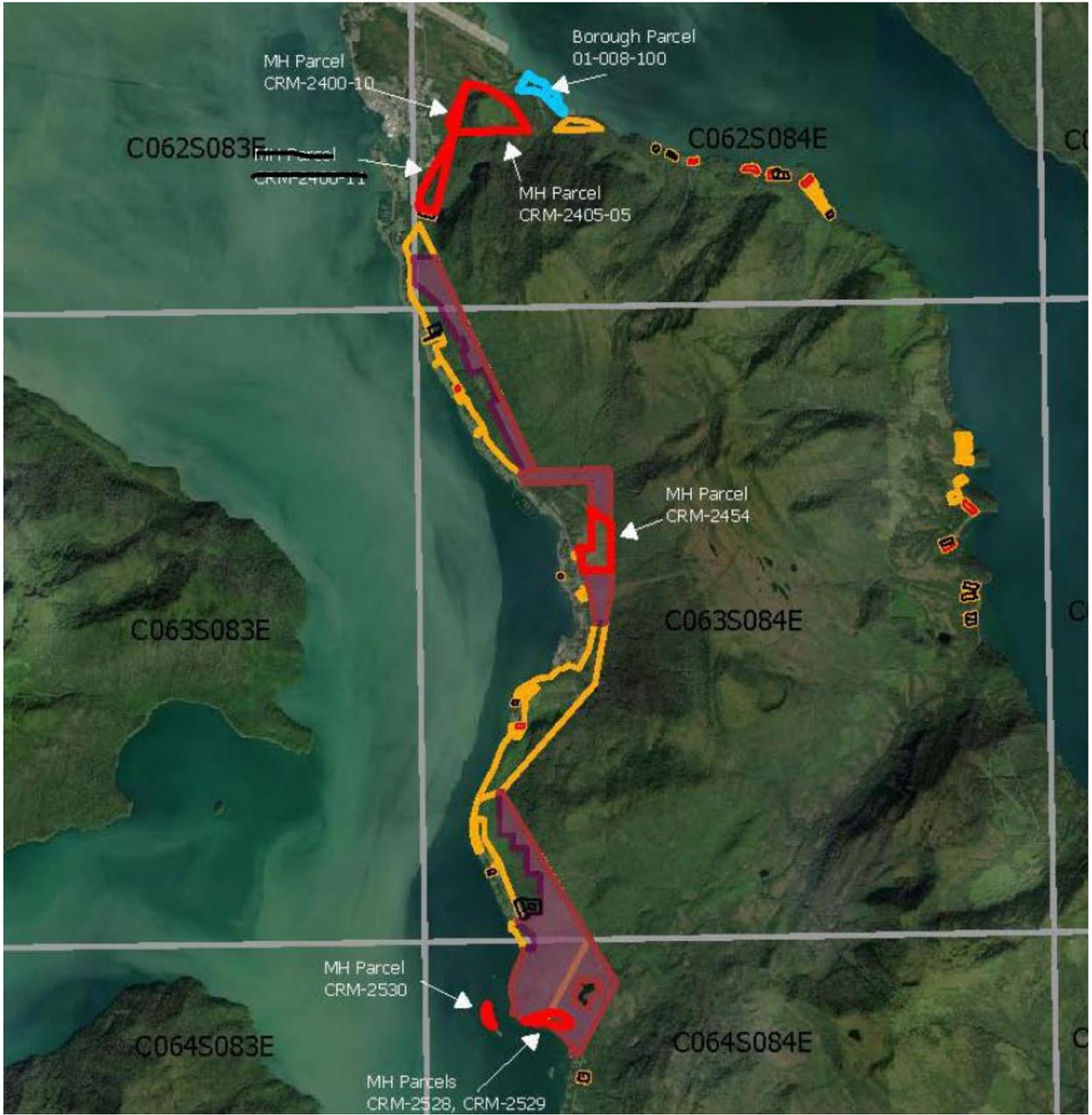
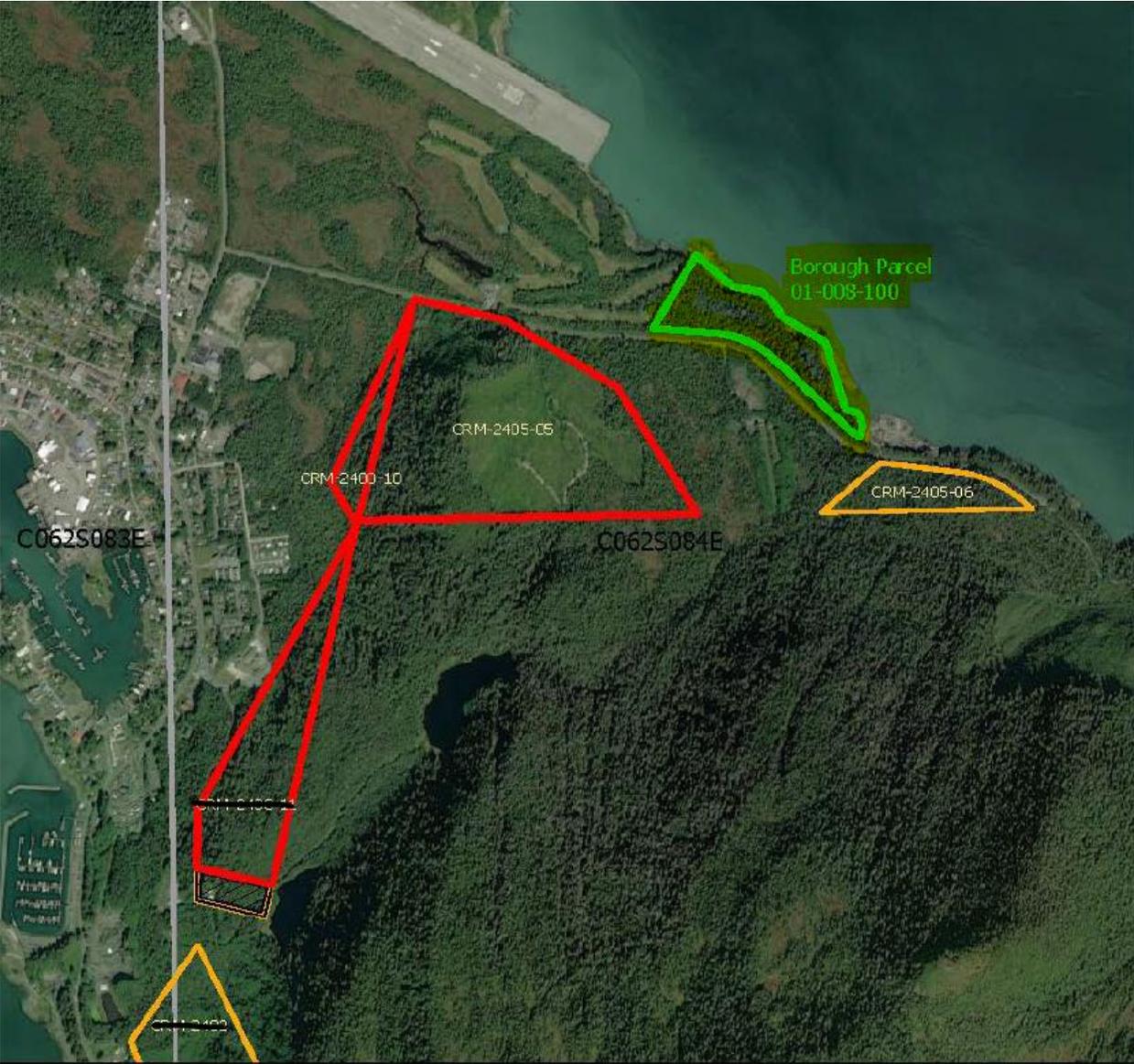


Exhibit B

- 1. Borough Parcel No. 01-008-100, containing 27.556 acres, appraised for \$1,650,000 and located in Sections 20 & 29, Township 62 South, Range 84 East, Copper River Meridian, Alaska and more particularly described as:

Lot 5A of Spur Road Subdivision, containing 27.556 acres, more or less, according to the survey plat filed in the Wrangell Recording District on October 30, 1998 as Plat 98-13.



CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

| | | |
|---------------------------|-----------------------|-------------------|
| <u>AGENDA ITEM TITLE:</u> | <u>DATE:</u> | February 24, 2026 |
| | <u>Agenda Section</u> | 13 |

ORDINANCE NO. 1098 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, ADDING SECTION 5.04.065, TITLED "PERMANENT VEHICLE REGISTRATION" IN THE WRANGELL MUNICIPAL CODE

SUBMITTED BY:

Gene Meek, Police Chief

FISCAL NOTE:

| | |
|--|------------|
| Expenditure Required: | |
| Fiscal Year (FY): | Amount: \$ |
| | |
| Amount Budgeted: | |
| | FY: \$ |
| Account Number(s): | |
| | |
| Account Name(s): | |
| | |
| Unencumbered Balance(s) (prior to expenditure): | |
| | |

Reviews/Approvals/Recommendations

| | |
|--------------------------|--------------------------------|
| <input type="checkbox"/> | Commission, Board or Committee |
| Name(s) | |
| Name(s) | |
| <input type="checkbox"/> | Attorney |
| <input type="checkbox"/> | Insurance |

ATTACHMENTS: 1. Ord 1098.

RECOMMENDATION MOTION:
Move to Approve First Reading of Ordinance No. 1098 and Move to a Second Reading with a Public Hearing to be held on March 10, 2026.

SUMMARY STATEMENT:

Proposed Ordinance – Permanent Vehicle Registration Option City and Borough of Wrangell, Alaska

This ordinance authorizes a permanent vehicle registration option for qualifying vehicles within the City and Borough of Wrangell, consistent with authority granted under AS 28.10.155(a) and AS 28.10.421(j). This also aligns the City and Borough of Wrangell with the majority of Alaskan Boroughs who issue permanent registration of vehicles over 8 years old.

The proposed regulation allows residents to permanently register:

- Noncommercial motor vehicles that are at least eight years old, and
- Noncommercial trailers of any age not used for commercial purposes.

Under permanent registration, eligible owners pay a one-time registration fee rather than renewing registration on a recurring cycle. Permanent registrations remain valid for the life of ownership and automatically expire upon transfer or assignment of title. Permanent registrations cannot be renewed, requiring subsequent owners to apply independently.

Purpose & Policy Rationale

The ordinance is intended to:

- Reduce recurring administrative burden on vehicle owners and Borough staff
- Improve long-term registration compliance
- Provide cost predictability for residents
- Align Wrangell with registration practices already adopted in other Alaska jurisdictions
- Maintain consistency with Alaska DMV statutory framework

Operational Impact

Implementation requires minimal procedural change, as the ordinance operates within existing Alaska DMV registration systems. Permanent registration affects only eligible vehicles and does not alter insurance, titling, or operational vehicle requirements.

Fiscal Considerations

The ordinance may modestly shift the timing of registration revenues (from recurring to upfront), while reducing renewal processing demands over time.

CITY AND BOROUGH OF WRANGELL, ALASKA

ORDINANCE NO. 1098

AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, ADDING SECTION 5.04.065, TITLED “PERMANENT VEHICLE REGISTRATION” IN THE WRANGELL MUNICIPAL CODE

SEC. 1. Action. The purpose of this ordinance is to add Section 5.04.065, titled “Permanent Vehicle Registration”, to the Wrangell Municipal Code.

SEC. 2. Amendment Section 5.04.065, Permanent Vehicle Registration, is hereby added to the Wrangell Municipal Code as follows:

CHAPTER 5.04
PROPERTY TAX

Sections:

...

5.04.065 Permanent Vehicle Registration

...

5.04.065 Permanent Vehicle Registration

(a) Noncommercial Motor Vehicles. Pursuant to the authority granted under AS 28.10.155(a), the owner of a noncommercial motor vehicle that is required to be registered under AS 28.10 may elect to register the motor vehicle permanently in lieu of registration under AS 28.10.108 if the vehicle is at least eight years old and the owner resides in the Borough.

(b) Trailers. Pursuant to the authority granted under AS 28.10.421(j), when a person registers a trailer of any age not used or maintained for the transportation of persons or property for hire or for other commercial use, including a boat trailer, baggage trailer, box trailer, utility trailer, house trailer, travel trailer, or trailer rented or offered for rent, the person may choose to register the trailer permanently if the person resides in the Borough.

(c) The permanent registration expires when the owner transfers or assigns the owner’s title or interest in the motor vehicle or trailer and may not be renewed.

SEC. 3. Classification. This ordinance is of a permanent nature and shall be codified in the Wrangell Municipal Code.

SEC. 4. Effective Date. This ordinance shall be effective upon adoption.

PASSED IN FIRST READING: _____, 2026

PASSED IN SECOND READING: _____, 2026.

Patricia Gilbert, Borough Mayor

ATTEST:

Kim Lane, MMC, Borough Clerk

**CITY & BOROUGH OF WRANGELL, ALASKA
BOROUGH ASSEMBLY AGENDA STATEMENT**

| | | |
|---------------------------|-----------------------|-------------------|
| <u>AGENDA ITEM TITLE:</u> | <u>DATE:</u> | February 24, 2026 |
| | <u>Agenda Section</u> | 13 |

RESOLUTION No. 02-26-2025 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE FY2026 BUDGET IN THE RESIDENTIAL CONSTRUCTION FUND BY ACCEPTING THE REVENUE FROM THE SALE OF THE ALDER TOP SUBDIVISION LOTS 11 and 19, BLOCK 1 OF THE ALDER TOP SUBDIVISION IN THE AMOUNT OF \$114,300

SUBMITTED BY:

Kim Lane, MMC, Borough Clerk

FISCAL NOTE:

| | |
|--|------------|
| Expenditure Required: \$XXX Total | |
| Fiscal Year (FY): | Amount: \$ |
| Amount Budgeted: | |
| FY: | \$ |
| Account Number(s): | |
| XXXXX XXX XXXX | |
| Account Name(s): | |
| Enter Text Here | |
| Unencumbered Balance(s) (prior to expenditure): | |
| \$XXX | |

Reviews/Approvals/Recommendations

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| <input type="checkbox"/> | |
| Name(s) | |
| Name(s) | |
| <input type="checkbox"/> | Attorney |
| <input type="checkbox"/> | Insurance |

ATTACHMENTS: 1. Resolution No. 02-26-2025

RECOMMENDATION MOTION:
Move to approve Resolution No. 02-26-2025.

SUMMARY STATEMENT:

Background

The Borough Assembly previously authorized the terms of sale for Alder Top Lots 2 through 22 (excluding Lot 10) by Resolution Nos. 04-25-1937, 05-25-1940, and 09-25-1980. Bidding for the available lots concluded on December 1, 2025.

The Assembly approved Resolution 01-26-2026 in January to accept the revenue from six lots that received full payment (Lots 4, 5, 6, 12, 16, and 20 for \$410,700).

Purpose

The following lots have sold, and payment has been received in full:

- Lot 11 – William and Amy Tonsgard for \$55,100
- Lot 19 - Pamela and Lester Standley for \$59,200; and

Budget Amendment

To account for this revenue, the FY26 Budget in the Residential Construction Fund will be amended to reflect an increase to account **50000-000-4650 – Residential Construction Fund Revenue** in the amount of **\$114,300**.

CITY AND BOROUGH OF WRANGELL

RESOLUTION No. 02-26-2025

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE FY2026 BUDGET IN THE RESIDENTIAL CONSTRUCTION FUND BY ACCEPTING THE REVENUE FROM THE SALE OF THE ALDER TOP SUBDIVISION LOTS 11 and 19, BLOCK 1 OF THE ALDER TOP SUBDIVISION IN THE AMOUNT OF \$114,300

WHEREAS, the Borough Assembly authorized the terms of the sale of the Alder Top Lots 2 through 22 (Excluding Lot 10), by Resolution No. 04-25-1937, 05-25-1940 and 09-25-1980; and

WHEREAS, the bidding ended on December 1, 2025; and

WHEREAS, the following Lots sold and have been paid in full:

- Lot 11 – William and Amy Tonsgard for \$55,100
- Lot 19 - Pamela and Lester Standley for \$59,200; and

WHEREAS, the FY26 Budget must be amended to accept this revenue.

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA THAT:

Section 1: Lot 11, Block 1, Alder Top Subdivision, received payment in full of \$55,100 from William and Amy Tonsgard and Lot 19, Block 1, Alder Top Subdivision, received payment in full of \$59,200 from Pamela and Lester Standley.

Section 2: The FY26 Budget in the Residential Construction Fund is amended to reflect an increase in revenue to account 50000-000-4650 Residential Construction Fund - Revenue in the amount of \$114,300.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY & BOROUGH OF WRANGELL, ALASKA THIS 24th DAY OF FEBRURY 2026.

CITY & BOROUGH OF WRANGELL

Patricia Gilbert, Borough Mayor

ATTEST: _____
Kim Lane, MMC, Borough Clerk

**CITY & BOROUGH OF WRANGELL, ALASKA
BOROUGH ASSEMBLY AGENDA STATEMENT**

| | | |
|----------------------------------|------------------------------|------------|
| <u>AGENDA ITEM TITLE:</u> | <u>DATE:</u> | 02/24/2026 |
| | <u>Agenda Section</u> | 13 |

RESOLUTION No. 02-26-2026 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, APPROVING THE EDA DISASTER SUPPLEMENTAL GRANT APPLICATION

SUBMITTED BY:

Mason Villarma, Borough Manager

FISCAL NOTE:

Expenditure Required:

| | | |
|--|--|------------|
| | | : \$ _____ |
|--|--|------------|

Amount Budgeted:

| | |
|--|----------|
| | \$ _____ |
|--|----------|

Account Number(s):

Account Name(s):

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| | All Borough Funds |
|--|-------------------|

Unencumbered Balance(s) (prior to expenditure):

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Reviews/Approvals/Recommendations

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| <input type="checkbox"/> | |
| Name(s) | |
| Name(s) | |
| <input type="checkbox"/> | Attorney |
| <input type="checkbox"/> | Insurance |

ATTACHMENTS: 1) RES 02-26-2026

RECOMMENDED MOTION:
Move to Approve Resolution No. 02-26-2026.

Summary Statement:

This resolution authorizes the City and Borough of Wrangell to submit an application to the U.S. Economic Development Administration (EDA) for Disaster Supplemental Grant funding. This funding opportunity is intended to support communities in strengthening economic resilience, advancing infrastructure, and diversifying local economies following economic disruption.

The Borough is actively pursuing this grant as part of its broader strategy to position Wrangell for long-term, sustainable economic growth. Potential projects under this application include investments in maritime infrastructure, industrial development, workforce development, and other initiatives that align with the Borough's economic development priorities and recent partnership efforts.

Approval of this resolution allows staff to formally submit the application and coordinate with state, federal, and private partners to maximize funding opportunities. Any grant award and associated appropriations will be brought back to the Assembly for final approval.

This action represents a proactive step in leveraging federal resources to support Wrangell's economic future and build upon the significant momentum the Borough has established through recent planning, partnerships, and infrastructure initiatives.

CITY AND BOROUGH OF WRANGELL

RESOLUTION No. 02-26-2026

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, APPROVING THE EDA DISASTER SUPPLEMENTAL GRANT APPLICATION

WHEREAS, the City and Borough of Wrangell (“Borough”) continues to advance strategic initiatives to strengthen economic resilience, diversify its economy, and invest in critical infrastructure; and

WHEREAS, the U.S. Economic Development Administration (EDA) has made available Disaster Supplemental Grant funding to support communities impacted by economic disruption and natural disasters; and

WHEREAS, the Borough has identified eligible projects and initiatives that align with EDA funding priorities, including infrastructure development, economic diversification, workforce development, and resilience planning; and

WHEREAS, the Borough intends to submit an application for EDA Disaster Supplemental Grant funding to support these efforts and leverage additional state, federal, and private investment; and

WHEREAS, submission of the grant application requires formal approval by the Assembly; and

WHEREAS, the Assembly finds that pursuing this funding opportunity is in the best interest of the Borough and its residents, and will support long-term economic growth and community resilience.

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA THAT:

Section 1: The Assembly hereby approves the submission of an application to the U.S. Economic Development Administration for Disaster Supplemental Grant funding.

Section 2: The Borough Manager is hereby authorized to prepare, execute, and submit all necessary application materials, certifications, and supporting documentation required for the grant application.

Section 3: The Borough Manager is further authorized to take all actions reasonably necessary to pursue the grant, including coordination with state and federal agencies and project partners.

Section 4: Upon award, any acceptance of funds and appropriation thereof shall be subject to further Assembly approval, unless otherwise authorized.

Section 5: This Resolution shall be effective immediately upon adoption.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY & BOROUGH OF WRANGELL, ALASKA THIS 24TH DAY OF February 2026.

CITY & BOROUGH OF WRANGELL

Patricia Gilbert, Borough Mayor

ATTEST: _____
Kim Lane, MMC, Borough Clerk

CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

| | | |
|---------------------------|-----------------------|------------|
| <u>AGENDA ITEM TITLE:</u> | <u>DATE:</u> | 02/24/2026 |
| | <u>Agenda Section</u> | 13 |

RESOLUTION No. 02-26-2027 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, APPROVING A BUDGET AMENDMENT FOR THE EDA DISASTER SUPPLEMENTAL GRANT

SUBMITTED BY:

Mason Villarma, Borough Manager

FISCAL NOTE:

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| Expenditure Required: | | |
| | : | |
| | \$ | |
| Amount Budgeted: | | |
| | \$ | |
| Account Number(s): | | |
| | | |
| Account Name(s): | | |
| All Borough Funds | | |
| Unencumbered Balance(s) (prior to expenditure): | | |
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Reviews/Approvals/Recommendations

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| <input type="checkbox"/> | |
| Name(s) | |
| Name(s) | |
| <input type="checkbox"/> | Attorney |
| <input type="checkbox"/> | Insurance |

ATTACHMENTS: 1) RES 02-26-2027

RECOMMENDED MOTION:
Move to Approve Resolution No. 02-26-2027.

Summary Statement:

As part of the EDA Disaster Supplemental Grant application, the City and Borough of Wrangell is proposing a portfolio of priority infrastructure projects, including the Deepwater Port, Downtown Waterfront Development, and Flume Replacement.

To strengthen the competitiveness of the application and demonstrate local commitment, the Borough is proposing to provide matching funds equal to twenty percent (20%) of the total project portfolio value. The Borough's contribution would be funded through a combination of available reserves and revenue bond issuances, as determined appropriate by the Assembly, with a total local match not to exceed \$12,000,000.

Approval of this item establishes the Borough's intent to participate financially in these projects and positions Wrangell to leverage significant federal investment. Any future expenditures, including the use of reserves or issuance of debt, will be subject to additional Assembly approval.

CITY AND BOROUGH OF WRANGELL

RESOLUTION No. 02-26-2027

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, APPROVING A BUDGET AMENDMENT FOR THE EDA DISASTER SUPPLEMENTAL GRANT AND COMMITTING MATCHING FUNDS IN THE AMOUNT OF TWENTY PERCENT OF THE OVERALL PROJECT VALUE.

WHEREAS, the City and Borough of Wrangell (“Borough”) has applied for funding through the U.S. Economic Development Administration (EDA) Disaster Supplemental Grant program to support economic development, infrastructure investment, and community resilience initiatives; and

WHEREAS, the Borough’s application includes a portfolio of strategic infrastructure projects, including (1) Deepwater Port, (2) Downtown Waterfront Development, and (3) Flume Replacement; and

WHEREAS, the EDA Disaster Supplemental Grant program encourages local financial participation to demonstrate commitment and leverage federal investment; and

WHEREAS, the Assembly recognizes the importance of positioning the Borough competitively for federal funding by demonstrating a clear and credible local funding commitment; and

WHEREAS, in order to properly account for and administer potential grant funds and associated local match, a budget amendment and statement of financial commitment is necessary; and

WHEREAS, the Assembly finds that establishing a matching commitment and related budget authority is in the best interest of the Borough and supports the advancement of critical infrastructure and economic development initiatives.

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA THAT:

Section 1. Budget Amendment. The Assembly hereby approves a budget amendment to establish project accounts for the EDA Disaster Supplemental Grant and associated matching funds for the project portfolio.

Section 2. Matching Funds Commitment. The Borough hereby commits to providing matching funds equal to twenty percent (20%) of the total project portfolio value associated with the EDA Disaster Supplemental Grant application, inclusive of the following components: (1) Deepwater Port, (2) Downtown Waterfront Development, and (3) Flume Replacement. The total Borough contribution shall not exceed Twelve Million Dollars (\$12,000,000).

Section 3. Source of Funds. The Borough’s matching contribution is anticipated to be funded through a combination of available reserves and the issuance of revenue bonds, as determined

appropriate by the Assembly and subject to applicable law.

Section 4. Administration. The Borough Manager is authorized to establish and manage the necessary accounts, prepare and submit all required documentation, and take all actions reasonably necessary to implement this Resolution and support the Borough’s grant application.

Section 5. Future Appropriations. Any expenditure of funds, including issuance of debt or use of reserves, shall remain subject to future Assembly appropriation and approval in accordance with Borough code and applicable law.

Section 6. Effective Date. This Resolution shall be effective immediately upon adoption.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY & BOROUGH OF WRANGELL, ALASKA THIS 24TH DAY OF February 2026.

CITY & BOROUGH OF WRANGELL

Patricia Gilbert, Borough Mayor

ATTEST: _____
Kim Lane, MMC, Borough Clerk

CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

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|---------------------------|-----------------------|------------|
| <u>AGENDA ITEM TITLE:</u> | <u>DATE:</u> | 02/24/2026 |
| | <u>Agenda Section</u> | 13 |

RESOLUTION No. 02-26-2028 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, SUPPORTING SENATOR DAN SULLIVAN’S EFFORTS TO EXPAND ALASKA SHIPBUILDING AND MARINE INDUSTRIAL CAPACITY AND EXPRESSING STRONG SUPPORT FOR A LARGE-VESSEL SHIPYARD AND UNITED STATES COAST GUARD HOMEPORTING IN WRANGELL, ALASKA

SUBMITTED BY:

Mason Villarma, Borough Manager

FISCAL NOTE:

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| Expenditure Required: | | |
| | | \$ _____ |
| Amount Budgeted: | | |
| | | \$ _____ |
| Account Number(s): | | |
| | | |
| Account Name(s): | | |
| All Borough Funds | | |
| Unencumbered Balance(s) (prior to expenditure): | | |
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Reviews/Approvals/Recommendations

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| <input type="checkbox"/> | |
| Name(s) | |
| Name(s) | |
| <input type="checkbox"/> | Attorney |
| <input type="checkbox"/> | Insurance |

ATTACHMENTS: 1) RES 02-26-2028

RECOMMENDED MOTION:
Move to Approve Resolution No. 02-26-2028.

Summary Statement:

This resolution expresses the City and Borough of Wrangell's strong support for Senator Dan Sullivan's efforts to expand Alaska's shipbuilding and marine industrial capacity, and formally advances Wrangell's position as a strategic location for both a large-vessel shipyard and future United States Coast Guard homeporting.

The Borough is actively pursuing the development of a state-of-the-art shipyard at its deepwater port site in partnership with JAG Marine Group, supported by ongoing design, feasibility, and funding efforts. This project represents a significant opportunity to expand Alaska's maritime industrial base, create local and regional jobs, and position the State to better support commercial and national defense maritime needs.

This resolution also reinforces Wrangell's designation as a Coast Guard City and communicates the Borough's readiness to support expanded Coast Guard presence, including the potential homeporting of Arctic-capable assets such as Polar Security Cutters. Wrangell's strategic location, available industrial lands, and deepwater access make it well-suited to support long-term federal investment in maritime infrastructure.

Adoption of this resolution formally communicates the Borough's unified support for these efforts and directs that this position be shared with Alaska's congressional delegation, federal agencies, and key stakeholders. This action is intended to strengthen Wrangell's competitiveness for future investment and ensure the community is actively engaged in shaping Alaska's maritime and national security future.

CITY AND BOROUGH OF WRANGELL**RESOLUTION No. 02-26-2028**

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, SUPPORTING SENATOR DAN SULLIVAN'S EFFORTS TO EXPAND ALASKA SHIPBUILDING AND MARINE INDUSTRIAL CAPACITY AND EXPRESSING STRONG SUPPORT FOR A LARGE-VESSEL SHIPYARD AND UNITED STATES COAST GUARD HOMEPORTING IN WRANGELL, ALASKA

WHEREAS, the City and Borough of Wrangell ("Borough") has identified maritime infrastructure, shipbuilding, and vessel repair as critical components of its long-term economic development strategy; and

WHEREAS, Alaska currently lacks sufficient large-vessel shipbuilding, maintenance, and repair capacity to meet the growing needs of commercial, state, and federal maritime operators; and

WHEREAS, Senator Dan Sullivan has been a leading advocate for expanding Alaska's maritime industrial base, strengthening national security, and ensuring the State is positioned to support United States Coast Guard and Department of Defense operations in the Arctic and Pacific regions; and

WHEREAS, the Borough has entered into a Memorandum of Understanding with JAG Marine Group and is actively advancing plans for the development of a state-of-the-art large-vessel shipyard at its deepwater port site; and

WHEREAS, the Borough and its partners have initiated a 30% design, cost estimate, and feasibility study to position Wrangell as a competitive candidate for significant State and Federal investment in shipbuilding and marine industrial infrastructure; and

WHEREAS, Wrangell's strategic location, deepwater port, available industrial lands, and proximity to major maritime routes make it uniquely suited to support expanded shipbuilding, repair, and maintenance operations in Alaska; and

WHEREAS, the development of a large-vessel shipyard in Wrangell would complement, not compete with, existing shipyard facilities in Alaska, including the Ketchikan Shipyard, and would expand the State's overall capacity to capture maritime industrial work; and

WHEREAS, the United States Coast Guard continues to expand its Arctic presence, including the development and deployment of Polar Security Cutters and other assets that will require long-term homeporting, maintenance, and support infrastructure; and

WHEREAS, Wrangell has been designated a “Coast Guard City” and is committed to supporting the mission, personnel, and infrastructure needs of the United States Coast Guard; and

WHEREAS, homeporting Coast Guard assets in Wrangell would provide significant economic, workforce, and national security benefits to the region, the State of Alaska, and the United States; and

WHEREAS, the Assembly finds that supporting federal and state efforts to expand maritime infrastructure and advocating for investment in Wrangell is in the best interest of the Borough and its residents;

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA THAT:

Section 1. The Assembly hereby expresses its strong support for Senator Dan Sullivan’s efforts to expand Alaska’s shipbuilding and marine industrial capacity and to secure federal investment in maritime infrastructure across the State.

Section 2. The Assembly strongly supports the development of a large-vessel shipyard at the City and Borough of Wrangell’s deepwater port site and affirms its commitment to advancing this project in partnership with JAG Marine Group, State agencies, and federal partners.

Section 3. The Assembly formally expresses its support for the United States Coast Guard to consider Wrangell, Alaska, as a preferred location for the homeporting of future Coast Guard assets, including but not limited to Polar Security Cutters and other Arctic-capable vessels.

Section 4. The Assembly encourages continued coordination and investment by federal and state agencies to support maritime infrastructure development in Wrangell and throughout Alaska, recognizing the strategic importance of the region to national security and economic resilience.

Section 5. The Borough Manager is authorized and directed to transmit a copy of this Resolution to Senator Dan Sullivan, Alaska’s congressional delegation, the United States Coast Guard, the Department of Defense, the Alaska Governor’s Office, and other relevant

stakeholders.

Section 6. This Resolution shall be effective immediately upon adoption.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY & BOROUGH OF WRANGELL, ALASKA THIS 24TH DAY OF February 2026.

CITY & BOROUGH OF WRANGELL

Patricia Gilbert, Borough Mayor

ATTEST: _____
Kim Lane, MMC, Borough Clerk

**CITY & BOROUGH OF WRANGELL, ALASKA
BOROUGH ASSEMBLY AGENDA STATEMENT**

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|---------------------------|-----------------------|-------------------|
| <u>AGENDA ITEM TITLE:</u> | <u>DATE:</u> | February 24, 2026 |
| | <u>Agenda Section</u> | 13 |

Approval to reschedule the Board of Equalization Hearing from May 11, 2026 to May 18, 2026

SUBMITTED BY:

Kim Lane, Borough Clerk

FISCAL NOTE:

Expenditure Required:

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|-------------------|------------|
| Fiscal Year (FY): | Amount: \$ |
| | |

Amount Budgeted:

| | | |
|--|-----|----|
| | FY: | \$ |
|--|-----|----|

Account Number(s):

Account Name(s):

Unencumbered Balance(s) (prior to expenditure):

Reviews/Approvals/Recommendations

| | |
|--------------------------|--------------------------------|
| <input type="checkbox"/> | Commission, Board or Committee |
| Name(s) | |
| Name(s) | |
| <input type="checkbox"/> | Attorney |
| <input type="checkbox"/> | Insurance |

ATTACHMENTS: none.

RECOMMENDATION MOTION:

Move to approve rescheduling the Board of Equalization Hearing from May 11, 2026 to May 18, 2026.

SUMMARY STATEMENT:

As per WMC 5.04.090, the Board of Equalization Hearing is held on the first Monday, following the first Thursday in May. This year, that day falls on May 11th.

Our assessor has a conflicting BOE meeting and is asking that we reschedule our BOE meeting to take place on Monday, May 18, 2026. If approved, the hearing will begin at 5:30pm.