

Haines Borough
Borough Assembly Meeting #317

AGENDA



June 28, 2016 - 6:30 p.m.

Location: Assembly Chambers, Public Safety Bldg.

Jan Hill,
Mayor

Margaret Friedenauer,
Assembly Member

Diana Lapham,
Assembly Member

Mike Case
Assembly Member

Tresham Gregg,
Assembly Member

George Campbell,
Assembly Member

Ron Jackson,
Assembly Member

Bill Seward
Borough Manager

Julie Cozzi, MMC
Borough Clerk

Krista Kielsmeier
Deputy Clerk

1. CALL TO ORDER/PLEDGE TO THE FLAG

2. ROLL CALL

3. APPROVAL OF AGENDA & CONSENT AGENDA

[The following Consent Agenda items are indicated by an asterisk () and will be enacted by the motion to approve the agenda. There will be no separate discussion of these items unless an assembly member or other person so requests, in which event the asterisk will be removed and that item will be considered by the assembly on the regular agenda.]*

Consent Agenda:

- 4 – Approve Assembly Meeting Minutes
- 8B – Accept Museum Report
- 9A – Accept Planning Commission Minutes and Meeting Summary
- 9B – Accept Museum Board Minutes
- 11A1 – Adopt Resolution 16-06-682
- 11A2 – Adopt Resolution 16-06-683
- 11A3 – Adopt Resolution 16-06-684
- 11B1 – Introduce Ordinance 16-06-437

*** 4. APPROVAL OF MINUTES – 6/14/16 Regular**

5. PUBLIC COMMENTS - Sign-up is NOT required

[This is for any topics not scheduled for public hearing.]

Note: during this section of the agenda, the assembly will listen and take notes. No official action will be taken at this time. Instead, comments and requests may be referred for further consideration to the administration, a committee, or a future assembly agenda. Individuals offering citizen comment will not be permitted to make personal attacks.

6. MAYOR'S COMMENTS/REPORT

A. Public Oath of Office – Borough Manager Bill Seward

Note: HBC 2.62.010(B) requires a borough officer to take an oath "before entering upon the duties of the office." The oath was administered to him in the borough offices on June 20, his first day. It is readministered now for the sake of the public.

B. Legislative Update - Representative Sam Kito

C. Request for AMHS Strategic Plan Funding – Southeast Conference

7. PUBLIC HEARINGS

A. Resolution 16-06-681

A Resolution of the Haines Borough Assembly authorizing the borough manager to convene a heliski map committee to consider proposed amendments according to HBC 5.18.080(I).

*A timely request for amendments to the commercial ski areas map has been received. In order for the manager to convene the process, HBC 5.18.080(I)(1) requires assembly authorization by resolution with a public hearing. **Motion:** Adopt Resolution 16-06-681.*

B. Ordinance 16-05-436 – Second Hearing

An Ordinance of the Haines Borough adopting a revised fee schedule for harbor facility usage to revise the boat launch ramp use fees.

*This ordinance is recommended by the port & harbor advisory committee and was introduced on 5/24/16. The first hearing was on 6/14/16. **Motion:** Adopt Ordinance 16-05-436.*

7. PUBLIC HEARINGS ---continued---

C. **Ordinance 16-05-435** – Second Hearing

An Ordinance of the Haines Borough amending Haines Borough Code Title 2 to add a new Chapter 2.51 establishing a Code Review Commission.

On 5/10/16, the assembly passed a motion to create a standing code review committee and also decided it should be established by ordinance. This ordinance was introduced on 5/24/16. The first hearing was on 6/14/16. During debate following the hearing, the following motions were made and subsequently postponed to this meeting. After the second public hearing, these motions must be dispensed with prior to a motion to adopt the ordinance.

Motions Currently on the Table:

Motion: "Amend Ordinance 16-05-435 by substituting it in its entirety with the substitute ordinance proposed by the borough attorney and staff."

Amendment Motion: "Amend the substitute ordinance, as follows:

1. Replace the word commission with the word committee everywhere it appears in the ordinance,
2. Strike subsection 2.51.040(B) in its entirety, and
3. Strike the phrase "local attorneys" from subsection 2.51.040(A) #3."

8. STAFF/FACILITY REPORTS

A. Borough Manager – 6/28/16 Report

*B. Sheldon Museum – Report of May 2016

9. COMMITTEE/COMMISSION/BOARD REPORTS & APPROVED MINUTES

*A. Planning Commission – Minutes of 5/12/16 Meeting & Summary of 6/9/16 Meeting

*B. Museum Board of Trustees – Minutes of 5/10/16

C. Assembly Board Liaison Reports

D. Assembly Standing Committee Reports

10. UNFINISHED BUSINESS

A. **Ordinance 16-03-431**

An Ordinance of the Haines Borough amending Haines Borough Code Section 18.20.020 and Sub-Section 18.80.030(B) to clarify the method of calculating building height.

*This ordinance is recommended by the planning commission and was originally introduced on 3/29/16. Public hearings were held on 4/12/16 and 4/26/16. During the second hearing, the assembly heard proposals for modifications and chose to refer it back to the planning commission for consideration of those suggestions. The ordinance was to return to the assembly when the planning commission was ready with a recommendation. Staff prepared a substitute ordinance containing the commission's input, and it is recommended the assembly adopt that revised ordinance. **Motion:** Amend Ordinance 16-03-431 by substituting it in its entirety with the draft proposed by the planning commission, and adopt the ordinance.*

11. NEW BUSINESS

A. Resolutions

*1. **Resolution 16-06-682**

A Resolution of the Haines Borough Assembly authorizing and designating certain persons to sign and endorse checks pertaining to the Borough's First National Bank Alaska accounts, and authorizing certain persons as signatories for the Borough's security cash accounts and investments.

*This resolution is necessary whenever there is a change in borough officers. **Motion:** Adopt Resolution 16-06-682.*

11. NEW BUSINESS ---continued---

*2. **Resolution 16-06-683**

A Resolution of the Haines Borough Assembly designating the acquisition of State of Alaska, Department of Environmental Conservation (ADEC) grant funds for the project entitled Sewer Treatment Plant Health and Safety Upgrades as the number one local state funding priority for fiscal year 2018.

*This resolution is recommended by the Director of Public Facilities. **Motion:** Adopt Resolution 16-06-683.*

*3. **Resolution 16-06-684**

A Resolution of the Haines Borough Assembly authorizing the Borough Manager to execute a purchase order with Cal Worthington Ford of Anchorage to purchase a pickup for Public Facilities for an amount not-to-exceed \$38,914.

*This resolution is recommended by the Director of Public Facilities. **Motion:** Adopt Resolution 16-06-684.*

B. Ordinances for Introduction

*1. **Ordinance 16-06-437**

An Ordinance of the Haines Borough amending Haines Borough Code Section 11.40.040 to change the Borough Election Day polling place opening time from 8:00 a.m. to 7:00 a.m. to match the State Election opening time.

*This ordinance is recommended by the borough clerk. **Motion:** Introduce Ordinance 16-06-437 and set a first public hearing for 7/12/16 and a second public hearing for 7/26/16.*

2. **Ordinance 16-06-438**

An Ordinance of the Haines Borough authorizing Chilkat Valley Preschool, Inc. to lease an addition on the Senior Center Building.

*This ordinance is recommended by the director of public facilities. **Motion:** Introduce Ordinance 16-06-438 and set a first public hearing for 7/12/16 and a second public hearing for 7/26/16.*

C. Other New Business - None

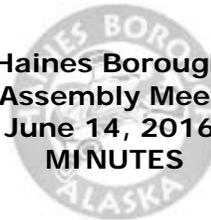
12. CORRESPONDENCE/REQUESTS

13. SET MEETING DATES

14. PUBLIC COMMENTS

15. ANNOUNCEMENTS/ASSEMBLY COMMENTS

16. ADJOURNMENT


Haines Borough
Borough Assembly Meeting #316
June 14, 2016
MINUTES

Draft

1. **CALL TO ORDER/PLEDGE TO THE FLAG**: Mayor **HILL** called the meeting to order at 6:30 p.m. in the Assembly Chambers and led the pledge to the flag.

2. **ROLL CALL**

Present: Mayor Jan **HILL**, and Assembly Members Diana **LAPHAM**, Ron **JACKSON**, Tresham **GREGG**, Mike **CASE**, and, via telephone, George **CAMPBELL** and Margaret **FRIEDENAUER**.

Staff Present: Brad **RYAN**/Interim Borough Manager, Julie **COZZI**/Borough Clerk, Dean **OLSEN**/Assessor, Tina **OLSEN**/Accounts Receivable, Jila **STUART**/Finance Director, and Patty **BROWN**/Library Director.

Visitors Present: Karen **GARCIA**/CVN, Jillian **ROGERS**/KHNS, Bill **SEWARD**/incoming borough manager, Cary **SEWARD**, Lee **HEINMILLER**, Bill **MCCORD**, Sue **WATERHOUSE**, Don **TURNER** Jr., Evelynna **VIGNOLA**, Joe **PARNELL**, Debra **SCHNABEL**, Paul **NELSON**, and others.

3. **APPROVAL OF AGENDA & CONSENT AGENDA**

The following Items were on the published consent agenda indicated by an asterisk (*):

- 4 – Approve Assembly Meeting Minutes
- 8B – Accept Chilkat Center Report
- 8C – Accept Fire Department Report
- 9A – Accept PRAC Minutes and Meeting Summary
- 9B – Accept PHAC Minutes and Meeting Summary
- 11A2 – Adopt Resolution 16-06-679
- 11A3 – Adopt Resolution 16-06-680

Motion: **LAPHAM** moved to “approve the agenda/consent agenda,” and it was amended to remove Items 9A and 11A2 from the consent agenda,” and the motion, as amended, carried unanimously.

* 4. **APPROVAL OF MINUTES** – 5/24/16

The motion adopted by approval of the consent agenda: “approve minutes of the 5/24/16 borough assembly meeting.”

5. **PUBLIC COMMENTS**

VIGNOLA – Expressed concerns about the harbor project, specifically the wave barrier and parking lot.

NELSON – Believes the assembly should give serious consideration to getting a different attorney.

PARNELL – Said he is very concerned about a steel wall in the new harbor, and he believes the truth has been misrepresented. A cost-benefit analysis should have been done. Also, he believes Lutak Dock is a disaster that needs to be dealt with.

6. **MAYOR’S COMMENTS/REPORT**

Mayor **HILL** 1) reported the Beer Fest was fairly uneventful; 2) said the Bike Race is coming up, and there are 1,200 participants signed up; 3) introduced Bill and Cary Seward, the new manager and his wife; 4) thanked Brad **RYAN** for the great job he has done as interim manager; and 5) announced the first mobile commercial business committee meeting is scheduled for Friday, 6/24, 5:30pm.

CASE recognized the great work Chilkoot Indian Association has done on the trail system they are building. The trails are ADA-compliant and provide great access for the tribal elders to get to the berry patches. Visitors and other residents will benefit from the trails, as well.

7. **PUBLIC HEARINGS**

A. **Ordinance 16-04-434** – Third Hearing

An Ordinance of the Haines Borough, Alaska, providing for the establishment and adoption of the operating budget, capital budget, and capital improvement plan of the Haines Borough for the period July 1, 2016 through June 30, 2017.

Mayor **HILL** opened the public hearing at 6:46 pm.

SCHNABEL – Said she would like to see the borough allocate money for development and maintenance of the Mt. Ripinski and Mt. Riley trails. Some areas are being damaged. She noted a lot of people would likely volunteer to do the work if the borough provides the materials.

Hearing no further comments, the mayor closed the public hearing at 6:48 pm.

Motion: LAPHAM moved to "adopt Ordinance 16-04-434," and the motion carried 5-1 in a roll call vote with CAMPBELL opposed.

B. Ordinance 15-06-413 – First Hearing

An Ordinance of the Haines Borough amending various provisions of the Haines Borough Code to designate certain violations of Borough law as minor offenses and to establish a fine schedule for certain offenses and to provide for other penalties for violations.

Mayor HILL opened the public hearing at 6:55 pm.

NELSON – Said under Section 1.24.010 general penalties, he understood the daily fines would be removed and put into specific instances.

Hearing no further comments, the mayor closed the public hearing at 6:56 pm.

Motion: LAPHAM moved to "adopt Ordinance 15-06-413," and the motion carried 5-1 in a roll call vote with CAMPBELL opposed.

C. Ordinance 16-05-435 – First Hearing

An Ordinance of the Haines Borough amending Haines Borough Code Title 2 to add a new Chapter 2.51 establishing a Code Review Commission.

Mayor HILL opened the public hearing at 7:02 pm.

NELSON – Spoke in support of the ordinance.

VIGNOLA – Said she initially thought a group like this would be overkill, but she imagines it will start with minor offenses and keep on going after that.

Hearing no further comments, the mayor closed the public hearing at 7:04 pm.

Note: This ordinance was introduced on 5/24/16, and the assembly already scheduled the second hearing for 6/28/16. The interim manager referred the ordinance to the borough attorney for review, and staff prepared a substitute ordinance based on the attorney's suggestions and comments.

Motion: LAPHAM moved to "amend Ordinance 16-05-435 by substituting it in its entirety with the substitute ordinance proposed by the borough attorney and staff."

Amendment Motion: LAPHAM moved to "amend the substitute ordinance, as follow:

1. Replace the word commission with the word committee everywhere it appears in the ordinance,
2. Strike subsection 2.51.040(B) in its entirety, and
3. Strike the phrase "local attorneys" from subsection 2.51.040(A) #3."

Motion to Postpone: JACKSON moved to "postpone the matter to the 6/28/16 meeting," and the motion carried unanimously. Both pending motions will move to the next meeting.

D. Ordinance 16-05-436 – First Hearing

An Ordinance of the Haines Borough adopting a revised fee schedule for harbor facility usage to revise the boat launch ramp use fees.

Mayor HILL opened and closed the public hearing at 7:27 pm; there were no public comments.

Note: Since the assembly already scheduled the second hearing for 6/14/16, no motion was needed now unless the second hearing date needed to change or some other action was desired.

8. STAFF/FACILITY REPORTS

A. Interim Manager – 6/14/16 Report

The manager summarized his written report and responded to a few questions from the assembly.

Motion: CAMPBELL moved to "authorize the borough manager to execute a contract with Southeast Road Builders for the Allen Road asphalt patch for an amount not to exceed \$40,000," and the motion carried unanimously in a roll call vote.

* **B. Chilkat Center** – Facility Report of May 2016

* **C. Fire Department** – Report of May 2016

9. COMMITTEE/COMMISSION/BOARD REPORTS & APPROVED MINUTES

- A. **Parks & Recreation Advisory Committee** – 4/20/16 Minutes and 5/18/16 Meeting Summary
 - *B. **Port & Harbor Advisory Committee** – 4/28/16 & 5/5/16 Minutes and 5/26/16 Meeting Summary
 - C. **Assembly Board Liaison Reports**
LAPHAM – Tourism Advisory Board, Museum Board of Trustees
 - D. **Assembly Standing Committee Reports**
LAPHAM – Finance Committee – June 7, Sales Tax Exemption and Nonprofit Business Registration
CAMPBELL – Commerce Committee – June 9, Economic Incentive Proposal
10. **UNFINISHED BUSINESS** - None

11. **NEW BUSINESS**

A. **Resolutions**

1. **Resolution 16-06-678**

A Resolution of the Haines Borough Assembly approving in response to an application from Alaska Indian Arts, Inc., as recommended by the borough assessor, a community purpose property tax exemption for the Parade Grounds property at Fort Seward, and requiring an updated plat within one year of exemption approval.

HEINMILLER – Explained the nuances of the property and the various things that make the property serve a community purpose. A new plat will be recorded to accurately show the various commercial-related areas. One acre of the total area has been taxable over the years.

Motion: CASE moved to “adopt Resolution 16-06-678.”

Motion to Postpone: FRIEDENAUER moved to “postpone this until more information is available.” And the motion **FAILED** 2-4 with LAPHAM CASE GREGG, and JACKSON opposed.

The motion to adopt carried 5-1 with CAMPBELL opposed.

2. **Resolution 16-06-679**

A Resolution of the Haines Borough Assembly establishing investment objectives for the Haines Permanent Fund, and adopting investment asset allocation goals and performance benchmarks.

No public comments.

Motion: LAPHAM moved to “adopt Resolution 16-06-679.”

Motion to Postpone: CAMPBELL moved to “postpone until we can have a meeting as soon as possible with our investment folks,” and the motion **FAILED** with LAPHAM, CASE, FRIEDENAUER opposed and Mayor HILL breaking the tie in the negative.

Motion to Amend: JACKSON moved to “strike 5th WHEREAS clause in Resolution 16-06-679,” and the motion to amend carried 5-1 with LAPHAM opposed.

The motion to adopt, as amended, carried 5-1 in a roll call vote with CAMPBELL opposed.

*3. **Resolution 16-06-680**

A Resolution of the Haines Borough Assembly authorizing the Borough Manager to execute a contract with Southeast Road Builders for the Bjornstad Street Culvert Replacement project for an amount not to exceed \$54,000.

The motion adopted by approval of the consent agenda: “adopt Resolution 16-06-680.”

B. **Ordinances for Introduction** - None

C. **Other New Business** - None

12. **CORRESPONDENCE/REQUESTS**

A. **Request for Repeal of 1% Tourism/Economic Development Sales Tax – D.Churchill**

Note: Churchill asked that this be referred to the Finance Committee the Matter of Repealing the % Tourism/Economic Development Sales Tax.

13. **SET MEETING DATES**

A. **Finance Committee – Monday, 6/27, 5:00pm** – Topic: 1% sales tax repeal request

14. **PUBLIC COMMENTS**

SCHNABEL – 1) Said Public Works Superintendent Ralph Borders is retiring this summer, and she acknowledged the difference he has made in the community; 2) thanked **RYAN** for his job as interim manager; and 3) believes **GREGG** should have disclosed a conflict of interest during the AIA CPE Resolution.

VIGNOLA – Said the harbor plan is not good because of the giant parking lot and wave barrier.

HEINMILLER – Said the issue of dedicated sales tax is cloudy, and all aspects should be considered at the same time.

B.SEWARD – Said it is an honor to be selected as the next borough manager. The community has been quite welcoming, and he and his wife are glad to be here.

15. ANNOUNCEMENTS/ASSEMBLY COMMENTS

FRIEDENAUER, LAPHAM, and CAMPBELL – Thanked **RYAN** for the job he has done as interim manager.

JACKSON – Said he has met people from all over the world when hiking. He would like to see the borough work more on trail development.

16. ADJOURNMENT – 8:57 p.m.

Motion: **LAPHAM** moved to “adjourn the meeting,” and the motion carried unanimously.

Janice Hill, Mayor

ATTEST:

Julie Cozzi, MMC, Borough Clerk



Haines Borough
Assembly Agenda Bill

Agenda Bill No.: 16-662

Assembly Meeting Date: 6/28/16

Business Item Description:	Attachments:
Subject: AMHS Strategic Plan Project (Southeast Conference request for funding)	1. Memo from Mayor Hill 2. Letter of Request from Southeast Conference 3. 6/14/16 Email re. AMHS Reform Project 4. Signed MOU between State of Alaska and Southeast Conference 5. Economic Impacts of the Alaska Marine Highway System
Originator: Mayor Hill	
Originating Department:	
Date Submitted: 6/2/16	

Full Title/Motion:

This can be authorized via simple motion, but depending on the amount and source of funds, a budget amendment ordinance may be necessary to finalize the expenditure.

Administrative Recommendation:

Fiscal Impact:

Expenditure Required	Amount Budgeted	Appropriation Required	Projected Impact to Future Operating Budgets
\$ TBD	\$ n/a	\$ TBD	n/a

Comprehensive Plan Consistency Review:

Comp Plan Goals/Objectives: Objective 4C, pg 144
Also, pages 93, 125-126, and 133

Consistent: Yes No

Summary Statement:

Southeast Conference recently signed a Memorandum of Understanding with Governor Walker to develop an Alaska Marine Highway System Strategic Plan, to include a long-term comprehensive operational and business plan that is financially sustainable and meets the needs of those it serves. The process will involve broad public engagement and should result in a 25-year plan for the system.

Southeast Conference is hopeful the Haines Borough will partner with them and contribute to this AMHS revitalization and reform effort by contributing funds. The agreement with the Governor's office comes with some financial backing but the development of the strategic plan is going to be costly. This public private partnership is very valuable and contributions will help move the project forward.

Referral:

Referred to: _____ Referral Date: _____
 Recommendation: _____ Meeting Date: _____

Assembly Action:

Meeting Date(s): 6/28/16 Public Hearing Date(s): _____
 Postponed to Date: _____



Memo

From the Mayor

Date: June 28, 2016
To: Borough Assembly
Cc: William Seward, Borough Manager
From: Mayor Jan Hill
Re: Southeast Conference Request for AMHS Project Funding Assistance

We all recognize the importance of the AMHS to our community, our region and the entire State of Alaska.

After working our way through our budget process, we are also painfully aware of the need to be fiscally responsible. But, I also believe we need to be fiscally supportive of projects such as the MOU between the State of Alaska and Southeast Conference, to develop the AMHS Strategic Plan. While we regularly struggle with proposed cuts to our ferry service, and the impact those cuts will have on all of our communities, I am optimistic that this new plan will ultimately help us turn our AMHS around and move in a better direction.

I have met with Mr. Seward, and we are recommending a \$10,000 donation to the AMHS Strategic Plan project.

Thank you for your consideration of this request.



612 W. Willoughby Ave., Suite B
P.O. Box 21989, Juneau, AK 99802
Phone (907) 586-4360
www.seconference.org
Email info@seconference.org

SOUTHEAST ALASKA REGIONAL DEVELOPMENT ORGANIZATION

Dear Alaska Marine Highway Supporter;

Southeast Conference is asking for your contribution and support to help move the Alaska Marine Highway System Reform Project forward.

Alaska's Marine Highway is entering a period of profound change. With its financial reserves exhausted, vessels in need of major refits or replacements, an unsustainable cost structure and waning political support, cuts in service have crippled the system. Yet the communities it serves are heavily dependent on reliable marine transportation. AMHS operates in an environment with market, political and operational challenges unlike those anywhere else in the world. Its service mandate is broad, its markets small and diverse, and its political support increasingly fragmented. Typically, annual appropriations fall approximately \$20 million short of what is needed to sustain operations. Success over the long-term will require a carefully crafted combination of management, operations and funding strategies (and execution). Yet the value of AMHS is clear. In addition to providing transportation to communities with no other options and infrastructure for several regional economies, AMHS accounted for 1,700 Alaska jobs and \$104 million in Alaska wages in 2014. The State of Alaska's general fund investment of \$117 million resulted in a total return on investment of \$273 million, a return of more than 2 to 1.

Southeast Conference recently signed a Memorandum of Understanding with Governor Walker that establishes an agreement between the two parties to develop an Alaska Marine Highway System Strategic Plan, to include a long-term comprehensive operational and business plan that is financially sustainable and meets the needs of those it serves. The process will involve broad public engagement and should result in a 25-year plan for the system.

Southeast Conference was formed in 1958 to focus on the creation of the Alaska Marine Highway System (AMHS). SEC continues to advocate for an effective marine transportation system and it remains a centerpiece of our organization. As Alaska's Regional Development Organization (ARDOR), we reached out across the coastal regions of the state and are working statewide to find solutions for AMHS.

This is one of the most important projects Alaska will engage in and it will make a positive difference for years to come for AMHS and the people of Alaska. Financial contributions from user groups like, municipalities, tribes, corporations, and other organizations is essential to the success of this project.

This AMHS project needs your contribution. The agreement with the Governor's office comes with some financial backing but the development of this strategic plan is going to be costly. This public private partnership is very valuable and your contribution will help move this project forward. The project will be divided into 2 phases. Phase 1 will be the governance modeling and recommendations. Our goal is to have findings on the governance structure back to the Governor and Legislature this fall. We are hopeful that you will partner with us and contribute to this AMHS revitalization and reform effort.

Please contact Southeast Conference office if you have questions or would like more information. We look forward to your support and contribution to this very important project.

Sincerely,

Shelly Wright

RECEIVED HAINES BOROUGH

JUN 2 2016

CLERK'S OFFICE



**SOUTHEAST
CONFERENCE**

Alaska Marine Highway System Reform Sponsorship Program

We invite you to be a sponsor of Alaska Marine Highway System Reform Project. Our mission to support activities that promote strong economies, healthy communities, and a quality environment in Alaska aligns directly with the AMHS Reform.

Annual sponsors receive recognition at both the Mid-Session Summit and the Annual Meeting, as well as on our website. Sponsorships not only move this project forward they are also opportunities to advertise and build name recognition for your business or organization. Be sure to send us your logo.

If you would like to participate, call SEC at (907) 523-4360 or complete the form below and fax it to SEC at (907)463-5670, or email to info@seconference.org.

Legacy	\$10,000
Benefactor	\$5,000
Gold	\$3,500
Silver	\$2,500
Bronze	\$1,500

No amount is too big or too small, any amount is welcome there is great value in user group contribution.

Other amount \$ _____

Name: _____

Community/Organization: _____

Address: _____ City: _____ State & Zip: _____

Phone: _____ Fax: _____

Email: _____

Payment Options:

Charge to Credit Card:

Check enclosed

Card Number: _____ Exp. Date: _____

Name as it appear on the card: _____

3-4 Digit Identifiers: _____ Statement Zip Code: _____

Signature: _____



From: [Shelly Wright](#)
To: [Julie Cozzi](#)
Subject: AMHS Reform Project
Date: Tuesday, June 14, 2016 12:26:51 PM

Alaska Marine Highway System Reform Project



Southeast Conference begins AMHS strategic planning effort
RFP release marks beginning of process to insure AMHS viability and sustainability

Southeast Conference issued a Request for Proposals today that takes the first step toward a comprehensive operational and business plan for the Alaska Marine Highway System. Phase One will focus on the governance structure that is best suited to operate the AMHS in an economically optimal way that meets the user's needs.

"For over 50 years, the Alaska Marine Highway System has served as a critical transportation link for Alaska's coastal communities," said Governor Walker during the May 19th signing of the MOU with Southeast Conference. "The ferries are a lifeline in many communities, and the economic benefits are felt throughout the state."

This project will have a formal kickoff with a stakeholders' summit in late summer. "This first phase of statewide stakeholder involvement and governance modeling is a small but significant step toward insuring the system's long-term viability", stated Garry White, Board President for Southeast Conference. "The current fiscal challenges require that transformational changes be made to have a responsive and sustainable ferry system for the next generation".

[Request for Proposals: Alaska Marine Highway System: Comprehensive Operational and Business Plan Phase One RFP Number 2016-01](#)

To find out more, visit Southeast Conference on its website at www.seconference.org.

[Call for applications - Alaska Marine Highway System Comprehensive Plan Steering Committee](#)

Background: On May 19, Governor Bill Walker signed a memorandum of understanding with Southeast Conference, a regional economic development organization, to undertake a comprehensive planning process aimed at improving the

long-term viability of the Alaska Marine Highway System (AMHS). The purpose of this project is to develop a long-term strategic plan for the AMHS that includes a comprehensive operational and business plan for the AMHS that is financial sustainable and meets the needs of those it serves. The process will involve broad public engagement and should result in a 25-year plan for the system. A review and possible change in governance structure will be part of it.

For more information, please review the memorandum of understanding between the State of Alaska and Southeast Conference, which will serve as a guidestar for this process. (See http://gov.alaska.gov/wp-content/uploads/sites/5/20160519_MOU-Southeast-Conference.pdf)

A steering committee comprised of approximately 10 Alaskans from across the state will oversee development of the plan through engagement of professional experts and a robust public process. Steering committee members will be selected by Southeast Conference in consultation with the Governor's Office, with an eye to balance in perspectives, expertise and interest.

Steering committee member expectations

- Attendance at teleconferences to be held monthly or as needed
- Participation on task forces or subcommittees that may be established
- Attendance at a one-day summit, likely to be held in Anchorage in August
- Attendance at a Southeast Conference meeting in Petersburg September 20-22
- Commitment to working for the best interests of the system as a whole, with an open mind and collaborative spirit
- Commitment to the project for its anticipated duration of June 2016 through December 2017

Funding

With a limited budget, we anticipate that steering committee members will donate their time and expertise. The project will offer travel funding for those who need it for the two in-person events.

To apply: Please send a letter of interest and resume to transportation@seconference.org on or before JUNE 27, 2016. In your letter, please state why you are interested in serving on this committee and what relevant skills, expertise and perspective you bring to this project.

-end-

About the Southeast Conference: Southeast Conference began 58 years ago to advocate for and support the establishment of the state's marine transportation system. Southeast Conference serves as the collective voice for advancing the region and state's economy while supporting activities that promote strong economies, healthy communities and a quality environment in Southeast Alaska.

[Check out our website](#)

Memorandum of Understanding

BETWEEN

THE STATE OF ALASKA

AND

THE SOUTHEAST CONFERENCE



This Memorandum of Understanding (MOU) sets forth the terms and understanding between the State of Alaska and the Southeast Conference, a regional development organization, to develop a proposed strategic plan, to include a long-term, comprehensive operational and business plan for the Alaska Marine Highway System (AMHS).

Background

For over 50 years, the AMHS has provided a critical transportation link between Alaska's coastal communities, the Lower 48, and Canada. The AMHS serves as a socio-economic lifeline and transportation corridor for many of the communities it serves, and provides statewide economic benefits. In recent years, the AMHS has experienced rising costs, decreasing budgets, and significant reductions in service. Ferry users statewide have expressed concerns about service reductions, system unreliability and interruptions in service. The AMHS system's aging fleet requires increased maintenance and a plan for vessel replacement. The State's current fiscal challenges add imperative to re-examining the AMHS system, the needs of those it serves, and opportunities for transformational change to ensure the system's long-term viability.

Purpose

This MOU establishes an agreement of understanding between the State of Alaska (State) and the Southeast Conference to develop an AMHS Strategic Plan (Plan), to include a long-term, comprehensive operational and business plan for the AMHS that is financially sustainable and meets the needs of those it serves. The process will involve broad public engagement and should result in a 25-year plan for the system. The plan is intended to provide a benefit to the State and the public.

Roles and Responsibilities

Through this MOU, the State of Alaska agrees to:

- Outline goals and objectives for the Plan;
- Contract with the Southeast Conference under AS 36.30.850(b)(29) to manage development of the Plan;
- Comply with all applicable procurement laws and regulations;
- Provide access to relevant data, information and expertise, subject to confidentiality rules that may apply; and
- Participate as a member on the Project Steering Committee.

Through this MOU, Southeast Conference agrees to:

- Perform its contractual duties to manage the development of the Plan;

- Identify, request, and receive additional non-state aid for the project;
- Provide staff and resources to coordinate a statewide steering committee of community leaders for the development of a long-term, comprehensive operational and business plan;
- Actively solicit statewide input through a broad public process;
- Contract with specialists if needed to identify possible solutions for the AMHS; and
- Develop and submit a draft written Plan to the State, followed by a final written Plan that is responsive to State and stakeholder feedback.

The AMHS Strategic Plan developed by Southeast Conference under this MOU shall address, at a minimum, the following issues:

- *AMHS Mission Statement:* The AMHS mission must be identified, stated, and agreed to, and the mission statement will be the project's first deliverable.
- *Governance Structure:* What type of governance structure or combination of structures is best suited to operate the AMHS in an economically optimal way that meets user needs?
- *Operations:* How can the AMHS best serve the basic transportation and shipping needs for Alaskans? How can vessels be better matched to specific routes? What routing structure is most viable for the AMHS?
- *Other Revenue:* What mix of public funding and other revenues will provide for the sustainability of the AMHS for the next 25 years? What changes are needed to the tariff rates and structure? What are the opportunities for marketing and ancillary revenue?
- *Partnerships:* What is the potential for partnerships with private, tribal, municipal and/or nonprofit entities? Is there a role for contracting for concessions, routes, or other aspects of operations? Are there opportunities to leverage AMHS assets to create revenue?

Duration

This MOU may be modified by mutual consent of authorized officials from the State of Alaska and Southeast Conference. This MOU shall become effective upon signature by the authorized officials from the State of Alaska and Southeast Conference and will remain in effect until modified or terminated by mutual consent. In the absence of mutual agreement on an alternative timeframe by the authorized officials from State of Alaska and Southeast Conference, this MOU shall end on December 31, 2017.

Dated this 19th day of May, 2016



Bill Walker, Governor
State of Alaska



Garry White, Board President
Southeast Conference

January 2016

The Economic Impacts of the Alaska Marine Highway System

Prepared for
Alaska Marine Highway System



Prepared by

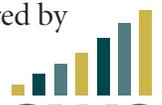

McDowell
GROUP

January 2016



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**Alaska Marine
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Executive Summary

The Alaska Marine Highway System has been providing essential transportation to Alaska's coastal communities since 1963. Fifty-three years later, the system's 11 vessels serve 33 Alaska communities stretching from Metlakatla, north to Prince William Sound and the Kenai Peninsula, and east to the Aleutian chain. With only five of these communities connected to Alaska's road system, AMHS provides a critical transportation link for Alaska residents and businesses, as well as for non-residents visiting our state. With the State of Alaska facing a severe fiscal challenges, this is an



important time to examine how AMHS contributes to the state's economy and quality of life. AMHS contracted with McDowell Group to measure its economic impact for 2014. Following are key findings of the study.

The Alaska Marine Highway System accounted for 1,700 Alaska jobs and \$104 million in Alaska wages in 2014.

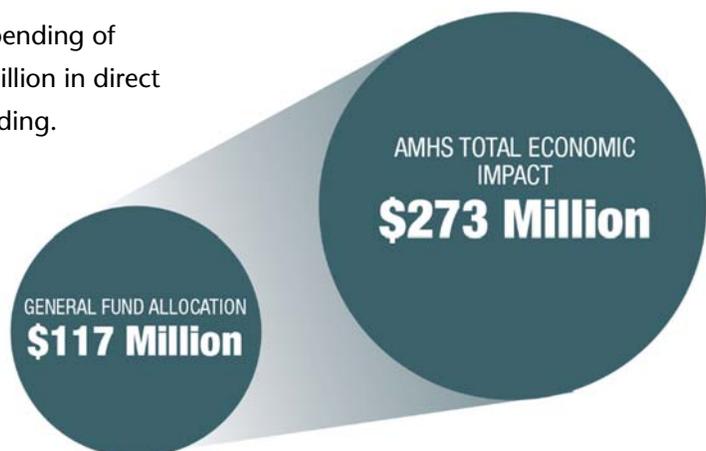
- AMHS employment and spending resulted in 1,700 Alaska jobs in 2014, including 1,017 direct jobs and 683 indirect jobs.
- AMHS accounted for \$103.7 million in Alaska wages in 2014, including \$65.0 million in direct wages and \$38.7 million in indirect wages.

Table ES-1. AMHS Employment and Wage Impacts in Alaska, 2014

	Employment	Wages
Direct impacts	1,017	\$65.0 million
Indirect/induced impacts	683	\$38.7 million
Total impacts	1,700	\$103.7 million

The State of Alaska's General Fund investment of \$117 million resulted in a total return on investment of \$273 million, a return of more than 2-to-1.

- AMHS' economic activity resulted in total spending of \$273.0 million in 2014, including \$184.7 million in direct spending and \$88.3 million in indirect spending.
- The State of Alaska invested \$117 million in General Fund monies in AMHS in fiscal year 2014. That investment was more than doubled in terms of economic benefits to Alaska.



AMHS employees reside in 44 different Alaska communities, bringing home over \$100 million in total wages and benefits in 2014.

- Nearly all AMHS employees reside in Alaska, representing 95 percent of all AMHS employment.
- Four-fifths (82 percent) of 2014 AMHS employees resided in the Southeast region; 17 percent in Southcentral; and 1 percent in Southwest. Wages were distributed similarly.
- Ketchikan has the highest number of AMHS employees of all Alaska communities. With 318 workers, AMHS is one of the community's largest employers.

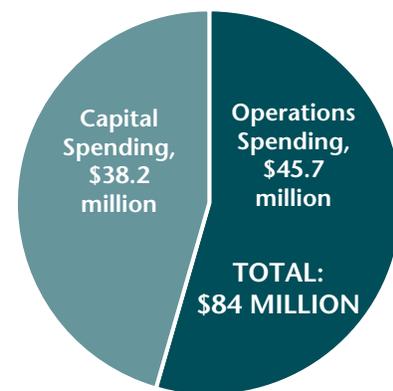


- While Anchorage is not an AMHS port, it is home to 34 AMHS employees.

AMHS directly spent \$84 million with over 500 Alaska businesses in 2014 in operations and capital expenditures.

- AMHS spent \$45.7 million on operations in 2014, not including personnel costs. Major spending categories include fuel/oil/lube (52 percent), services (30 percent), and supplies/ equipment (10 percent).
- Two-thirds (65 percent) of Alaska operations spending occurred in Southeast; 26 percent in Southcentral; and 8 percent in Southwest.
- AMHS spent \$38.2 million on capital projects in Alaska in 2014. Major capital projects included new engines for the Columbia ferry, initial construction of the new Alaska Class Ferry, and Kennicott refurbishment.
- Capital spending was heavily concentrated (94 percent) in Southeast Alaska due to shipbuilding and repair facilities located there.

Chart ES-1. AMHS Capital and Operations Spending, 2014



AMHS carried 319,000 passengers, 108,000 vehicles, and nearly 4,000 container vans in 2014.

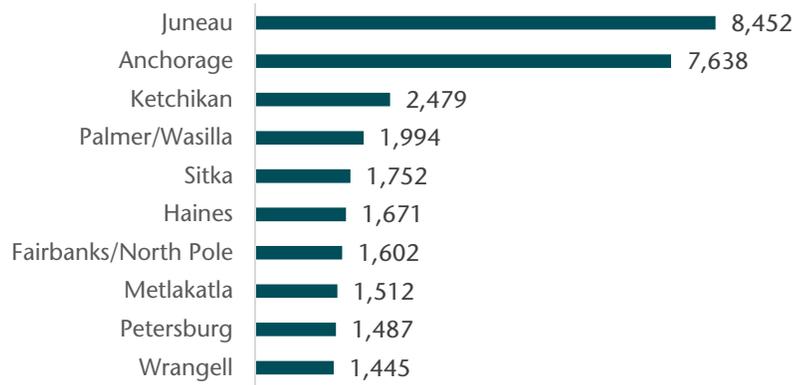
- About three-quarters of AMHS' 2014 passengers were attributable to the Southeast System, while one-quarter were Southwest System passengers. The top five embarkation ports in 2014 were Juneau (70,538 passengers), Haines (36,134), Ketchikan (33,254), Skagway (20,732), and Whittier (20,543).
- AMHS provides essential transport for not only passengers and their vehicles, but freight – including fresh seafood, groceries, and other products critical to Alaska businesses and residents. AMHS transported 3,862

container vans in 2014. The most important links were Homer-Kodiak (867 vans to/from) and Haines-Juneau (399 vans).

Two-thirds of AMHS passengers are Alaska residents – including significant numbers from non-AMHS communities like Anchorage and Palmer/Wasilla.

- AMHS transported 215,509 Alaska residents in 2014, representing 68 percent of all passengers.
- Passengers who booked AMHS trips hailed from across the state, not only port communities. Anchorage was the number two source of AMHS trips booked. Additional non-AMHS port communities that landed in the top 10 were Palmer/Wasilla (#4) and Fairbanks/North Pole (#7).

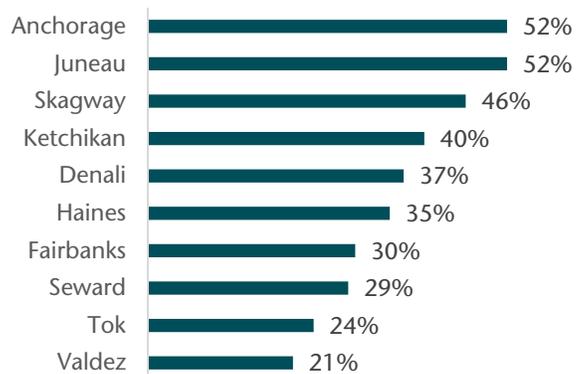
Chart ES-2. Number of AMHS Trips Booked by Community of Residence, Top 10, 2014



AMHS plays an integral role in Alaska’s visitor industry, carrying over 100,000 non-resident passengers annually and bringing in outside dollars to the state.

- In 2014, AMHS carried 103,000 non-resident passengers, along with 27,000 vehicles. AMHS carried 4,320 RVs in 2014.
- Ferry visitors travel widely throughout the state, with just over half (52 percent) of summer passengers visiting Anchorage. Other popular destinations not served by AMHS included Denali (37 percent), Fairbanks (30 percent), and Tok (24 percent).
- AMHS non-resident summer passengers spend about \$1,300 per person while in Alaska (according to a summer 2011 survey), making a wide range of purchases including lodging, dining, tours, and transportation.
- Among those who entered and/or exited Alaska via AMHS, the average per-person spending was \$1,700 – significantly higher than the average among all Alaska summer visitors (\$941). Applying this average to the roughly 17,000 ferry passengers who enter/exit Alaska via the ferry yields a total Alaska spending estimate of \$29 million.

Chart ES-3. Top Ten Destinations of AMHS Visitors, Summer 2011



AMHS contributes to a wide variety of business and resident activity in Alaska. Coastal communities are particularly dependent on the ferry for their economic health.

Following are some examples of the various ways in which coastal Alaska's residents and businesses rely on the ferry system.

- **Employment:** AMHS is a valuable employer in many coastal communities, providing an important source of family-wage and year-round jobs.
- **Sales of goods and services:** AMHS makes purchases from over 500 Alaska businesses annually. These purchases impact a wide variety of businesses: engineering, architecture, ship repair, fuel, groceries, laundry, and business supplies, for example.
- **Tourism:** AMHS brings visitors to communities who may not otherwise visit, particularly those traveling with their vehicles. Spending by these visitors supports a wide variety of local businesses including restaurants, tour companies, transportation providers, and retail stores.
- **Seafood shipment:** A number of seafood companies rely on AMHS for shipment of fresh seafood. The ferry offers an essential alternative to air freight, which can be prohibitively expensive, have insufficient capacity, and lack proper refrigeration. Having a ferry option lowers transportation costs, allowing seafood processors to pay local fishermen more for their product.
- **Shipment of groceries and other goods:** Many communities rely on the ferry system for delivery of groceries as well as other essential freight such as construction equipment and supplies, seafood processing equipment, household goods, etc.
- **Health care:** Smaller communities with limited health care resources rely on AMHS for access to health care in larger population centers like Anchorage and Juneau. AMHS is particularly critical in communities where flights are frequently canceled due to weather.
- **School travel:** AMHS allows students in Alaska's coastal communities to visit other schools for a variety of purposes including sports, leadership development, drama/debate, and arts-related events. For most of these events, air travel is not reliable or financially feasible.



These issues are explored in more detail in a subsequent chapter of this report, which examines the role of AMHS in three "case study" communities: Haines, Cordova, and Angoon.

Introduction and Methodology

Introduction

The Alaska Marine Highway System (AMHS) has provided essential transportation service to coastal Alaska since its inception in 1963. Over the years its services have expanded to encompass 33 Alaska ports stretching from Ketchikan north to Prince William Sound, and west to the Aleutian Chain. Its 11 vessels carry visitors as well as Alaska residents, in addition to a wide variety of vehicles and freight, to these predominately small communities, most of which are unconnected to Alaska's road system.

Advantages of the state's marine highway system go beyond transporting people and goods between coastal communities. The system provides jobs to hundreds of Alaskans, supports businesses around the state, and plays an important role in the state's visitor industry.

Providing these services requires investment by the State of Alaska – AMHS was supported by \$117 million in General Fund revenue in fiscal year 2014. The state's current fiscal challenges resulted in significant budget cuts in 2015 and 2016. To better understand the role of AMHS in our state and communities, and the implications of potential further cuts, AMHS contracted with McDowell Group to analyze the economic impacts of AMHS in Alaska.

Methodology

AMHS provided the study team with extensive data on passenger and vehicle traffic, freight, employment, payroll, capital spending, and operational spending. The *AMHS Annual Traffic Volume Report 2014 (ATVR)* and *Annual Financial Report 2014 (AFR)* provided additional data. Visitor industry data was drawn from the *Alaska Visitors Statistics Program*, conducted by McDowell Group for the Alaska Department of Commerce, Community, and Economic Development.

Economic impact analysis was conducted using the econometric modeling tool IMPLAN. IMPLAN is a predictive input-output model of local and state economies, and is widely used to measure the economic impact of industries and industrial/commercial development.

For the "case study" communities of Haines, Cordova, and Angoon, the study team conducted 22 interviews with local community leaders and business owners. A list of these contacts is provided in the Appendix.

Unless otherwise indicated, all data in this report refers to calendar year 2014.

All photos were provided by AMHS with limited usage rights.

This chapter includes a brief history of AMHS and an overview of the fleet, services, and traffic.

AMHS History

The history of the Alaska Marine Highway System actually predates Alaska's statehood: the Territory of Alaska first purchased a ferry and started servicing Lynn Canal in 1951. The ferry was transferred to the new State along with other territorial assets upon statehood. The first Alaska Legislature approved the Alaska Ferry Transportation Act in 1959, authorizing the new Department of Public Works to acquire ferry terminals and regulate ferry operators. In 1960, Alaska voters statewide approved a bond proposition to invest in a marine highway system, with additional ferries and docking facilities. Operations of the Alaska Marine Highway began in 1963 with four vessels.



The service expanded rapidly in the 1960s and 1970s, with additional ships and ports being added to the point where in 1980, AMHS had nine ships and served 30 communities. The number of people and vehicles served by AMHS continued to grow steadily until traffic peaked in 1992 at over 420,000 passengers. A long-term decline in traffic lasted through the 1990s and early 2000s, likely attributable to several factors, including improvement of road conditions on the ALCAN, a downturn in the U.S. long-distance vehicle market, and increasing reliance on air travel. AMHS continued to improve service and vessels, adding the long-haul vessel Kennicott in

1998 and two fast ferries, the Fairweather (2004) and Chenega (2005).

The long-term decline in traffic ended in the late 2000s; traffic has fluctuated only slightly over the last ten years, averaging 320,000 passengers. AMHS continues to provide essential transportation service to coastal Alaska, calling at 33 Alaska communities – 28 of which are not connected to Alaska's road system. Two new day boats are currently under construction at the Vigor Shipyard in Ketchikan. They will have a capacity of 300 passengers and 53 standard vehicles, and are scheduled for delivery in 2018.

AMHS Vessels

The AMHS fleet consists of 11 vessels, including seven operating in the Southeast System and four in the Southwest System. Seven vessels were constructed in the 1960s and 1970s, with the remaining four constructed between 1998 and 2005.

Passenger capacity ranges from 149 (Lituya) to 600 (Columbia), while vehicle capacity for 20-foot vehicles ranges from 18 (Lituya) to 134 (Columbia). Six vessels have staterooms. Most vessels provide food service, shower facilities, observation lounges, and recliner lounges. The larger vessels provide additional amenities, including play areas for children.

Table 1. AMHS Vessels

	Year Built	Passenger Capacity	Vehicle Capacity (20-foot)	# of Staterooms
Matanuska	1963	499	88	106
Malaspina	1963	499	88	72
Taku	1963	370	69	40
Tustemena	1964	174	36	24
Columbia	1974	600	134	103
Leconte	1974	247	34	-
Aurora	1977	300	34	-
Kennicott	1998	499	80	109
Lituya	2004	149	18	-
Fairweather	2004	250	36	-
Chenega	2005	250	36	-

Source: AMHS.



AMHS Service and Traffic

AMHS currently provides year-round scheduled ferry service to Southeast, Southcentral, and Southwest Alaska, in addition to serving two non-Alaska ports: Prince Rupert, British Columbia and Bellingham, Washington. Following are more details on routes, traffic, and services.

Routes and Ports

AMHS served 33 Alaska ports and two non-Alaska ports in 2014. Seventeen ports represent the “Southeast System” (which extends from Bellingham to Yakutat), and 18 ports comprise the “Southwest System” (covering the area between Cordova and Dutch Harbor).

The Southeast System is divided into “mainline” (multiple-day) routes, and “day boat” routes, where vessels typically return to their home port on the same day.

Vessels connect with the continental road system at four ports on the Southeast System (Bellingham, Prince Rupert, Haines, and Skagway) and three ports on the Southwest System (Valdez, Whittier, and Homer).

Figure 1. AMHS Southeast System Routes



Figure 2. AMHS Southwest System Routes



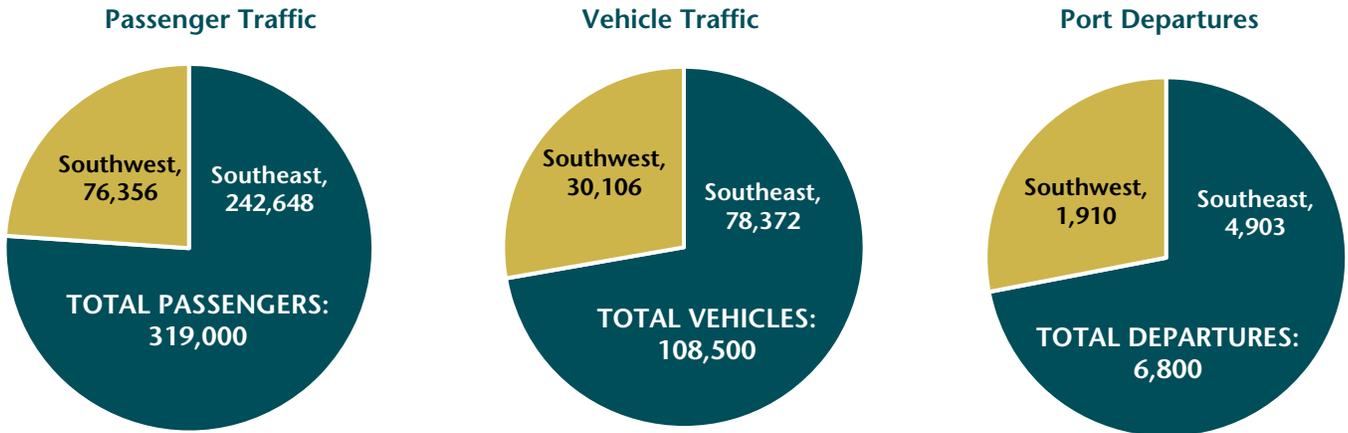
Source: AMHS.

Passenger and Vehicle Traffic

TOTAL TRAFFIC

In 2014, AMHS transported just over 319,000 passengers and over 108,000 vehicles. There were nearly 7,000 port departures in 2014. About three-quarters of the traffic occurred in the Southeast System: 76 percent of passengers, and 72 percent of both vehicles and port departures.

Chart 1. AMHS Traffic by System, 2014

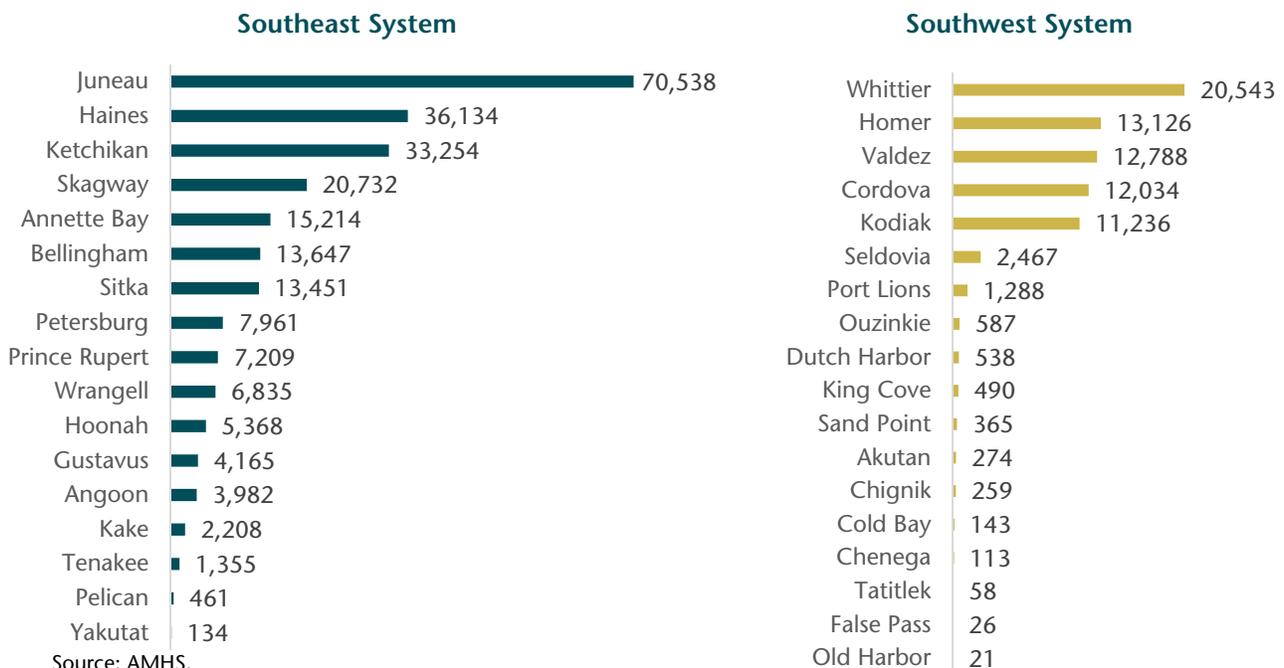


Source: AMHS.

TRAFFIC BY PORT

The charts below show embarking passenger traffic by port for each system. Juneau has by far the highest volume of passengers (70,538), followed by Haines (36,134), Ketchikan (33,254), Skagway (20,732), and Whittier (20,543).

Chart 2. AMHS Embarking Passenger Traffic, 2014, by System

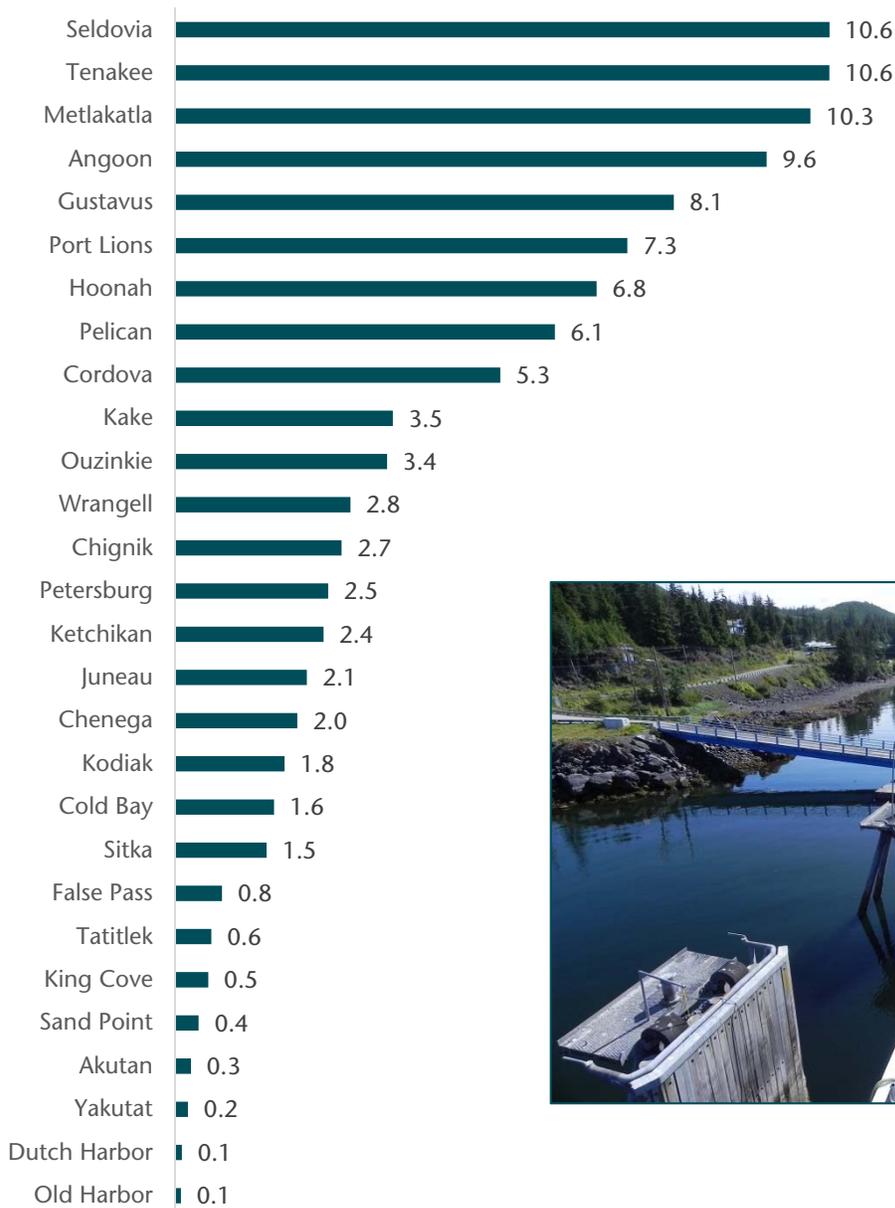


Source: AMHS.

AMHS AS ESSENTIAL TRANSPORTATION PROVIDER

Smaller communities not connected by road to the rest of the state are particularly reliant on AMHS. The chart below shows the ratio of resident population to embarking traffic in 2014 among communities not connected to the statewide road system. For example, Seldovia had 2,467 embarking passengers in 2014, and a population of 233: 2,467 divided by 233 is 10.6. For every one resident of Seldovia, there were 10.6 passenger embarkations in 2014. Seldovia, Tenakee, and Metlakatla had the highest ratios of traffic to population, implying a heavy reliance in these communities. The communities on the lower end of the spectrum, such as Yakutat, Dutch Harbor, and Old Harbor, tend to receive very few port calls: 30, 11, and 4 (respectively) in 2014.

Chart 3. Ratio of Resident Population to Passenger Embarkations, 2014, Communities Not On Statewide Road System



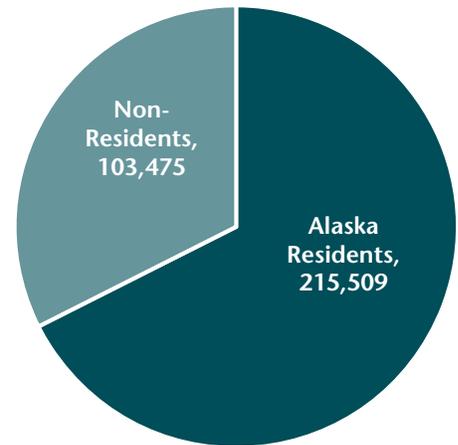
Source: AMHS. Population estimates from Alaska Department of Labor and Workforce Development.

TRAFFIC COMPOSITION

AMHS moves large numbers of both Alaska residents and non-resident visitors. Among Alaska resident travelers are people from all across the state.

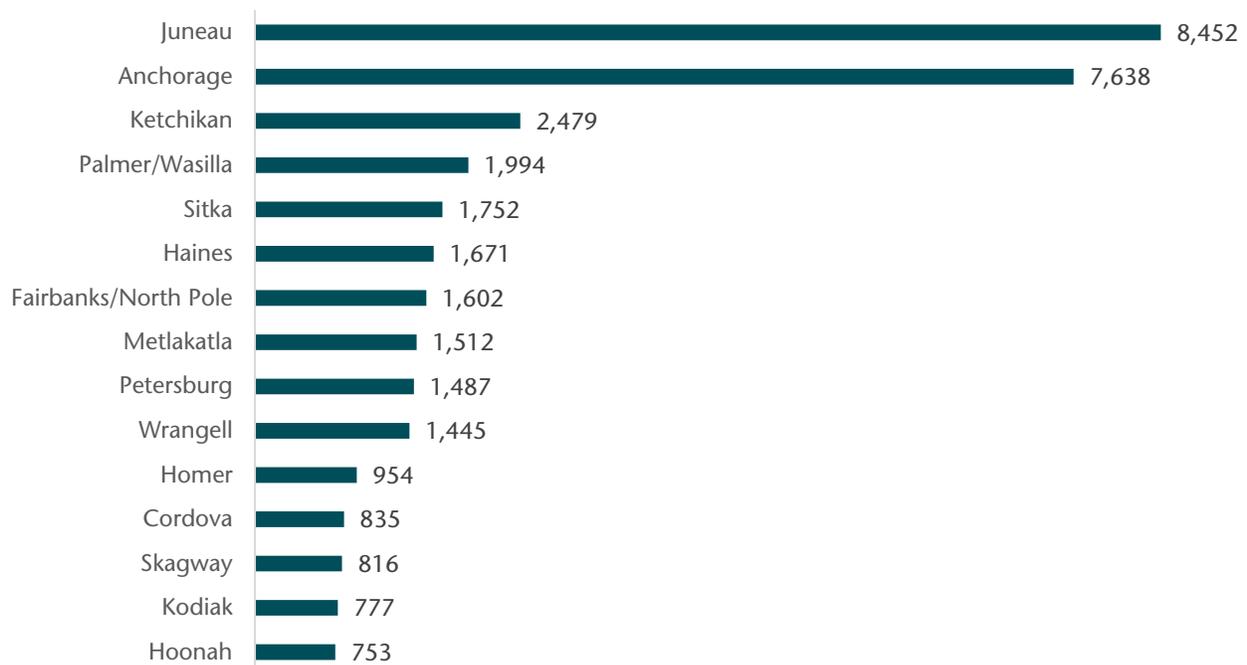
- Alaska residents represented 68 percent of all passengers; non-residents represented 32 percent.
- AMHS attracted passengers from all 50 states and over 80 different countries in 2014. Besides Canada, the top foreign countries of origin in terms of passenger volume were Germany, Australia, Switzerland, and United Kingdom.
- Among Alaska residents, Juneau residents booked the highest number of trips at 8,452 (see Chart 5).
- Anchorage residents booked the second highest number of trips at 7,638. Additional communities that landed in the top 15 despite not being AMHS ports were Palmer/Wasilla (#4) and Fairbanks/North Pole (#7).

Chart 4. Alaska Resident versus Non-Resident AMHS Passenger Traffic, 2014



Source: AMHS.

Chart 5. Number of AMHS Trips Booked by Community of Residence, 2014



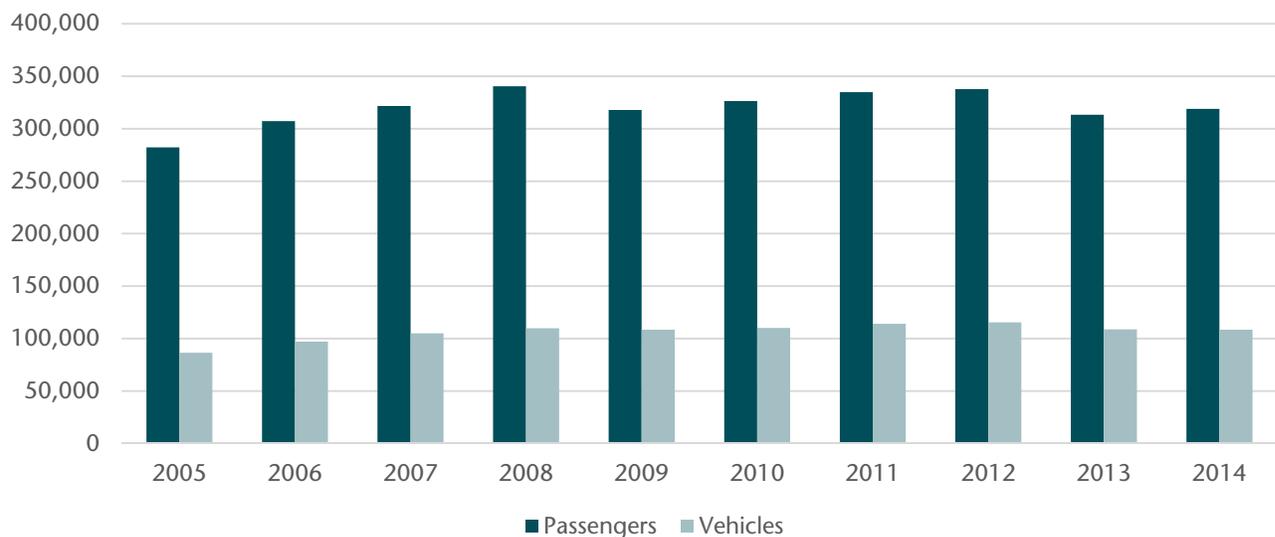
Source: AMHS.

TRAFFIC TRENDS

AMHS passenger traffic has averaged 320,000 passengers over the last ten years. The lowest traffic of the decade was in 2005 (282,236), while the peak was in 2008 (340,412). Passenger traffic in 2014 was about average at 319,000, and was up 2 percent over 2013.

AMHS vehicle traffic has averaged 106,400 vehicles over the last ten years. The lowest vehicle traffic of the decade was in 2005 (86,518), while the peak was in 2012 (115,448). Vehicle traffic in 2014 was a little above average at 108,500, about the same as in 2013.

Chart 6. AMHS Annual Passenger and Vehicle Embarkations, 2005-2014



Source: AMHS.

Freight and Other Transport

In addition to transporting passengers and their vehicles, AMHS plays an essential role in transporting freight (using container vans), vehicles without drivers, trailers, ATVs, etc.

- AMHS transported 13,110 vehicles without drivers and 4,320 RVs in 2014. RVs are defined as truck/campers, camper vans, motorhomes, and vehicles with trailers.
- AMHS transported 2,269 non-motorized vehicles in 2014. These include bicycles, kayaks, and canoes not being transported in a car, truck, or trailer.
- AMHS transported over 18,000 pets/livestock in 2014.

Table 2. Vehicles, Freight, and Other Car Deck Usage, 2014

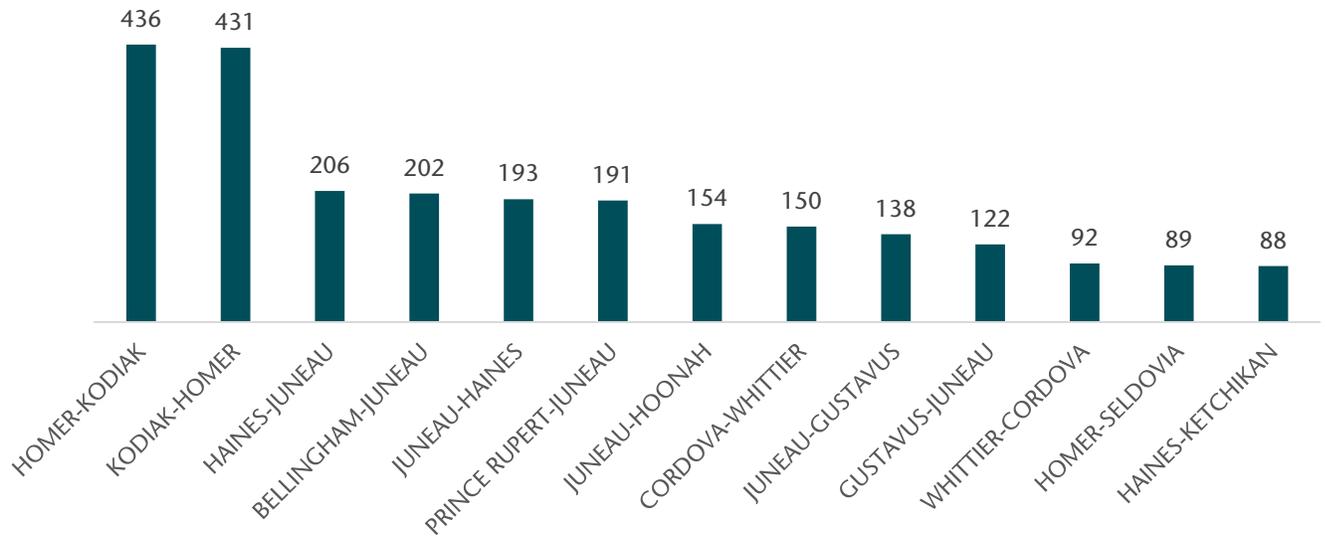
	Number Transported
Container vans	3,862
Vehicles w/o drivers	13,110
RVs	4,320
Non-motorized vehicles	2,269
Pets/livestock	18,016
ATVs	115
Trailers	331

Source: AMHS.

Marine freight plays a particularly important role for coastal communities, which rely on AMHS for transportation of time-sensitive cargo such as fresh produce, meat, and dairy products. Container vans are also used to move fresh Alaska fish and seafood to markets.¹

- AMHS transported nearly 4,000 container vans in 2014. The most important routes for container vans are Homer-Kodiak and Kodiak-Homer at 436 and 431 vans, respectively (see Chart 7). Juneau is also an important container van port, accounting for seven of the top 15 links.

Chart 7. Top 15 AMHS Container Van Links, 2014



Source: AMHS.



¹ ATVR.

AMHS Employment and Payroll

Jobs and income directly created by AMHS are an important part of the system’s economic impact. This chapter describes AMHS employment in terms of employee residence, payroll, and benefits.

Employment in Alaska

AMHS employed 1,017 Alaska residents in 2014, representing 95 percent of total system workforce.

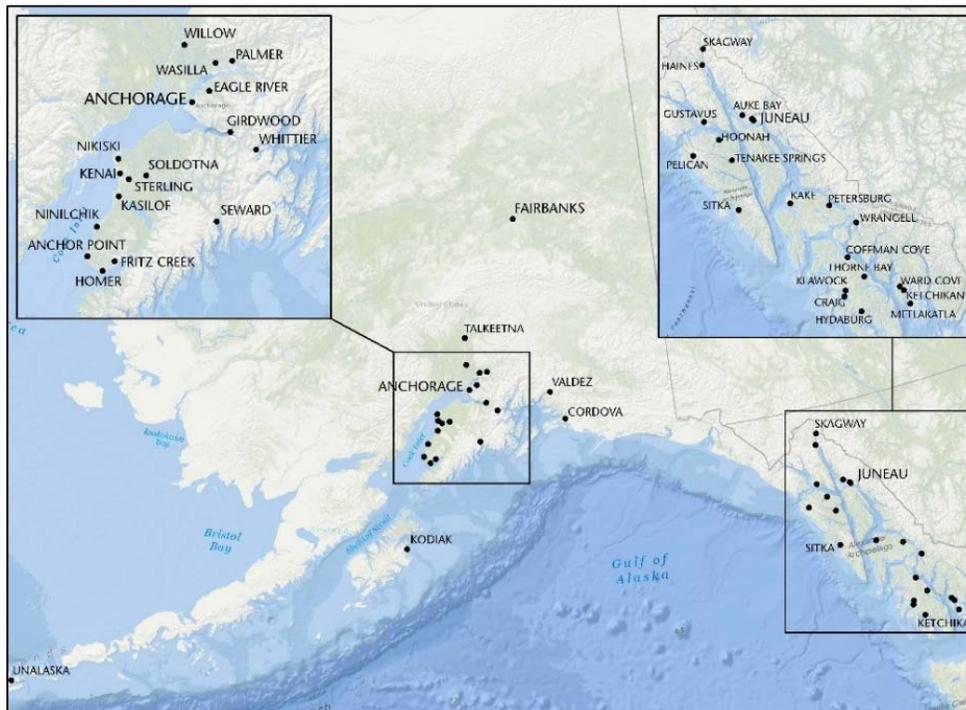
- Employees hailed from 44 separate communities throughout the state (see Figure 3, below).
- Southeast residents constituted the bulk of employees (82 percent); Southcentral residents represented 17 percent; and Southwest represented 1 percent.
- Ketchikan and Juneau alone accounted for 60 percent. With 318 employees, AMHS is one of Ketchikan’s single largest employers.

Table 3. AMHS Employment, by Region/Community of Residence, 2014

	# of Employees
Southeast	829
Ketchikan	318
Juneau	297
Haines	51
Wrangell	39
Petersburg	25
Sitka	21
Metlakatla	15
Southcentral	175
Anchorage	34
Homer	34
Cordova	19
Southwest	11
Kodiak	10
Other Alaska	2
Total Alaska	1,017
% Alaska Resident	95%

Source: AMHS

Figure 3. AMHS Employee Communities of Residence, 2014



Source: McDowell Group.

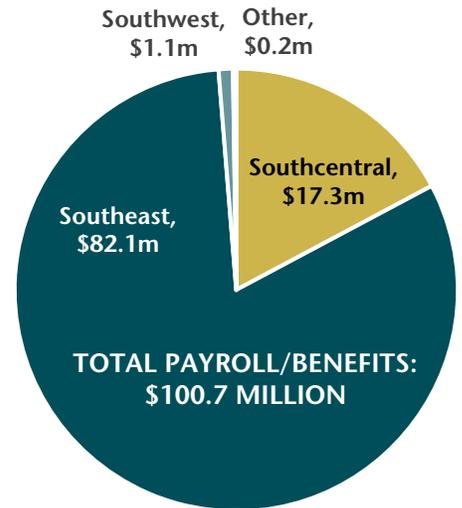
Payroll in Alaska

Employee spending of payroll dollars have important economic impacts in their local communities.

- AMHS paid its Alaska employees just over \$100 million in wages and benefits in 2014, including \$65 million in wages and \$36 million in benefits.
- Four-fifths (82 percent) of payroll/benefits accrued to employees residing in Southeast Alaska; 17 percent accrued to employees residing in Southcentral; and 1 percent accrued to employees living in Southwest.
- Ketchikan resident employees received the largest amount of wages/benefits at \$31.5 million, followed closely by Juneau residents at \$29.4 million.
- While Anchorage is not an AMHS port, Anchorage residents received \$3.4 million in wages/benefits. Anchorage ranked fifth compared with other communities in terms of total wages/benefits, along with Homer.



Chart 8. AMHS Payroll and Benefits to Alaska Employees, By Region, 2014



Source: AMHS.

Table 4. AMHS Payroll and Benefits, By Community of Residence, 2014

	Payroll and Benefits
Southeast	\$82,074,000
Ketchikan	\$31,495,000
Juneau	\$29,387,000
Haines	\$5,035,000
Wrangell	\$3,863,000
Petersburg	\$2,459,000
Sitka	\$2,107,000
Metlakatla	\$1,522,000
Southcentral	\$17,328,000
Anchorage	\$3,395,000
Homer	\$3,395,000
Cordova	\$1,873,000
Southwest	\$1,054,000
Other Alaska	\$234,000
Total Alaska	\$100,690,000

Source: AMHS estimates based on distribution of employment.

AMHS Spending

Spending by AMHS creates significant jobs and income with Alaska businesses that provide goods and services. This chapter describes AMHS' direct spending in terms of operations and capital expenditures.

Operations Spending

Operations spending includes expenses associated with keeping AMHS running: fuel, maintenance, and office supplies, for example.

- AMHS spent \$45.7 million on operations with Alaska businesses in 2014.
- Spending occurred with roughly 500 individual businesses throughout the state.
- Two-thirds (65 percent) of Alaska operations spending occurred in Southeast; 26 percent in Southcentral; and 8 percent in Southwest.
- By community, Juneau represented the most spending at \$24.1 million, followed by Cordova (\$4.4 million), Anchorage (\$4.1 million), Ketchikan (\$3.9 million), and Whittier (\$2.2 million).
- Operations spending did not necessarily reflect traffic levels by community. For example, Anchorage is not an AMHS port, but it received the third-highest amount of spending. Cordova ranks 11th in terms of passenger traffic, but second in terms of operations spending, due to fuel purchases.

Chart 9. AMHS Operations Spending in Alaska by Region, 2014

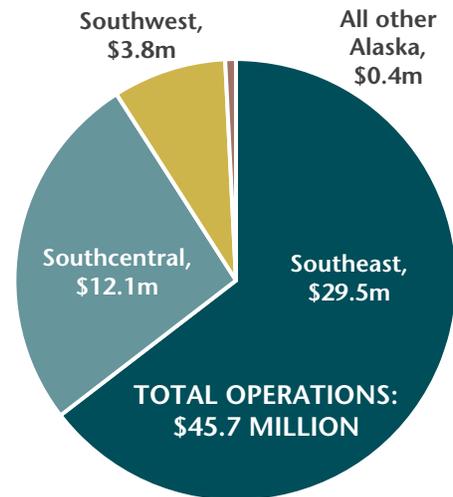


Table 5. AMHS Operations Spending in Alaska By Region/Community, 2014

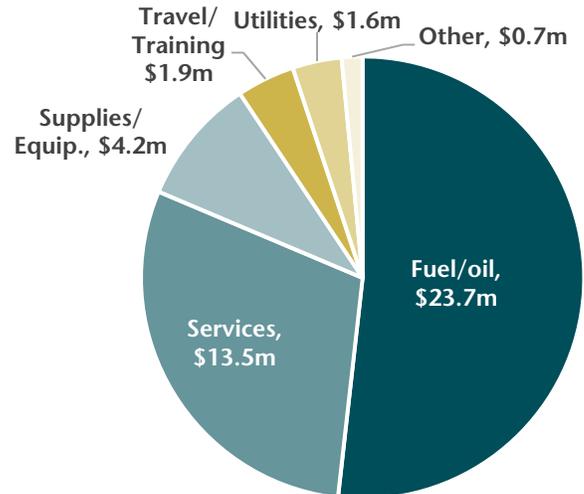
Region/Community	Amount
Southeast	\$29,512,000
Juneau	\$24,117,000
Ketchikan	\$3,935,000
Skagway	\$556,000
Petersburg	\$235,000
Haines	\$208,000
Sitka	\$163,000
Southcentral	\$12,051,000
Cordova	\$4,430,000
Anchorage	\$4,093,000
Whittier	\$2,152,000
Seward	\$728,000
Valdez	\$166,000
Southwest	\$3,792,000
Kodiak	\$3,557,000
Dutch Harbor	\$180,000
All other Alaska	\$357,000
Total	\$45,712,000

Source: AMHS.

OPERATIONS SPENDING BY CATEGORY

- By expenditure category, fuel, oil, and lube accounted for just over half (52 percent) of all spending.
- Services accounted for 30 percent. Examples of services include advertising, engineering, courier, inspections, laundry, stevedoring, plumbing, and snow removal.
- Supplies and equipment accounted for 10 percent of spending; travel (which includes lodging, meals, and training) for 4 percent; utilities for 4 percent; and non-categorized expenses for 2 percent.

Chart 10. AMHS Operations Spending by Category, 2014



Source: AMHS

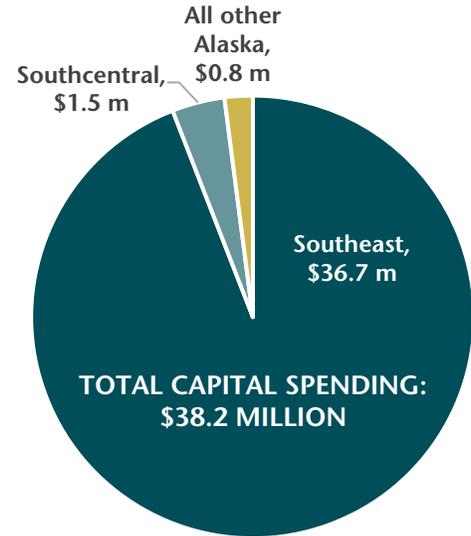


Capital Expenditures

Capital expenditures are used to acquire assets or extend the life of existing assets. AMHS capital spending in 2014 consisted primarily of vessel design, construction, refurbishments, and repair; and terminal upgrades and repair.

- AMHS spent \$38.2 million in Alaska on 37 different capital projects in 2014.
- The biggest capital line item was Columbia repower (new engines) at \$15.8 million, followed by Alaska Class Ferry construction at \$6.2 million, Kennicott refurbishment and upgrades at \$6.2 million, Fairweather propulsion system replacement at \$3.2 million, and lifesaving equipment upgrades at \$2.3 million.
- Southeast accounted for 94 percent of all capital expenditures in Alaska; Southcentral accounted for 4 percent; and all other regions accounted for 2 percent.
- Ketchikan alone represented 81 percent of Alaska capital expenditures, primarily attributable to ship-building and repair facilities located at the Alaska Industrial Development and Export Authority (AIDEA)-owned shipyard.

Chart 11. AMHS Capital Spending by Region, 2014



Source: AMHS.

Table 6. AMHS Capital Expenditures by Region/Community, 2014

Region/Community	Amount
Southeast	\$36,659,000
Ketchikan	\$30,804,000
Juneau	\$5,598,000
Petersburg	\$108,000
Southcentral	\$1,506,000
Anchorage	\$1,033,000
Seward	\$387,000
Southwest	\$7,000
All other Alaska	\$70,000
Total Capital Expenditures	\$38,242,000

Source: AMHS.

Total Expenditures

The chart and table below show total expenditures after adding together capital and operations expenditures.

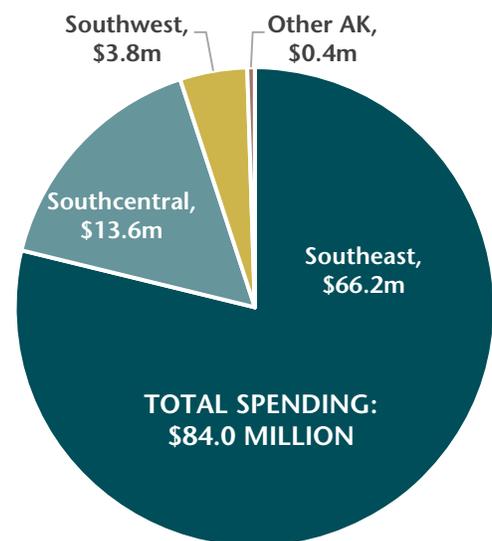
- AMHS spent \$84.0 million in Alaska in 2014 counting operations (\$45.7 million) and capital (\$38.2 million) expenditures.
- Four-fifths (79 percent) of total Alaska expenditures occurred in Southeast; 16 percent in Southcentral; and 5 percent in Southwest.
- The top five communities in terms of total spending were Ketchikan (\$34.7 million), Juneau (\$29.7 million), Anchorage (\$5.1 million), Cordova (\$4.5 million), and Kodiak (\$3.6 million). All other communities accounted for \$1.1 million or less in spending each.

Table 7. AMHS Total (Operating plus Capital) Expenditures by Community (Top 10) and Region, 2014

	Amount
Southeast	\$66,171,000
Ketchikan	\$34,739,000
Juneau	\$29,715,000
Skagway	\$582,000
Petersburg	\$343,000
Haines	\$210,000
Southcentral	\$13,557,000
Anchorage	\$5,126,000
Cordova	\$4,470,000
Whittier	\$2,152,000
Seward	\$1,115,000
Southwest	\$3,799,000
Kodiak	\$3,564,000
Other Alaska	\$427,000
Total Expenditures	\$83,954,000

Source: AMHS.

Chart 12. AMHS Total Spending by Region, 2014



Source: AMHS.

Economic Impacts

The Alaska Marine Highway System has significant economic impact on the many communities and businesses that rely on it. These economic impacts are distributed throughout Southeast, Southcentral, and Southwest Alaska, touching numerous sectors of the economy. In general, the economic impact of AMHS includes the following:

- Jobs and labor income for AMHS employees.
- AMHS spending with Alaska businesses (vendors) in support of its operations.
- All of the indirect and induced employment and labor income effects connected in some way with AMHS. This includes spending by Alaska businesses that serve AMHS, as well as spending by their employees.
- Spending by Alaska visitors who sail on AMHS and rely on it as a key aspect of their Alaska trip.



This chapter describes and (to the extent possible) measures these economic impacts.

Employment and Payroll Impacts

Based on detailed analysis of vendor spending and capital project spending, it is estimated that AMHS economic activity created 1,700 Alaska jobs in 2014, including 1,017 in direct jobs and 683 in indirect jobs. AMHS-associated wages totaled \$104 million, including \$65.0 million in direct wages and \$38.7 million in indirect wages. Total spending resulting from AMHS' economic activity is estimated at \$273.0 million in 2014, including \$184.7 million in direct spending (wages, benefits, and non-personnel operating and capital expenditures) and \$88.3 million in indirect spending.

Table 8. AMHS Direct and Indirect Economic Impacts, 2014

	Employment	Wages (\$millions)	Total Spending (\$millions)
Direct impacts	1,017	\$65.0	\$184.7
Indirect and induced impacts	683	\$38.7	\$88.3
Total impacts	1,700	\$103.7	\$273.0

Economic Impacts by Region

In terms of direct spending, four-fifths (80 percent) of AMHS spending in 2014 occurred in Southeast Alaska; 17 percent in Southcentral Alaska; 3 percent in Southwest Alaska; and less than 1 percent in other Alaska regions. Direct spending includes capital expenditures, operating expenditures, and payroll/benefits.

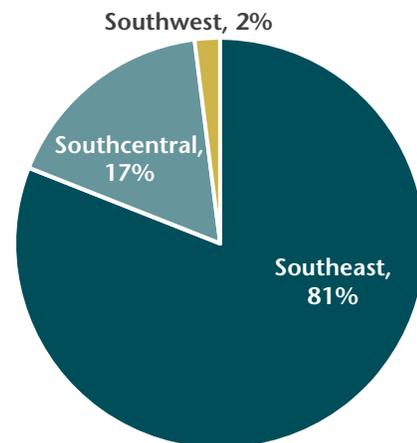
Table 9. AMHS Total Direct Spending and Payroll by Region, 2014

	AMHS Expenditures	AMHS Payroll	Total Spending	% of Total
Southeast	\$66,171,000	\$82,074,000	\$148,245,000	80%
Southcentral	\$13,557,000	\$17,328,000	\$30,885,000	17%
Southwest	\$3,799,000	\$1,054,000	\$4,853,000	3%
Other Alaska	\$427,000	\$234,000	\$661,000	<1%
Total Expenditures	\$83,954,000	\$100,690,000	\$184,644,000	100%

Regional distribution of AMHS employment is similar to spending impacts, with 82 percent of employees residing in Southeast Alaska, 17 percent in Southcentral, 1 percent in Southwest, and less than 1 percent in other Alaska regions.

The regional distribution of indirect and induced impacts are dictated by the direct impacts of employment, payroll, and spending. Economic impacts by region are estimated at 81 percent for Southeast Alaska, 17 percent for Southcentral, 2 percent in Southwest, and less than 1 percent in other Alaska regions.

Chart 13. Distribution of AMHS Economic Impacts by Region, 2014



Industry Benefits

Role in Alaska's Visitor Industry

The Alaska Marine Highway System has long played an integral role in Alaska's visitor industry. AMHS offers a unique mode of independent travel to, from, and within Alaska. Many visitors travel to and/or from the state using the Bellingham, Washington terminal or the Prince Rupert, British Columbia terminal. AMHS offers a flexible and "off-the-beaten path" style of travel, and allows visitors to travel with their vehicle and pets.

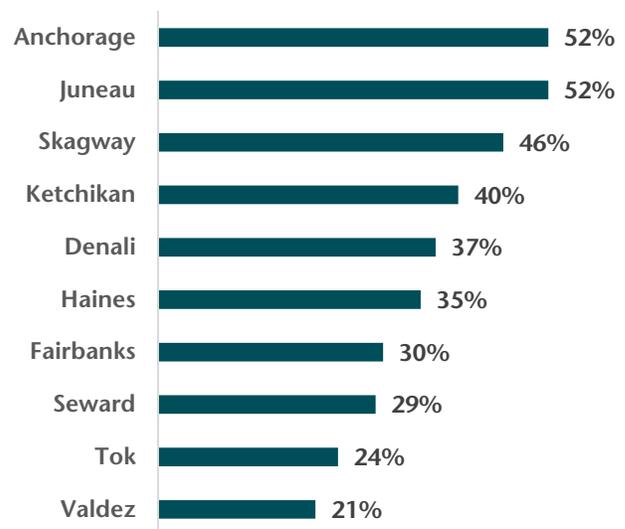


- In 2014, 103,475 visitors traveled on the Alaska Marine Highway, representing 32 percent of all passenger traffic. Visitors brought 27,131 vehicles with them, representing 25 percent of all vehicle traffic. Overall, AMHS carried 4,320 RVs in 2014.²
- Visitors represent higher revenues than Alaska residents on a per-person basis: non-residents represent approximately one-third of all AMHS passenger traffic, yet account for 42 percent of fare revenue.³

In the summer of 2011 (the most recent visitor research available), visitors who reported using the ferry to travel to/from Alaska or to travel between communities had the following characteristics.⁴

- Summer AMHS visitors spent an average of 14 nights in Alaska, much higher than 9-night average reported among all summer visitors.
- These visitors traveled widely throughout the state (see chart at right). The most popular region visited was Southeast Alaska (82 percent). Over one-half (55 percent) visited Southcentral Alaska, including 52 percent who visited Anchorage. Nearly one-half (49 percent) visited the Interior, including 37 percent who visited Denali.
- AMHS users were highly satisfied with their overall Alaska trip, with 74 percent very satisfied, and another 24 percent satisfied.

Chart 14. Top 10 Alaska Communities Visited by Non-Resident AMHS Passengers, 2011



Source: AVSP.

² Source: AMHS.

³ Source: AMHS.

⁴ *Alaska Visitor Statistics Program VI*, prepared by McDowell Group for Alaska Department of Commerce, Community, and Economic Development.

These satisfied ferry travelers are more likely to spread “word-of-mouth” positive information regarding their trip to Alaska. Nearly all (98 percent) said they are likely or very likely to recommend Alaska to others as a vacation destination. In addition, 64 percent said they planned to return to Alaska at some point in the next five years.

VISITOR SPENDING

AMHS visitor spending is based on visitor survey data collected in summer 2011. The fall/winter survey sample of AMHS non-resident ferry passengers is too small for analysis and, in any case, represent a comparatively small number of visitors and spending.

- AMHS non-resident passengers spent an average of \$1,300 per person while in Alaska, not including transportation to enter/exit the state. (They spent an average of \$412 per person on ferry tickets.)
- In terms of economic impacts attributable to AMHS, it is more accurate to consider the subset of AMHS non-resident passengers for whom the ferry played a critical role in their Alaska trip: those who entered and/or exited the state via the ferry. Among these visitors, the average per-person spending was \$1,700 – significantly higher than the average of \$941 among all Alaska visitors.
- Applying the \$1,700 per person average to the estimated number of AMHS non-resident passengers who entered and/or exited the state via ferry (17,000) results in a total spending estimate of \$28.9 million.

Role in Alaska’s Seafood Industry

While the exact amount of seafood shipped via AMHS is difficult to estimate, it is clear that ferries are an essential method of transport for a number of seafood companies, which need to get their fresh fish to the road system as quickly and efficiently as possible. AMHS provides a critical alternative to air transport, which can be prohibitively expensive, insufficiently refrigerated, and offers limited capacity.

A representative of a Juneau-based seafood company stated that AMHS is “very important” to their business model. They ship significant amounts of seafood from Juneau to Skagway, as well as from Juneau to Bellingham and Prince Rupert, where it gets transferred to long-haul truckers en route to Seattle and Los Angeles. The affordability of AMHS and the higher quality of chilled fish allows them to pay fishermen more per pound. He stated that if AMHS operations were to cease, they would be significantly impacted.

A representative of a Cordova seafood processing company stated that his company ships seafood out of Cordova aboard the marine highway three to seven days a week from May to September. The



marine highway system is essential to his business not only for seafood shipment, but also shipment of supplies, parts, and equipment necessary to keep their processing plant running.

According to an AMHS representative, the primary ports for seafood shipment are Kodiak, Cordova, Petersburg, Wrangell, and Juneau. Seafood freight disembarks at ports with road access like Homer, Whittier, Skagway, Prince Rupert, and Bellingham.

Other Benefits to Alaska Businesses

As a key part of the state's transportation infrastructure, AMHS helps reduce Alaska's dependency on out-of-state goods and services. By providing a type of transportation that would be unavailable in most parts of Alaska without public sector support, AMHS encourages purchase of goods and services in-region or in-state and reduces regional and statewide economic leakage (dollars leaving a particular region of the state or the state as a whole). AMHS fosters development of local businesses that ship heavy or bulky items that are also perishable or otherwise time constrained such as produce, seafood, frozen food, construction equipment, and various types of industrial supplies and spare parts.

Impact on the Cost of Living in Rural Alaska Communities

An unrecognized benefit of the Alaska Marine Highway is its effect on the cost of living in communities served by the system. Ferries provide residents of smaller, outlying communities with improved access to lower-priced goods and services in larger port communities, as well as health care, legal, financial, and other services that may not be available in their hometown. Ferries can accommodate large numbers of passengers on short notice for community and sports events. They are faster at moving freight than barges and much cheaper than airplanes on a dollars per pound basis. As a result, the cost of living in rural areas served by AMHS is lower than it would be without AMHS services.

Public Service Benefits of AMHS

AMHS is an important, weather-independent link between outlying villages and larger regional healthcare facilities. The system also transports student groups on field trips or in extracurricular activities at a much lower cost than air travel, allowing for more frequent travel. The same is true for cultural and other community events. This travel facilitates interaction between people from different communities and different cultures that would be much less frequent without AMHS.

AMHS' role in Alaska's economy is clearly diverse and far-reaching. These impacts can be more clearly articulated at the community level. The following chapter explores the role of AMHS in three "case study" communities: Haines, Cordova, and Angoon.

AMHS' Role in Coastal Communities

It is difficult to generalize about the role of AMHS in local economies, though for a number of communities ferry service is critical. That role varies depending, in part, on the size of the community, the types of local industries, proximity to regional “hub” communities, and availability of alternative transportation modes. Historical social and cultural ties between communities are also a factor. Three communities were selected to help illustrate the role AMHS plays in local economies: Haines, Cordova, and Angoon. Sources of information included AMHS traffic and passenger data and executive interviews with community representatives.

Haines

Haines plays a unique role in the AMHS system and in Southeast Alaska. Along with Skagway, it provides the region's only access to the statewide road system, linking ferry passengers with the Haines Highway, and to points further north.

Among the many markets served by ferry service to Haines are:

- Visitors traveling the popular “Golden Circle” route between Haines, Skagway, and Whitehorse
- Long-haul visitors traveling between Southcentral/Interior Alaska and Prince Rupert/Bellingham
- Day-tour visitors from Juneau and/or Skagway
- Juneau (and other Southeast) residents visiting Haines and/or points north
- Yukon residents traveling to Southeast Alaska
- Military personnel re-locating to/from Alaska
- Haines residents traveling to Juneau for health care, travel, major retail purchases, and other services not available in Haines
- Haines students traveling for school-related activities

Unlike some other Alaska communities with ferry service, Haines does not receive jet air service; it relies on small planes, which have much more limited load capacity than either jets or the ferry, and are subject to frequent weather cancellations. This makes Haines residents particularly reliant on the ferry system for activities like school travel, doctors' appointments, retail purchases, and other essential travel.



The ferry is critical to Haines' visitor industry, which in turn is critical to the community's economy. The last time the visitor industry's economic impact was measured (2001), the industry accounted for 300 local jobs – or roughly one-quarter of local employment (counting direct and indirect impacts).⁵ A more recent study focused on the winter industry found total employment impacts of 100 jobs between October 2013 and April 2014 – essential employment during the economically slow winter period.⁶

While the ferry system is clearly integral to Haines, Haines is also integral to AMHS: Haines carries the second-highest number of AMHS passengers annually, after Juneau (which has 13 times the population of Haines).

In 2014, Haines saw nearly 70,000 passengers (either embarking or disembarking) and over 25,000 vehicles (see Chart 15).

The three most important port links for Haines passengers and vehicles are Juneau, Skagway, and Bellingham. The map at right shows the number of passengers and vehicles in terms of on/off traffic – for example, 43,631 passengers either embarked in Haines then disembarked in Juneau, or vice versa, along with 14,251 vehicles. The equivalent figure for the Haines-Skagway link is 15,456 passengers and 6,316 vehicles; and for Haines-Bellingham, 6,011 passengers and 2,967 vehicles.

Haines is also an essential shipment port, with 574 container vans unloaded or offloaded in 2014. The Haines-Juneau and Juneau-Haines routes have the third and fifth-highest number of vans transported statewide, respectively. Other important van link ports for Haines are Ketchikan and Sitka.

Chart 15. Haines AMHS Passenger and Vehicle Traffic, 2014

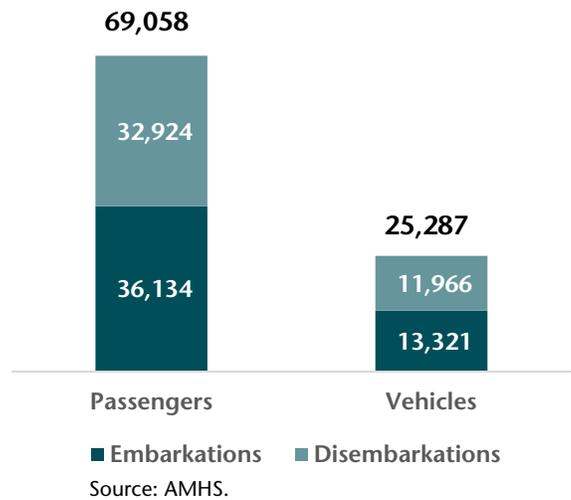
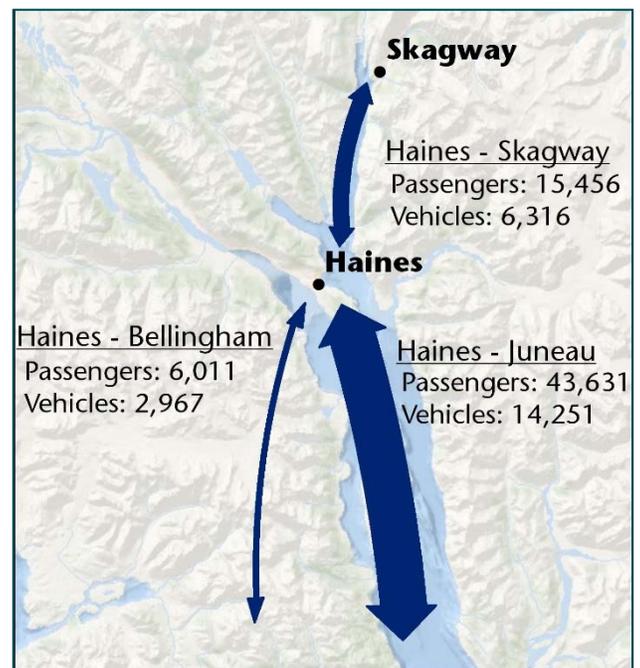


Figure 4. On-Off Passenger and Vehicle Traffic to/from Haines, Top Three Connecting Ports, 2014

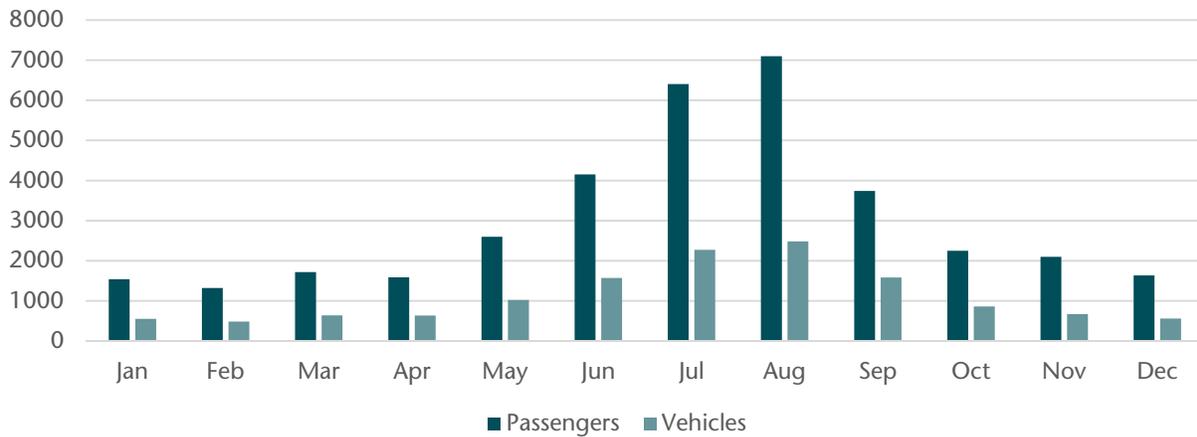


⁵ Haines Tourism Management Plan, prepared by McDowell Group for the City of Haines, 2002.

⁶ Haines Winter Visitor Industry Economic Impact and Market Assessment, prepared by McDowell Group for Haines Borough, 2015.

A chart of traffic by month (see below) reveals the high amount of traffic during the visitor season: passenger embarkations in August, the peak month (7,099) is over five times that of the low month of February (1,319).

Chart 16. Haines Passenger and Vehicle Embarkations by Month, 2014



Source: AMHS.

A series of interviews with Haines community leaders revealed the extent to which Haines is dependent on the marine highway.

- Tourism:** Haines serves a vital role in linking visitors to Southeast Alaska to the road system. According to local tourism representatives, many highway visitors avoid back-tracking; when the ferry is not available, they will skip the drive to Haines altogether. Tourism affects a wide variety of economic sectors: transportation, lodging, tours, retail, and restaurants/bars, for example. Local businesses experience significant repercussions when the ferry schedule is released late, or service is limited.

We get traffic going into the interior of Alaska, to Anchorage. We're the gateway to the rest of the state, along with Skagway.

When cuts happen to Northern Lynn Canal, it affects all of Alaska.

It's important for us that the ferry has space for cars and RVs, is running, has a consistent schedule. We really need to have the ferry running.

The ferry schedule has a major effect on our business. About 40 to 50 percent of our customers come to Haines because of the marine highway.

We felt the impact this year. We lost quite a bit of revenue this year because the ferry schedule was out so late. I'm hearing that the schedule for next year is not very good for Haines. I can feel the difference already in reservations.

There's a noticeable change when we don't have ferries. The motel gets very quiet, the town gets very quiet.

If ferry service stopped, our business would not survive.

The groups we get book a year in advance. We lose whole groups when the ferry schedule changes or is late.

- **Special events:** According to representatives, the ferry is integral to the survival of Haines' primary special events: the Home Brew Festival, the Southeast Alaska State Fair, and the Bald Eagle Festival. Significant portions of attendees use the marine highway to access the event; in the absence of the ferry, the cost, limited capacity, and cancellation risk of air travel would prevent the majority of people from attending these events. Even the schedule release can have an impact: a delay in the ferry schedule resulted in the loss of at least one-third of Bald Eagle attendees in 2015, the majority of them from outside Alaska, who need to plan their trips far in advance.

The ferry makes our events attainable, affordable.

The Alaska Marine Highway System is the only mass transit option available to Haines from other Southeast communities, and the only affordable way for most people to attend the Fair.

The ferry system is really important to our event. We noticed a fairly large decrease in attendance this last year due to some confusion on when the ferry schedule would be released.

We had work on the terminal here last year, so we didn't have the extra fast ferry. We saw our first drop in attendance at the State Fair in a decade.

We're very concerned about sustainability of our events if the ferry schedule is impacted... If the ferry system were not here, we would have a very difficult time having a regional event.

Loss of AMHS ferry service could mean a significant contraction of what is currently a very socially and economically vibrant event. Furthermore, the region would be a significantly poorer, more isolated, and more difficult place to live without it.



- **School-related travel:** Haines students traveling for sports, drama/debate, and other school-related activities are heavily reliant on the ferry system. Traveling by air is an option but prohibitively expensive, and subject to frequent cancellations. According to school district representatives and parents, student activities have already suffered from the recent decline in service, with some trips cancelled. An additional burden associated with service declines is when infrequent ferries force students to take extra days off of school to attend events outside Haines. The ferry schedule has a major impact on school-related travel, and in turn on the students, and their families.

It's so hard to travel in the winter, we left on a Tuesday, for an event that started on Friday. We're going to fly one way but the weather is really difficult. To participate in our kids' activities, you have to miss a week of work.

When kids interact with other schools and other activities, it's part of a well-rounded education. Without the ferry system, we will truly limit that activity for our kids.

We probably use the ferry every week transporting the kids to/from regional events, from 10 to 30 kids... I can't stress enough how important it is. We rely on the ferry all the time.

In summary, the ferry’s critical role in Haines’ economy and way of life cannot be overstated. Many contacts made general statements about the dependence of local residents on the ferry system.

If people have a choice of where to live, if people don’t have the option of ferry, they’re not going to want to live in Haines.

You book your whole life around the ferry schedule.

The marine highway system is critical to the community as a whole.

The ferry is our highway. It’s how we get to the rest of our region, Southeast Alaska. Without good ferry service, even though we’re on the road, we’re stuck.

As we try hard to improve the economic status of our community, if we can’t count on the ferry system, that puts a wrench in the plans.

The ferry is a critical part of our success or failure...This is our road system. It just happens to be on the water.

AMHS expenditures and employment in Haines represent additional impacts in the community.

- AMHS employed 51 Haines residents in 2014, accounting for \$5.0 million in wages and benefits.
- AMHS spent \$209,000 with Haines businesses in 2014, including \$207,000 in operational expenditures and \$2,000 in capital expenditures.

Table 10. AMHS Employment and Spending in Haines

Number of AMHS employees	51
Payroll and benefits	\$5.0 million
Total expenditures	\$209,000
Operational expenditures	\$207,000
Capital expenditures	\$2,000

Source: AMHS.

Cordova

Cordova, a community of 2,200 on Prince William Sound, is heavily reliant on AMHS for transportation of both goods and residents. The ferry is particularly critical to the local commercial fishing and seafood processing industries. Cordova hosts a fleet of more than 450 commercial fishing vessels and a number of processing plants; in 2014, more than 41 million pounds of salmon was harvested by Cordova residents.⁷ Other key industries in the community include government, education, health care, and tourism. The US Forest Service and the US Coast Guard maintain operations in Cordova.

Ferry service plays a unique role in the shipment of freight to and from Cordova. While much of the freight arriving in the



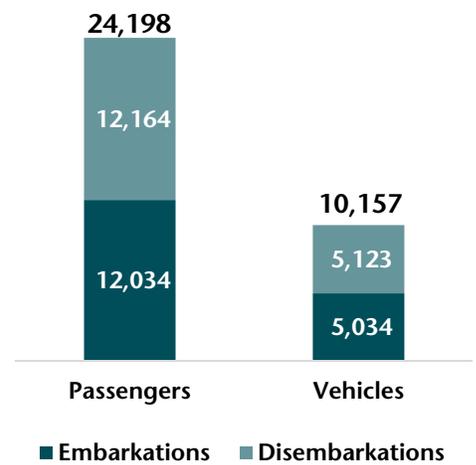
⁷ Commercial Fisheries Exchange Commission.

community is shipped via barge service from the Lower 48, Cordova retailers use AMHS service to ship freight from Anchorage.

During the summer visitor season, ferry service is used by travelers to Cordova, embarking from either Whittier or Valdez. While the community does have daily jet service, the ability to take a vehicle on the ferry enables residents to transfer goods from the Kenai Peninsula, Anchorage, and the Mat-Su Valley. Residents also purchase vehicles and get them serviced via AMHS. In addition to these markets, ferry service supports the following activities:

- Commercial fishermen use the ferry to transport nets, line, equipment, and other supplies from the Kenai Peninsula, Anchorage, Mat-Su Valley, and other locations to Cordova.
- Seafood processors transport fresh fish from Cordova to processing plants in Anchorage and other locations. Processing employees, equipment, and supplies are transported to Cordova, mainly from Whittier.
- Medical travel, primarily to Anchorage, is a common usage of AMHS by Cordova residents.
- Local stores move non-perishable items (dry goods, construction supplies, furniture, etc.) into Cordova using the ferry.
- Students use the ferry to travel to sport, academic, and other events.
- Conferences and festivals in Cordova benefit from increased travel options into Cordova.

Chart 17. Cordova AMHS Passenger and Vehicle Traffic, 2014



Source: AMHS.

Figure 5. On-Off Passenger and Vehicle Traffic to/from Cordova, Top Two Connecting Ports, 2014



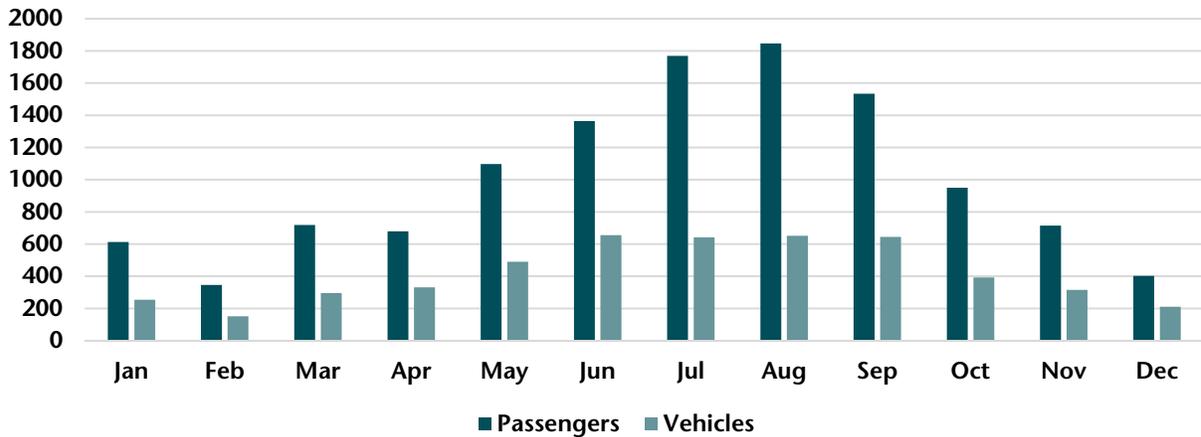
In 2014, more than 24,000 passengers and 10,000 vehicles embarked and/or disembarked in Cordova (see Chart 17). Four-fifths (83 percent) of 2014 passenger embarkations at Cordova were by Alaska residents.

Whittier is the primary destination for Cordova residents and travelers. In 2014, roughly 21,000 passengers and nearly 9,000 vehicles traveled to/from Whittier and Cordova. Valdez saw approximately 3,500 passengers and nearly 1,200 vehicles arrive from or depart to Cordova in the same period. Container vans either unloaded or offloaded at Cordova totaled 259.

The most important factor driving traffic to Whittier is the port's proximity to Anchorage. While Valdez is 300 road-miles from Anchorage, the distance from Whittier to Anchorage is 60 road-miles.

Similar with other AMHS ports, ferry volume is much higher in the summer. By month, passenger embarkations peaked in August of 2014 at 1,846, more than five times the amount of the lowest month (February; 346 embarkations).

Chart 18. Cordova Passenger and Vehicle Embarkations by Month, 2014



Source: AMHS.

Interviews were conducted with local leaders to gain a better understanding of the impact ferry service has on Cordova. A number of themes emerged from these discussions, summarized below.

- Seafood processing:** Cooper River Seafoods uses ferry service to transport fresh seafood from Cordova to Whittier, where it is then trucked to a processing plant in Anchorage. The facility supports 250 seasonal and 100 full-time jobs in Anchorage. Other seafood processors in the community use the ferry service as well.

In 2014, we spent over a million dollars on Alaska Marine Highway System services. We ship our own trucks on the ferry three to seven times a week from early May until late September.

We transport fresh fish and equipment from Cordova to Whittier. From Whittier to Cordova, we transport groceries, packaging materials, processing supplies, spare parts, and equipment daily to keep our Cordova plant operational. Both directions transport employees to and from Cordova.

Our fresh products need to be on the market ASAP. Any delay in the process has a negative impact on our sales. The only fast option besides the fast ferry is air travel, which is many times more expensive. Copper River Seafoods uses the ferry to move millions of pounds of fresh seafood from Cordova to Anchorage during the months of May through October.

Ferry service helps keep costs low which in turn makes it economical to bring this resource to Anchorage for value-added processing. The alternative is to take this product directly to Seattle for processing, eliminating hundreds of Alaskan positions. There is a severe shortage of airfreight capacity out of Cordova requiring us to rely heavily on the ferry to make those connections in Anchorage. We know many people living and working in regions of Alaska served by the ferry system rely heavily on it and have likely expressed their concerns to the reductions in services.

We feel it is also very important to discuss the effect these reductions have on businesses both of the region and the greater State of Alaska. If we are unable to economically move our fish from Cordova to Whittier we will not have the ability to return the highest value for those fish. We will be forced

to freeze fish that would have been worth more in a fresh state, depressing the value returned to the fishermen and the State. Freezing fish will allow us to ship it to Seattle to be further processed both reducing its value while also moving Alaskan jobs out of state.

- **Commercial fishing:** Commercial fishermen are heavily reliant on the ferry service to move supplies. The most activity occurs in the spring and fall when fishermen are preparing for or finishing the seine and driftnet salmon fisheries in Prince William Sound.



Ferry service is fairly affordable; more affordable than having fishermen commercially ship what they need.

Fishermen from around the state come to Cordova each summer. The ferry allows movement of nets, equipment, and supplies in and out of the community.

- **Tourism:** Ferry use is highest during the summer, attributable in part to visitors. Representatives stated that without ferry service, the local hospitality industry would be severely damaged. Reliable service was another theme which emerged from discussions; if tourists are not able to plan ahead because of uncertainty surrounding the ferry service, many will cancel.

We lost thousands of dollars this summer in canceled booking after the ferry service limited service.

When tourists come to Cordova they spend money in the community. Every cancellation is lost income for local businesses.

We have been trying to expand our tourism business around the fast ferry. The fast ferry is an attraction itself; tourists like riding it.

Many tourists come by ferry because it is cheaper than flying.

Because our visitor season is so short, even a week of cancellations is extremely harmful to us.

- **Community sustainability:** Interviewees discussed how much they value being able to travel to the road system by ferry. A number of contacts mentioned that easy access to Anchorage allows residents to reduce "cabin fever." One source noted one of the reasons their family moved to Cordova was because the ferry service provided travel options.

We looked at a number of locations in Alaska to move to once we decided our kids should be raised in a small town. In addition to other factors, we chose Cordova because of quick access to Anchorage.

It is great for people in Cordova to be able to take a trip in the winter. Even just a day trip to Anchorage is enough to feel rejuvenated after weeks of rain and darkness.

The ferry is important to the culture of our community. Many people have great memories of traveling somewhere on the ferry.

Without reliable transportation, it is difficult to attract professionals to Cordova.

You talk to most employers in town, they will tell you that AMHS is absolutely critical to recruitment and retention of employees. It's a big selling feature.

- **Impact on Anchorage:** The impact of Cordova resident's spending in other Alaska communities, primarily Anchorage, was noted by many contacts as a result of ferry service. It is common for residents to do their shopping in Anchorage and bring purchases back on the ferry. Many in the community schedule these trips around medical appointments.

The ferry is our highway. It allows us to spend money in Anchorage—I probably spend \$2,000 to \$3,000 per trip on groceries, clothes, and household products. And I make five to seven trips per year. But with the unreliable ferry service I am starting to purchase groceries on Amazon Prime; I am purchasing more stuff from Seattle.

If I have to fly over to Anchorage for a medical appointment, I may as well go to Seattle. Cheaper medical cost and just a few more hours on the plane.

We had an informal meeting with some of the local businesses. We estimated we spend \$10 to \$15 million per year in Anchorage.

- **School-related travel:** Cordova students traveling for sports, drama/debate, and other school-related activities nearly always use the ferry. While flying is an option, the price is much higher: one contact estimated it was three times more expensive to fly than take the ferry.

The ferry service really allows our kids to participate in statewide activities. Without ferry service we would have to fly our students out, and I don't know if we could afford that.

We want our student to be exposed to different people, cultures, perspectives, and events.

In summary, ferry service plays an important role in Cordova's economy and culture. Interviewees made general statements about the dependence the community has on the ferry system.

The ferry is threaded into everything we do.

We have been building our economy around the marine highway, especially the fast ferry, for over 10 years.

The Coast Guard relies on the ferry system. They use the ferry system to bring people/supplies in and out.

I'm actually starting to buy more items through Amazon, especially as ferry service becomes unreliable.

Any reduction in ferry service will result in higher prices in local stores.

AMHS expenditures and employment in Cordova represent additional impacts in the community.

- AMHS employed 19 Cordova residents in 2014, accounting for \$1.9 million in wages and benefits.
- AMHS spent \$652,000 with Cordova businesses in 2014, including \$612,000 in operational expenditures and \$40,000 in capital expenditures.

Table 11. AMHS Employment and Spending in Cordova

Number of AMHS employees	19
Payroll and benefits	\$1.9 million
Total expenditures	\$652,000
Operational expenditures	\$612,000
Capital expenditures	\$40,000

Source: AMHS.

Angoon

Angoon is the only permanent, year-round community located on Admiralty Island in Southeast Alaska. In 2014, Angoon's population was estimated at 446.⁸ Nearly 90 percent of the population are Tlingit, and many residents support themselves through a subsistence lifestyle.⁹ Local government, education, and health care are key sources of wage and salary jobs, and tourism provides a number of jobs during the summer months.



Lacking both regularly scheduled barge service and an airport, transportation to and from the community is limited. AMHS ferry service and float planes are the only options for residents, businesses, and other organizations to transport goods and passengers to and from Angoon. As one of the few Alaska communities without an airport, Angoon is particularly reliant of AMHS service, especially when float planes are not able to fly. Ferry service helps support the following business and resident activity:

- **Lodges** use the ferry service, when possible, to transport supplies from other Southeast communities, primarily Juneau.
- **Schools** regularly transport books, furniture, and food from Juneau.
- **Students** use the ferry to travel to sport, academic, and other events.
- **Businesses** restock using AMHS service to ship wholesale items into Angoon.
- **Shopping/recreation** by Angoon residents is supported by ferry service which allows travel to other communities.
- **Medical travel**, primarily to Juneau, is a critical usage of the ferry by Angoon residents.

⁸ US Census.

⁹ US Census.

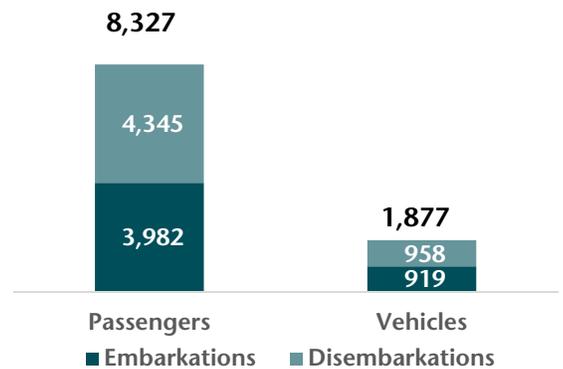
In 2014, more than 8,300 passengers and nearly 1,900 vehicles embarked or disembarked in Angoon (see chart at right). While Angoon’s traffic is low compared to most other AMHS ports, it is high relative to population. Out of 28 AMHS ports not connected by road, Angoon has the fourth-highest ratio of population to traffic. For every one resident, there are 9.6 passenger embarkations annually.

Container van traffic to or from Angoon included 142 vans in 2014, primarily traveling to/from Juneau and Hoonah. On a per capita basis, Angoon is one of the communities most dependent on AMHS freight service.

Juneau is the primary destination for Angoon residents and travelers (see map at right). In 2014, more than 6,608 passengers and nearly 1,494 vessels traveled to/from Juneau and Angoon. Other important ports for Angoon include Hoonah and Sitka, accounting for 500 and 776 passengers in 2014, respectively.

In contrast to other AMHS port communities, Angoon ferry volume does not exhibit significant seasonal fluctuation (see chart, below). The primary reason for this is a relatively limited visitor industry and limited nearby commercial fishing activity. In 2014, peak embarkations of 488 passengers occurred in October, and average monthly embarkations was approximately 330 passengers.

Chart 19. Angoon AMHS Passenger and Vehicle Traffic, 2014



Source: AMHS.

Figure 6. On-Off Passenger and Vehicle Traffic to/from Angoon, Top Three Connecting Ports, 2014

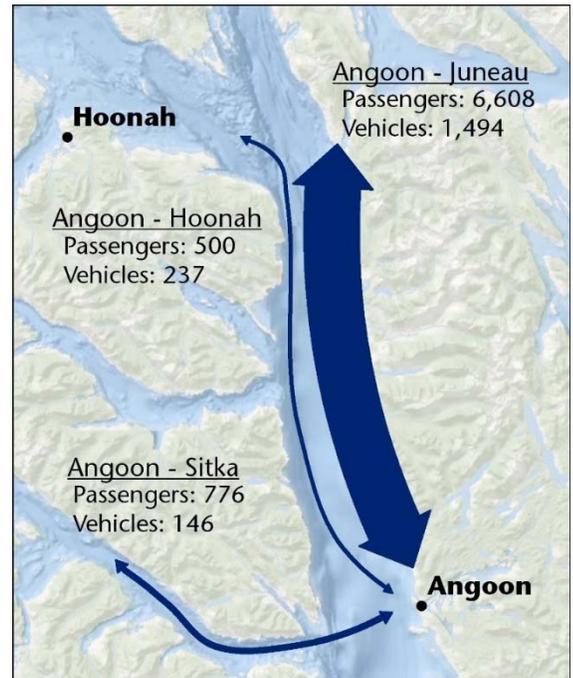
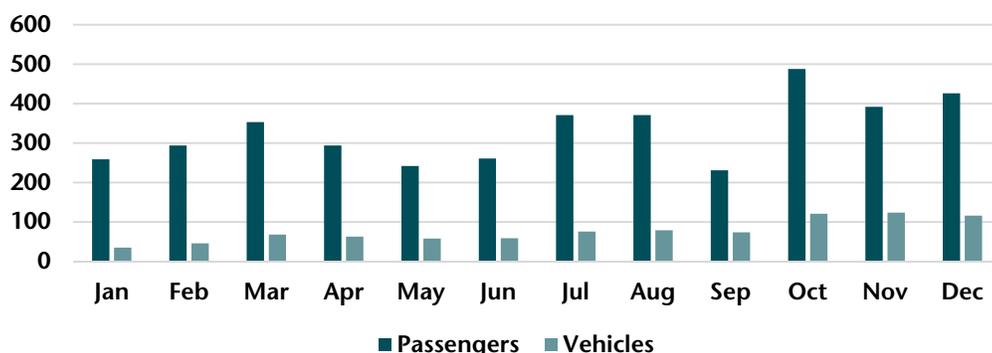


Chart 20. Angoon Passenger and Vehicle Embarkations by Month, 2014



Source: AMHS.

Interviews were conducted with local leaders to gain a better understanding of the impact ferry service has on Angoon. A number of themes emerged from these discussions.

- **Community sustainability:** Many contacts affirmed AMHS' vital importance to the community.

We basically have no other options besides the ferry. We have no barge landing and no airport. We get the mail plane three times a week in the summer, two times a week in the winter. When the weather is bad and the mail stacks up, mail is placed on the ferry.

If AMHS stopped service, the population would drop substantially.

It is extremely difficult to attract and retain employees in Angoon. If ferry services were limited, this would have a huge impact on our local workforce.

- **Impact on other communities:** With limited local retail and grocery stores, interviewees said it is common for residents to shop in other Southeast communities. Several contacts pointed to the economic impact occurring from Angoon residents spending money in these communities.

Most people make a trip over to Juneau at least once a month where they buy food, supplies, and maybe go to a medical appointment. Our residents spend a lot of money outside Angoon.

We purchase about 40,000 gallons of fuel each year from a company in Petersburg.

- **Reliable service:** A number of contacts explained reliable service was the most important factor AMHS should be considering.

We have not been able to schedule guest movement on the ferry because it is not reliable. Instead we charter planes and vessels at a substantial cost to our lodge.

Sure the fast ferry is great, but if it is tied up to the dock because of rough weather, what is its value?

We don't need a fast ferry; we need a reliable ferry.

We could get by with ferry service once a week. Maybe even once every two weeks. But we need it to be reliable.

In summary, ferry service plays an important role in Angoon's economy and culture. Interviewees made the following additional statements about the dependence the community has on the ferry system.

It is really difficult to put a coffin in a plane. Ferry service allows us to return our loved-ones to Angoon when they pass away in other communities.

As a local business owner, I would be willing to pay more for ferry service. This community will not survive without AMHS.

Floatplanes can't always fly. Usually the ferry is reliable enough to make it through weather planes can't fly in.

If we lost ferry service our business would likely go bankrupt having to deal with increased shipping costs.

Impacts of Reduced AMHS Service

This report details the many and diverse ways AMHS impacts Alaska's economy. As the State of Alaska considers various ways to close its budget gap, it is important to consider the role of AMHS from another perspective: what happens to Alaska's communities and residents when AMHS reduces service? Following are the types of impacts that can be expected from reduced ferry service.

- **Loss of return on investment:** For every dollar of General Fund money not budgeted to AMHS, there will be \$2.30 less economic activity in Alaska.
- **Loss of AMHS employment and wages:** Communities like Ketchikan and Haines, small towns with relatively high AMHS employment (and less diversified economies), will be particularly hard hit by AMHS employment and wage cuts.
- **Loss of AMHS spending with local businesses:** Cuts to AMHS service will affect a wide range of Alaska businesses that AMHS makes purchases from, such as engineering firms, fuel companies, shipyards, and food suppliers.
- **Loss of spending by non-residents:** Fewer ferries means fewer out-of-state visitors traveling to Alaska's coastal communities and spending money there on lodging, retail, transportation, and tours. These outside-sourced dollars are particularly valuable as they generate new jobs and income for Alaska residents, and impact a wide variety of economic sectors.
- **Reduced seafood shipment capacity and loss of income to fishermen:** Reduced AMHS service will negatively impact seafood processing companies and, in turn, the fishermen from whom they purchase products.
- **Increased cost-of-living in coastal communities:** Fewer ferries will lead to increased cost of goods, as communities scramble to find other ways of transporting goods in and out – groceries, construction equipment and supplies, household goods, and more will all cost more as transportation costs rise.
- **Decline in quality of health due to limited access:** With fewer ferries, residents of coastal communities will be forced to fly to access the health care they need – and many may choose to postpone care, or may decide they cannot afford the associated airfare costs.
- **Fewer and/or shorter regional special events including cultural events:** Many regional events, such as the Southeast Alaska State Fair (Haines), Celebration (Juneau), and the Copper River Wild Salmon Festival (Cordova), rely on AMHS to transport significant portions of their attendees. The cost and limited capacity of air service would preclude many attendees from participating, and the local economy would lose valuable visitor spending. Further, residents would miss out on these unique opportunities to interact with, do business with, and learn from each other.
- **Reduced school-related travel:** Reduced AMHS service will limit the opportunities for students in coastal Alaska to compete in sporting events, attend performing arts events, and attend student

leadership training, among other school activities. Air service is often prohibitively expensive for schools and students, and subject to weather cancellations. Students in coastal Alaska will suffer from a reduced ability to participate in these enriching and valuable activities.

In conclusion, the impacts of reduced AMHS service will be broad and far-reaching, affecting a diverse range of Alaska residents, businesses, and organizations. The economies of Alaska's smaller and more isolated coastal communities will be particularly hard hit.

Case Study Contacts

HAINES

Fred Bretthauer, Haines Hitch-Up RV Park

Jessica Edwards, Southeast Alaska State Fair and Great Alaska Craft Beer and Home Brew Festival

Mike Gainy, Alaska Marine Lines

Jan Hill, Mayor of Haines Borough

Alison Jacobson, Alaska Fjordlines

Cheryl Katsik, Captain's Choice Motel

Leslie Ross, Haines Convention and Visitors Bureau

Sarah Swinton, Olerud's Market Center

Tiana Taylor, Haines School District

Samanth Wolson, American Bald Eagle Foundation

CORDOVA

John Bitney, City Lobbyist

Jennifer Gibbons, The Cordova Times, Cordova Chamber of Commerce

Barb Jewel, School Board President

Jim Kasch, Cordova Mayor

Martha Nichols, Prince William Motel

Alex Russin, Cordova School District Superintendent

Cassandra Squibb, Copper River Seafoods

ANGOON

Albert Howard, Angoon Mayor

Jim Parkin, Angoon School Principal

Mark Powers, Whaler's Cove Lodge

Shane Thompson, Angoon Trading Post

Maxine Thompson, former Angoon Mayor, Angoon Oil & Gas, Marine Transportation Advisory Board

Additional Contacts

Allison Cheeseman, Commercial Service Manager, AMHS Reservations

Jim Erickson, Alaska Glacier Seafoods



Haines Borough
Assembly Agenda Bill

Agenda Bill No.: 16-663
Assembly Meeting Date: 6/28/16

Business Item Description:	Attachments:
Subject: Authorize Manager to Convene Heliski Map Committee	1. Resolution 16-06-681 2. Email String Explaining Problematic Code/Reasoning 3. Proposal for Amendment to Commercial Ski Map 4. Maps 5. GASC 2013 Recommendation for Three-Year Map Amendment Intervals 6. HBC 5.18.080(I) 7. Citizen Comments - C.Weishahn
Originator: Borough Clerk	
Originating Department: Administration	
Date Submitted: 6/13/16	

Full Title/Motion:
Motion: Adopt Resolution 16-06-681.

Administrative Recommendation:

Fiscal Impact:

Expenditure Required	Amount Budgeted	Appropriation Required	Projected Impact to Future Operating Budgets
\$ n/a	\$ n/a	\$ n/a	n/a

Comprehensive Plan Consistency Review:
Comp Plan Goals/Objectives: _____
Consistent: Yes No

Summary Statement:
A timely request for amendments to the commercial ski areas map has been received. In order for the manager to convene the process, HBC 5.18.080(I)(1) requires assembly authorization by resolution with a public hearing.
This resolution does NOT authorize map amendments. It simply allows the manager to convene a committee to consider the proposed changes. Any recommended changes would ultimately come to the assembly in the form of another resolution.
Note: the existing map amendment procedure in borough code has problematic timelines. The administration chose to give priority to the most authoritative code requirement (resolution & public hearing) and bring the matter to the assembly to determine whether (and how) to proceed.

Referral:
Referred to: _____ Referral Date: _____
Recommendation: _____ Meeting Date: _____

Assembly Action:
Meeting Date(s): 6/28/16 Public Hearing Date(s): 6/28/16
Postponed to Date: _____

A Resolution of the Haines Borough Assembly authorizing the borough manager to convene a heliski map committee to consider proposed amendments according to HBC 5.18.080(I).

WHEREAS, the current Haines Borough Approved Commercial Ski Tour Areas map was amended by Resolution 13-07-472 on July 23, 2013; and

WHEREAS, Haines Borough Code 5.18.080(I) provides a means for considering nontemporary amendments to the map; and

WHEREAS, on May 31, 2016, the borough received a proposal for map amendments; and

WHEREAS, to initiate nontemporary amendments to the map, code requires assembly adoption of a resolution, following a public hearing, to authorize the borough manager to convene a heliski map committee; and

WHEREAS, the authorization resolution is to articulate the reasons to consider amendments to the map, and those reasons are:

1. The amendment proposal complies with the requirements of HBC 5.18.080(I)(1)(a),
2. In 2013, the Government Affairs & Services Committee recommended map amendments be considered every three years and, although the assembly took no formal action to adopt that recommendation, there was a general acceptance of that idea among the assembly, heliskiing industry, and community, and
3. It has now been three years since the map was last amended; and

WHEREAS, the existing map amendment procedures were adopted via Ordinance 13-07-339 on January 28, 2014, and the manager proposes to convene a heliski map committee according to those procedures save the following:

1. The requirement to convene a committee prior to June 10th conflicts with the requirement for this resolution and public hearing and does not provide sufficient time for residents to petition to be members of the committee, and
2. The requirement for the committee to make a recommendation to the manager on or before July 15th does not provide reasonable time for accomplishing the work,

NOW, THEREFORE, BE IT RESOLVED the Haines Borough Assembly:

Section One: Authorizes the borough manager to convene a heliski map committee; and

Section Two: Stipulates the manager shall advertise as soon as possible for letters of interest for appointment to the committee, shall announce the composition of the committee as part of the July 12, 2016 manager's report, and the committee shall make a recommendation to the manager on or before September 15, 2016.

Haines Borough
Resolution No. 16-06-681
Page 2 of 2

Adopted by a duly-constituted quorum of the Haines Borough Assembly this ____ day of _____, 2016.

Janice Hill, Mayor

Attest:

Julie Cozzi, MMC, Borough Clerk

From: Heidi Robichaud [mailto:scrimqueen@gmail.com]
Sent: Wednesday, June 15, 2016 5:22 PM
To: Julie Cozzi
Subject: heliski map

Thank you Julie for such a thorough explanation of your reasoning. I agree with your process completely and appreciate your taking the time to elucidate. Clearly this needs to be worked on and clarified. Thank you for your efforts to navigate and move forward under a problematic code.

Best
Heidi

From: Weishahn [mailto:weis@aptalaska.net]
Sent: Wednesday, June 15, 2016 3:36 PM
To: Julie Cozzi
Cc: Heidi Robichaud; Jan Hill; Brad Ryan
Subject: RE: heliski committee

Hi Julie,

Thanks for your very thorough review of the situation. It seems as if this part of code needs to be amended...and perhaps an ordinance to do that could be introduced at the May 28 assembly meeting.

I would like to know the borough attorney's thoughts on how to proceed with the request to amend the heliski map so that the borough is not operating in conflict with code.

Please send me a copy of the request to amend the heliski map.

Thanks again,

Cary

From: Julie Cozzi
Sent: Wednesday, June 15, 2016 1:32 PM
To: 'Heidi Robichaud'
Cc: 'Weishahn'; Jan Hill; Brad Ryan
Subject: RE: heliski committee

Hi, Heidi...

You are missing a critical part of that section of code:

HBC 5.18.080(I)

1. To initiate nontemporary amendment of the Haines Borough Approved Commercial Ski Tour Areas map, the assembly shall adopt a resolution, following a public hearing, that articulates the reasons to consider amendments to the map and authorizes the borough manager to convene a heliski map committee according to the following procedures:

I agree that it goes on to say a committee is to be convened prior to June 10, however that cannot be done in nearly any circumstance, especially since it also says "after May 31." The code conflicts with itself and sets up an impossible scenario. The code must be changed. In the mean time, I had to figure out how to deal with the map proposal the borough received on May 31st.

The manager simply cannot convene a committee until the assembly authorizes it. Simple as that. Therefore, after conferring with the mayor and interim manager, I made the decision to go with the most authoritative part of code....the part that requires assembly authorization. The interim manager could possibly have ignored that part and scrambled to throw together a committee and hold a first meeting by June 10th, but how would that have been

preferable for anyone concerned? I'm still not sure it was possible, let alone practical or appropriate. To me, it is much better, and necessary, to take this to the assembly for the required public hearing and authorization BEFORE convening a committee. Then, the manager can make a more thoughtful selection of members.

The assembly will be the ones to decide if staff correctly handled this very poorly-written code in this situation. I contend it is the right call since a requirement for assembly authorization is much more important than a requirement to convene a committee prior to a certain date. For you to single out that part of the code as being the most important requirement does not seem right.

One additional note: two of the committee members are supposed to be randomly chosen from residents who PETITION to be members of the committee. Quickly throwing together a committee would not have afforded time to adequately advertise and provide residents a reasonable opportunity to petition for appointment.

I hope you can see the problem with this section of code. By the way, this is the first time it has come into play since it was put in code. We had different code the last time the map was amended. When the assembly adopted the current ordinance, it is apparent no one really thought through the timeframes. It just won't work the way it is.

This is complicated to explain. I hope I have done so clearly enough for you to see the problem and to understand why we will take this to the assembly on the 28th. Oh, one more thing. We could not take the resolution to the assembly for last night's meeting, because we would not have had enough time to advertise for the required public hearing.

Julie

From: Heidi Robichaud [<mailto:scrimqueen@gmail.com>]

Sent: Wednesday, June 15, 2016 9:23 AM

To: Julie Cozzi

Subject: heliski committee

Hi Julie,

Regarding the request to convene a heliski map committee - according to code, if directed by the assembly, **the manager appoints a committee by June 10** to consider map changes. It is already too late to meet this requirement so I don't understand why this is on the agenda. Has the code been changed?

Just sayin....

Respectfully,
Heidi Robichaud

From: Weishahn [<mailto:weis@aptalaska.net>]

Sent: Monday, June 13, 2016 7:32 PM

To: Julie Cozzi

Cc: Brad Ryan

Subject: Request for heli-ski map change

Hello Julie,

I would like a copy of the request to amend the heli-ski map. Also, I notice that borough code requires that the committee be formed by June 10 and the committee make its recommendation on map changes to the manager by July 15.

Why is this request going to the assembly when it is clear that these deadlines can't be met?

Thanks for sending a copy of the request,

Cary

From: [Sunny Sundberg](#)
To: [Brad Ryan](#); [Julie Cozzi](#); [Jan Hill](#)
Subject: Request Nontemporary Amendment of the Haines Borough Approved Commercial Ski Tour Areas Map.
Date: Tuesday, May 31, 2016 9:47:01 PM

I would like to initiate this based on the following:

"The Haines Commercial Ski Tour Area MAP includes the BLM lands. Under scrutiny and the knowledge of then borough manager David Sosa, it was publicly recognized in late June of 2015 that the borough has no authority over these lands."

I believe this puts the borough map and the management authorities in a liable position and could set the borough up for many map changes in the future based on what happens with BLM lands and their management.

I would suggest removing these lands from the borough map. This would bring the borough into legal compliance with its ordinance regarding commercial ski tours generated by helicopters.

Since the BLM lands would simply be removed from the map off of the existing Haines Borough Approved Commercial Ski Tour Area MAP. I am not submitting a file for this as it already exists.

I also want to take the time to suggest that there are areas on the map that can be identified for small expansions of terrain on some areas not contested.

We agreed as a community to let the map exist for 3 operating years before we messed with it, and at this point it has been three years. We always have said that this document was to be a living document, meant to be looked at, debated and refined.

I believe this would also be a good time as BLM and the State have collected better numbers for wildlife.

I would hereby request that the manager review these items and convene a map committee.

I do not believe there is much to task, but there is also the CIV provisional areas of the HBACSTA Map that were placed in the map that should be debated, and considered once again.

I am willing to sit on the seat if chosen.

Thank you for your time.

Scott Sundberg

SEABA LLC

1. To initiate nontemporary amendment of the Haines Borough Approved Commercial Ski Tour Areas map, the assembly shall adopt a resolution, following a public hearing, that articulates the reasons to consider amendments to the map and authorizes the borough manager to convene a heliski map committee according to the following procedures:

a. Proposals for map amendments may be submitted to the borough manager from May 1st to May 31st. Proposals shall be in writing and include an illustration of the general subject area and rationale for the amendment.

b. After May 31st and prior to June 10th, the manager shall convene an advisory committee to review the proposed map amendments. The committee shall include the following five voting members:

(1) A representative of a local conservation organization, appointed by the mayor;

(2) A member of the Haines Borough assembly;

(3) A representative from the heliski industry selected randomly by current Haines Borough heliski permit holders; and

(4) Two members chosen randomly from Haines Borough residents who petition to be members of the committee.

c. The committee shall to every extent possible involve ADFG area wildlife biologists and Bureau of Land Management (BLM) in its deliberations, including forwarding all proposals for map changes to the ADFG and BLM, seeking ADFG and BLM testimony, and requesting comments from ADFG and BLM on all draft recommendations before they are sent to the manager.

d. The committee shall organize itself as to procedure and shall make a recommendation to the manager on or before July 15th. The manager will not be bound to the recommendations but shall present them to the assembly for consideration.

Scott Sundberg
GM / Guide
SEABA LLC
www.seaba-heli.com
office: 907 766 2010
cell: 907 314 0445

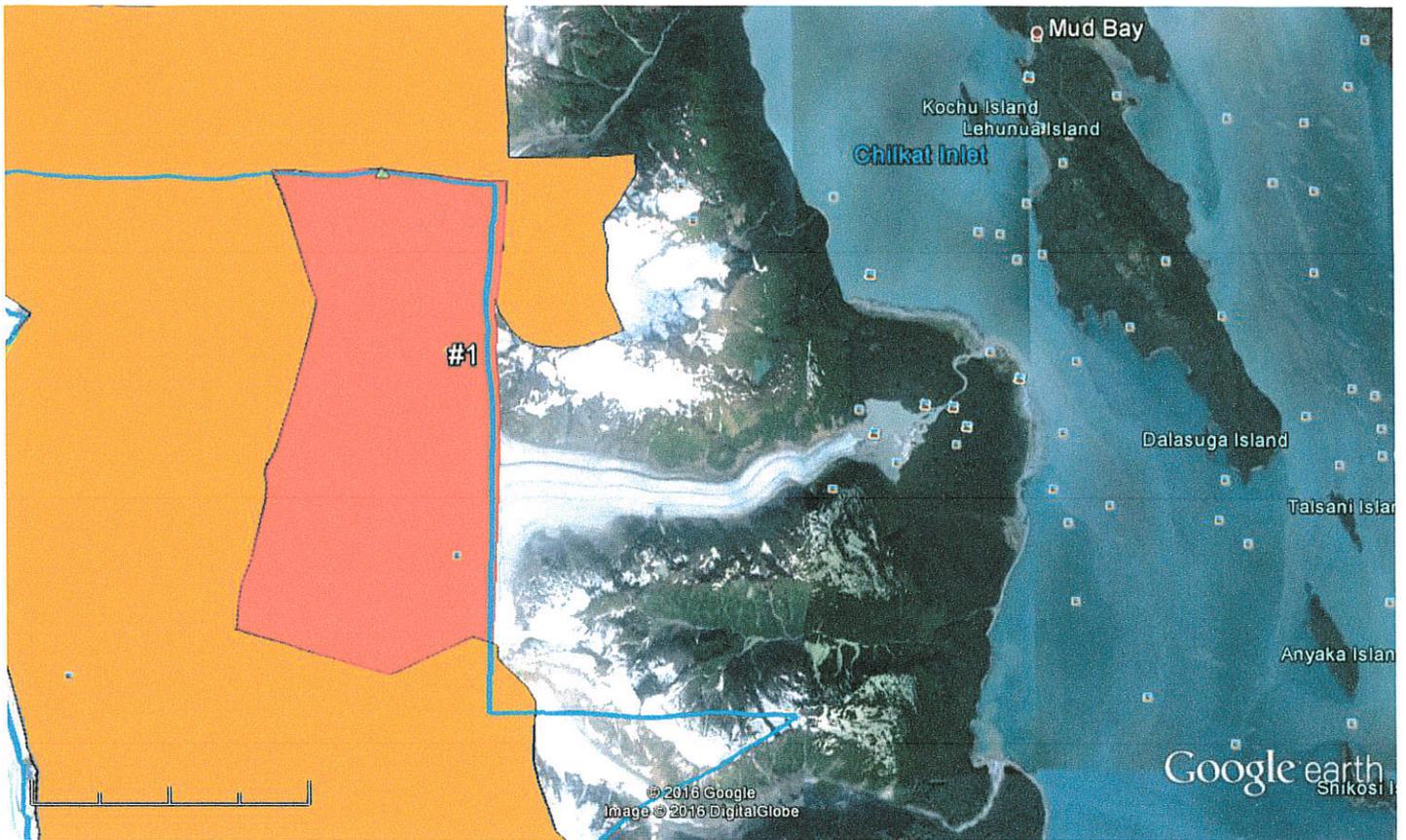
Recommended map changes

2016

1. This area has been excluded from the map, although we are permitted to use the area through BLM it needs to be added if the BLM terrain stay on the existing map.
2. This area is less than a $\frac{1}{3}$ of a sq mile and tucked behind the front range of the Chilkat inlet. It would provide more safety and option for pick up while we ski in this area.
3. This is just one valley north of #2 and has been historically used for 13 years, without any complaint. This would simply allow the industry to provide more efficient and safe landings for it customers.
4. This area I believe was suppose to be included in the changes in 2013, but the mapping was done incorrectly. The original hand drawn maps were lost, but at this time since the area is in the trees, there are no pickups and this has rendered this general area unusable for the past three years. It needs to be added.
5. This was also a case with # %, terrain was removed from this area, but to much was taken so that landings on top of this peak that has always been apart of the map, was removed and made unusable. It created a situation that over 6 sq mile of ski terrain was removed from the map accidently because of no top landing; Needs to be added back in.
6. This area is highly used by snow cat, snow machine and by heli skiers, at least above the orange boundary, we simply want to drop the line to extend terrain and have lower pickups. This would only create more low angle terrain for safe skiing.
7. The area in green is the BLM, as the borough has no authority over regulating it, then it should simply be removed from the map.

Thank you for considering these changes. The industry has been quiet even though terrain was removed from the map three years ago that was not suppose to be, decreasing our skiable acreage even more.

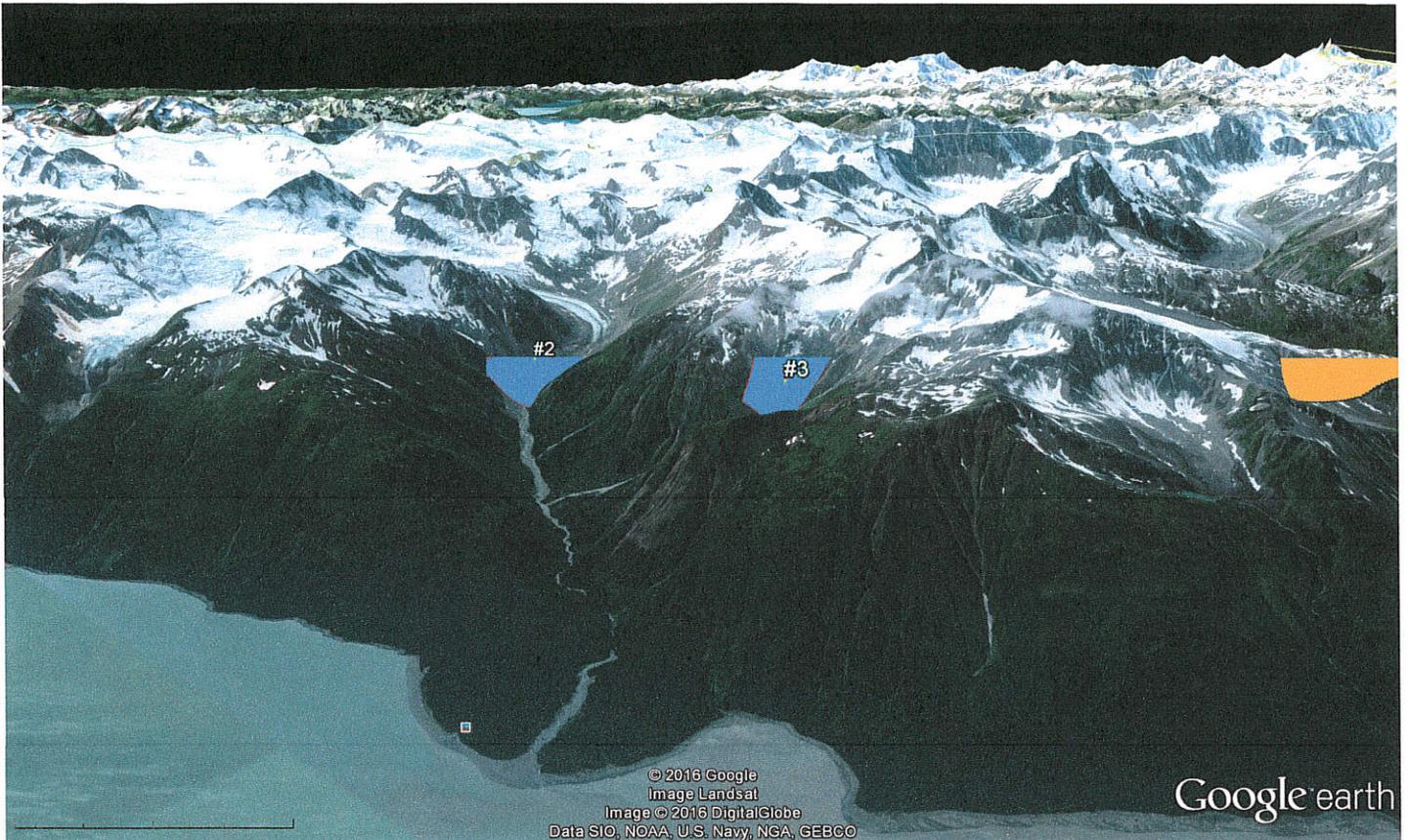
Scott Sundberg
SEABA



Google Earth Pro

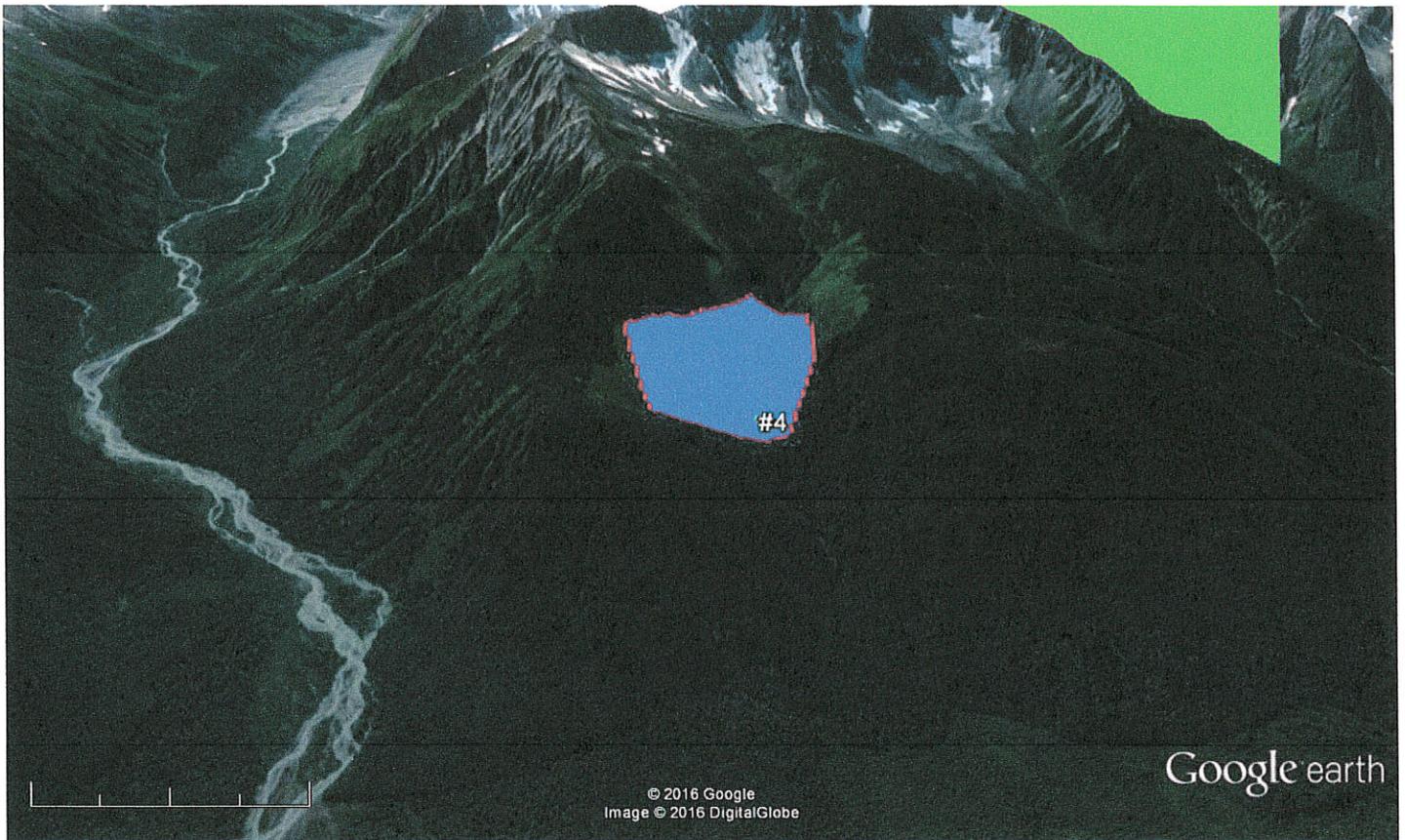
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km 10





Google Earth Pro

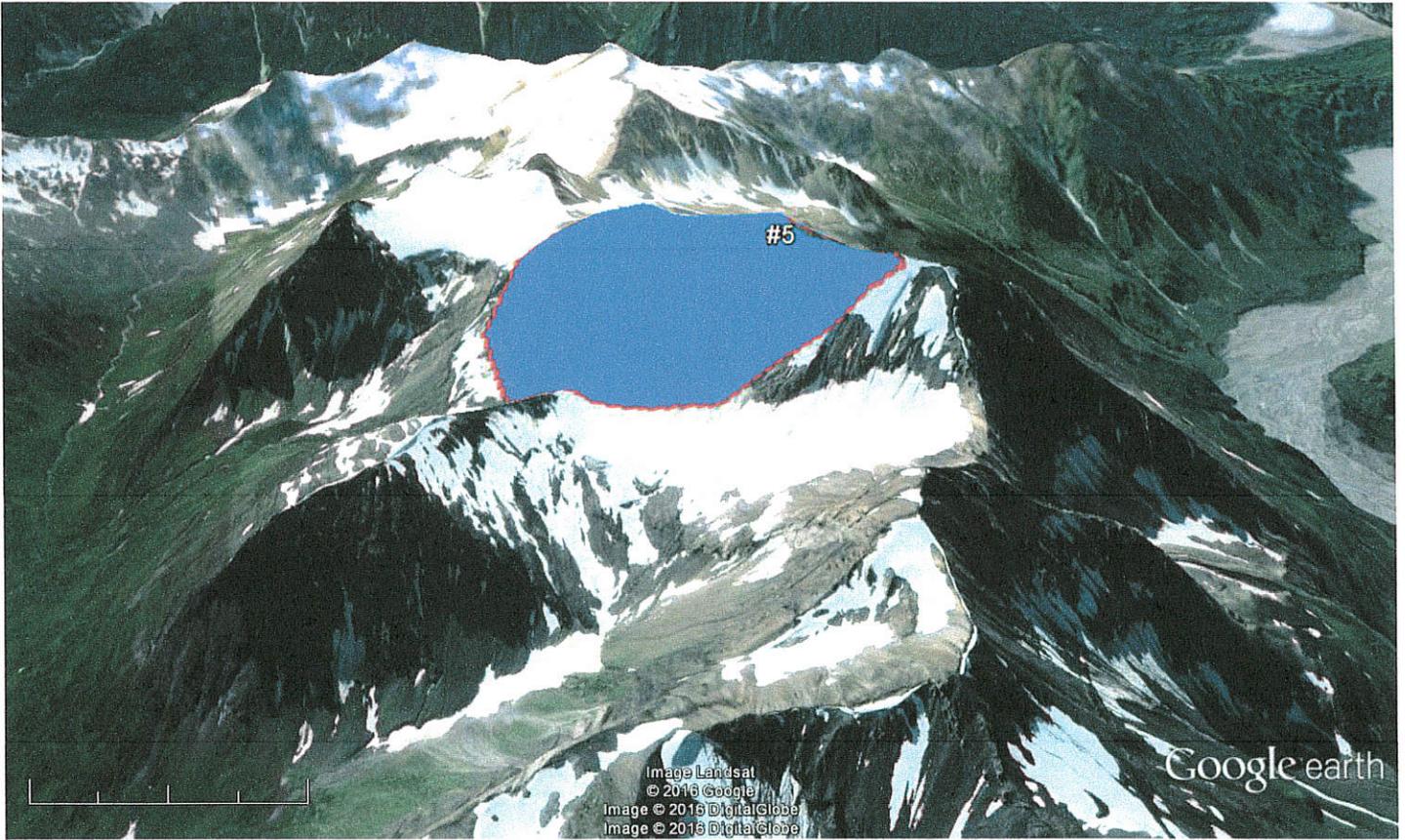




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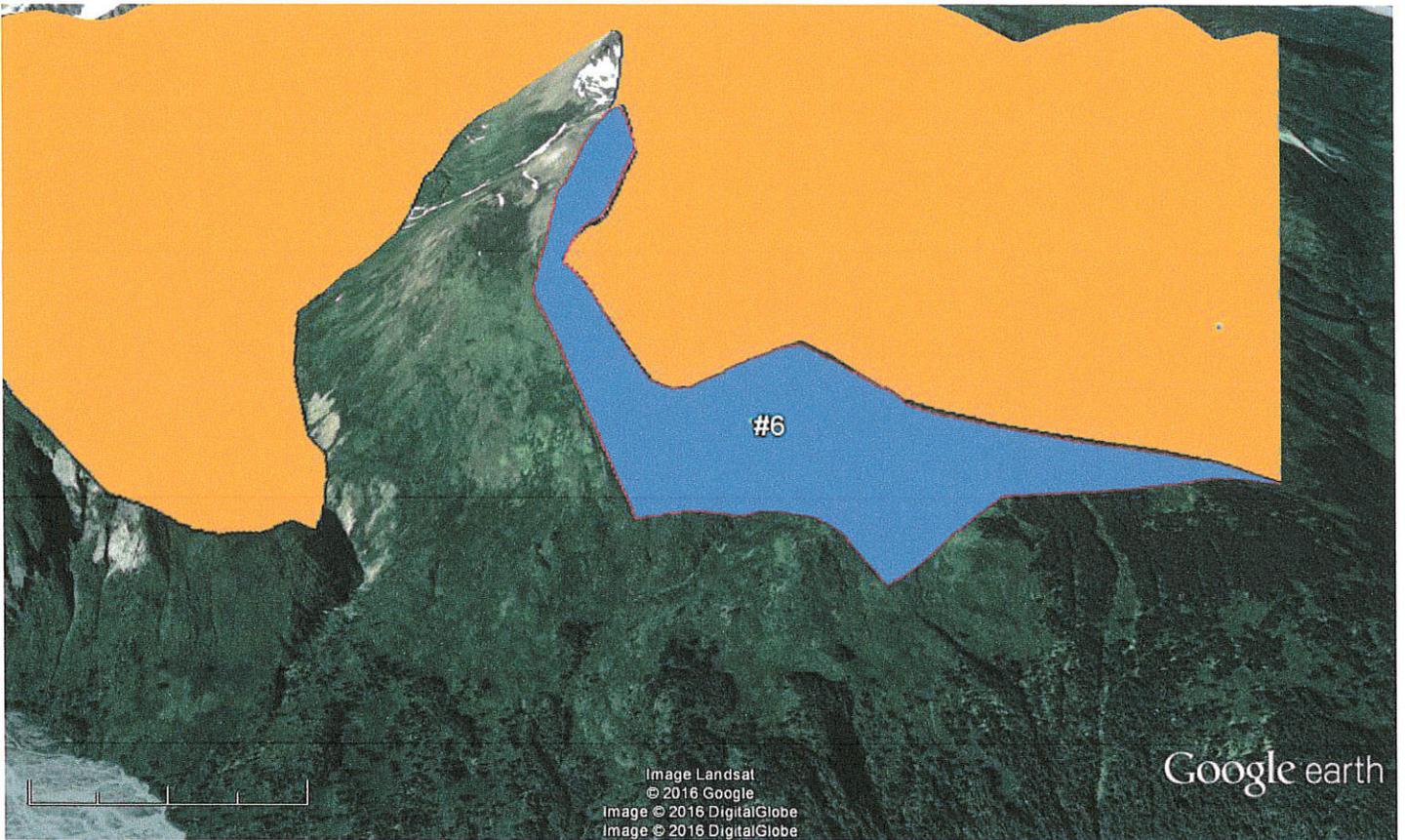
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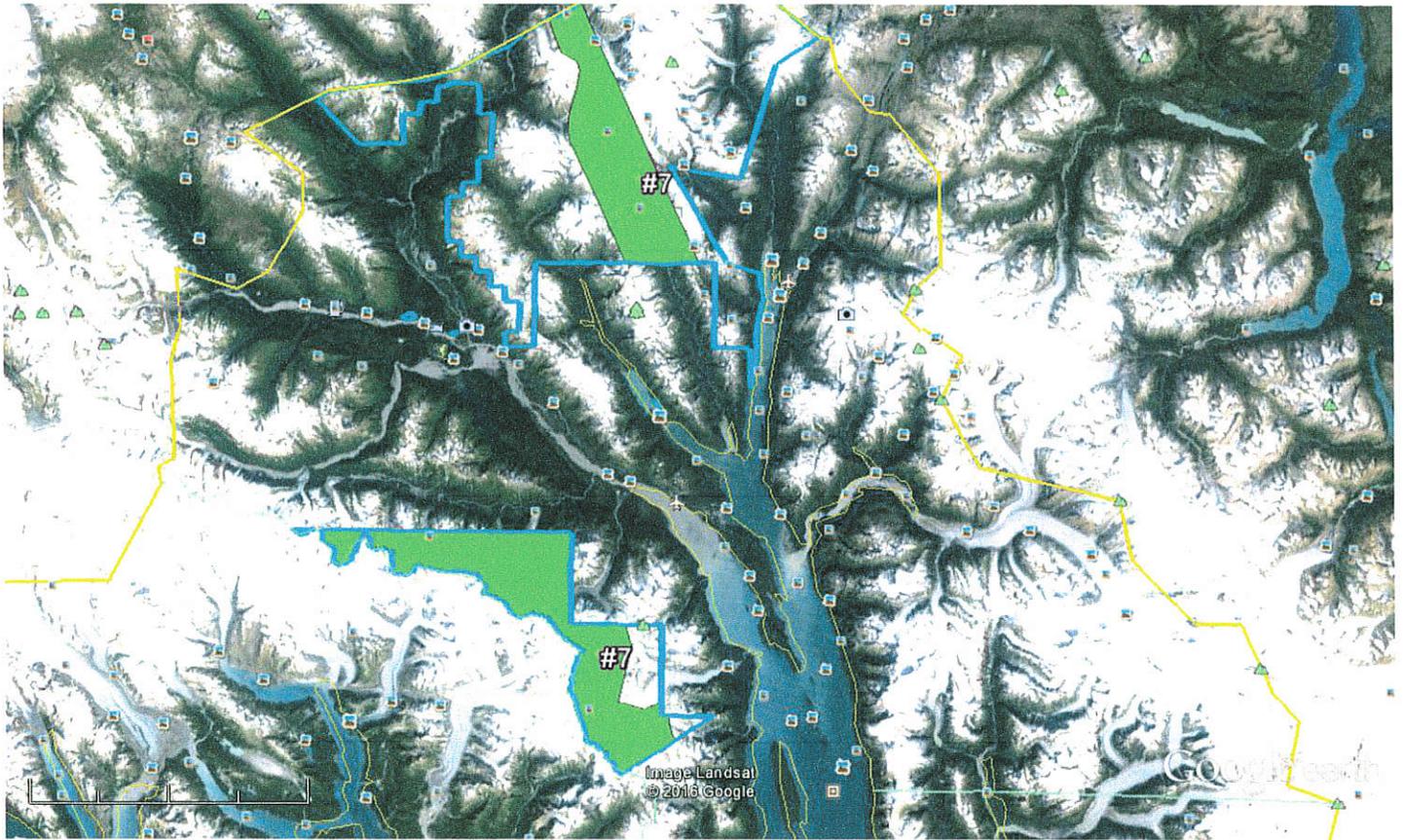
Google Earth Pro





Google Earth Pro





Google Earth Pro

miles 40
km 60





Remove BLM Lands in Green From Map

#6 Addition of ski terrain to 1500 ft PZ

#5 LZ Correction from 2012

#4 PZ safety and 2012 correction

#3 PZ safety

#2 PZ safety

Area in Orange needs to be added if BLM I

GOVERNMENT AFFAIRS AND SERVICES – COMMITTEE REPORT

Heliski Ordinance, Map Amendment Procedures

Map Amendment Procedures

Findings

- There were concerns about heliski companies being able to request map amendments as well as vote for the amendments they requested. Some felt this was a conflict of interest as the heliski companies were a biased voter.
- Some expressed they felt the native population and conservation groups were underrepresented.
- Many felt that annual amendments to the map would create heightened controversy and be directed more by political alignment than factual findings.
- Some felt that the 500 word limit for proposal was restrictive and did not give the committee the necessary information to determine if an amendment was necessary.
- The lack of assembly involvement on the committee was also noted as a concern.
- The Alaska Department of Fish and Game (ADF&G) representative was a fish specialist and was unable to give insight into concerns about goat habitat.

Recommendations

- Members of the committee should include a member of the CIA, the conservation community, Klukwan (non-voting) and the assembly.
- Amendments to the map should occur **at three year intervals**. This allows for data collection to substantiate any map changes, as well as time for any preceding amendments to be tried and tested. This also gives the community a period of rest from a topic that has proven contentious and wearisome.
- The ADF&G representative should not be restricted by residency requirements as the person with the necessary expertise is often from another community.
- The ADF&G representative should be a non-voting member.
- Proposal for map amendments should not be limited to 500 words.

Summary

The heliskiing industry is an important part of our winter tourism economy. The regulation of this industry has been in effect since its inception. But the collection of data to monitor compliance has only been in existence for the past few years. At this point, there is no policy about the type of data collected. There is also no policy about who the data should come from. This has caused many community members to question the integrity and authenticity of the data being submitted.

If the collection of data can be deemed credible and conclusive, and over the next few years the heliskiing companies can demonstrate continued compliance, then it is my belief that a trustworthy relationship can develop between the heliski industry and the community.

If the Borough is persistent and diligent in its duties we can help facilitate the reconciling of differences between the industry and the community. At which point the monitoring, and eventually the regulation, of the industry can subside.

HBC 5.18.080

I. Nontemporary Amendment of the Haines Borough Approved Commercial Ski Tour Areas Map.

1. To initiate nontemporary amendment of the Haines Borough Approved Commercial Ski Tour Areas map, the assembly shall adopt a resolution, following a public hearing, that articulates the reasons to consider amendments to the map and authorizes the borough manager to convene a heliski map committee according to the following procedures:

a. Proposals for map amendments may be submitted to the borough manager from May 1st to May 31st. Proposals shall be in writing and include an illustration of the general subject area and rationale for the amendment.

b. After May 31st and prior to June 10th, the manager shall convene an advisory committee to review the proposed map amendments. The committee shall include the following five voting members:

- (1) A representative of a local conservation organization, appointed by the mayor;
- (2) A member of the Haines Borough assembly;
- (3) A representative from the heliski industry selected randomly by current Haines Borough heliski permit holders; and
- (4) Two members chosen randomly from Haines Borough residents who petition to be members of the committee.

c. The committee shall to every extent possible involve ADFG area wildlife biologists and Bureau of Land Management (BLM) in its deliberations, including forwarding all proposals for map changes to the ADFG and BLM, seeking ADFG and BLM testimony, and requesting comments from ADFG and BLM on all draft recommendations before they are sent to the manager.

d. The committee shall organize itself as to procedure and shall make a recommendation to the manager on or before July 15th. The manager will not be bound to the recommendations but shall present them to the assembly for consideration.

2. The Haines Borough assembly shall adopt a resolution, following a public hearing, to finalize any nontemporary amendment of the Haines Borough Approved Commercial Ski Tour Areas map.

June 21, 2016

To: Haines Borough Assembly Members and Mayor

Re: Resolution 16-06-681

I am very concerned that Resolution 16-06-681 has been brought to the assembly for consideration. HBC 5.18.080 is very clear on the procedure for nontemporary amendments to the heli-ski map.

5.18.080 Commercial ski tours, commercial ski productions and special ski competition events.

I. Nontemporary Amendment of the Haines Borough Approved Commercial Ski Tour Areas Map.

1. To initiate nontemporary amendment of the Haines Borough Approved Commercial Ski Tour Areas map, the assembly shall adopt a resolution, following a public hearing, that articulates the reasons to consider amendments to the map and authorizes the borough manager to convene a heliski map committee according to the following procedures:

a. Proposals for map amendments may be submitted to the borough manager from May 1st to May 31st. Proposals shall be in writing and include an illustration of the general subject area and rationale for the amendment.

b. After May 31st and prior to June 10th, the manager shall convene an advisory committee to review the proposed map amendments. The committee shall include the following five voting members:

(1) A representative of a local conservation organization, appointed by the mayor;

(2) A member of the Haines Borough assembly;

(3) A representative from the heliski industry selected randomly by current Haines Borough heliski permit holders; and

(4) Two members chosen randomly from Haines Borough residents who petition to be members of the committee.

c. The committee shall to every extent possible involve ADFG area wildlife biologists and Bureau of Land Management (BLM) in its deliberations, including forwarding all proposals for map changes to the ADFG and BLM, seeking ADFG and BLM testimony, and requesting comments from ADFG and BLM on all draft recommendations before they are sent to the manager.

d. The committee shall organize itself as to procedure and shall make a recommendation to the manager on or before July 15th. The manager will not be bound to the recommendations but shall present them to the assembly for consideration.

2. The Haines Borough assembly shall adopt a resolution, following a public hearing, to finalize any nontemporary amendment of the Haines Borough Approved Commercial Ski Tour Areas map. (Ord. 14-08-390 §§ 5 – 7; Ord. 13-07-339 §§ 4, 5; Ord. 12-10-306 §§ 7 – 9; Ord. 12-01-279 § 4; Ord. 10-10-243 § 11)

As you can see, after receiving a request for a heli-ski map change, the assembly may pass a resolution directing the manager to “convene an advisory committee to review the proposed map amendments.” The manager then appoints 5 members to the committee by June 10. Obviously this date has passed so this section of code cannot be met.

Even though “a timely request for amendments to the commercial ski areas map has been received,” it is not possible to process this request according to Haines Borough Code. I have requested a copy of the request but have not yet received it.

The assembly cannot pick and choose which parts of code to comply with so this request should be denied until a future time when all sections of HBC 5.18.080 can be met.

Thank you for following all parts of the Haines Borough Code,

Carolyn Weishahn



**Haines Borough
Assembly Agenda Bill**

Agenda Bill No.: 16-657
Assembly Meeting Date: 6/28/16

Business Item Description:	Attachments:
Subject: Harbor Fee Schedule Revision	1. Ordinance 16-05-436 2. Port & Harbor Advisory Committee Recommendation
Originator: Port & Harbor Advisory Committee	
Originating Department: Ports & Harbors	
Date Submitted: 4/7/16	

Full Title/Motion:
Motion: Adopt Ordinance 16-05-436.

Administrative Recommendation:
The borough manager and harbormaster recommend this.

Fiscal Impact:

Expenditure Required	Amount Budgeted	Appropriation Required	Projected Impact to Future Operating Budgets
\$ none	\$ n/a	\$ n/a	Small reduction to harbor revenue

Comprehensive Plan Consistency Review:

Comp Plan Goals/Objectives:	Consistent: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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Summary Statement:

The current Harbor Fee Schedule was adopted via ordinance on 8/11/15. The Port & Harbor Advisory Committee recommends a revision of the boat launch ramp fees. This amendment would allow reduced fees for a person having multiple vessels (up to four).

Note: When the current ordinance was adopted last August, it included removal of the penalty/non-compliance sections, but the effective date for those parts was not to be until such time as the minor offenses ordinance was adopted to avoid a gap. Since that ordinance is still pending, the struck-through penalty sections are still reflected in this new harbor schedule ordinance, and there is still the same conditional effective date.

The ordinance was introduced on 5/24/16.

Referral:

Referred to:	Referral Date:
Recommendation:	Meeting Date:

Assembly Action:

Meeting Date(s): 5/24, 6/14, 6/28/16	Public Hearing Date(s): 6/14, 6/28/16
	Postponed to Date:

An ordinance of the Haines Borough adopting a revised fee schedule for harbor facility usage to revise the boat launch ramp use fees.

WHEREAS, the Haines Borough owns and operates the Portage Cove Harbor and the Letnikof Cove Harbor; and

WHEREAS, the Borough Assembly establishes rates, fees, and penalties for Haines Borough harbor facilities; and

WHEREAS, Haines Borough Code, section 2.12.020(B), requires fines and penalties be provided by ordinance,

NOW THEREFORE BE IT ENACTED, by the Haines Borough Assembly, that the following Harbor Fee Schedule is hereby adopted by ordinance.

Section 1. Classification. This ordinance is not of a general and permanent nature and shall not become a part of the Haines Borough Code of Ordinances.

Section 2. Severability. If any provision of this ordinance or any application thereof to any person or circumstance is held to be invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

Section 2. Effective Date. This ordinance shall become effective immediately upon adoption with the exception of the "Penalties" and the "Boat Launch Ramp Use" non-compliance fee which shall become effective immediately upon adoption of Ordinance 15-06-413 provided that ordinance includes penalties pertaining to harbor violations.

Section 3. Purpose. To adopt, via ordinance, the following revised Harbor Fee Schedule:

Haines Borough – Harbor Fee Schedule

(See HBC Title 16 for regulations and more information)

Transient Boat Moorage Fees

Short-term (less than two weeks)	\$.55 per lineal foot per day*
Long-term (two weeks and longer)	\$5.50 per lineal foot per month*

Winter Rates – From October 1 through March 31, transient moorage vessels qualify for winter rates: one-half the amount that the vessel would ordinarily be charged. To qualify vessel must be up-to-date on all Port and Harbor Fees and pay for the winter moorage rate in advance.

* Transient moorage which must be invoiced will be charged at twice the normal rate (HBC 16.16.050).

Boat Launch Ramp Use Fees

Annual Launch Ramp Sticker – Recreational Vessel	\$60.00 per first trailer per year <u>\$30.00 each for second, third, & fourth trailers per year (same owner) with proof of ownership</u> <u>\$60.00 each additional trailer per year</u>
Daily Launch Ramp Use Fee	\$15.00 per trailer per day
Non-Compliance Fee	\$60.00 per violation

Live-Aboard Fees

1 to 14 days	No charge other than the regular moorage rate
Over 14 days (prohibited October 15 th to April 1 st)	\$70.00 per month in addition to the regular moorage rate

Boat Houses, Floats, Scows, Barges, Pile Drivers, and Dredges

These vessels are allowed only on a temporary basis at the harbormaster's discretion and, when allowed, are assessed a fee twice the rate of other vessels. Note: Living aboard is not allowed on these vessels and watercraft.

Seaplane Moorage Fees

Open Moorage	Fee
Less than 3 hours	No charge
3 to 24 hours	\$15.00
Each additional 24-hour period or fraction thereof	\$15.00

Electrical Connection and Service Rates

Connection Costs (permanent stalls or open moorage) <i>Paid to the local utility</i>	Actual cost of connection (boat owner makes the arrangements with the local utility and pays them directly)
Service Fee (all vessels utilizing electrical service) <i>Paid to the borough</i>	\$10.00 per day
Service Fee (utilizing 240 service)	\$20.00 per day
Annual Service Maintenance fee (if Electrical service is activated)	\$15.00 annual

Harbor Crane Use

Annual Crane Use Permit (not available for transient vessels)	\$50.00 per year
Transient Vessels	\$20.00 per hour

Letnikof Cove Harbor Moorage

Special Joint-Use Permit Fees

(only for boat harbor stall renters who are paid current)

Length of Vessel	Annual Fee
Up to 40 feet	\$100.00
41 to 60 feet	\$125.00
61 to 80 feet	\$150.00
Over 80 feet	\$200.00

Regular Use Permit Fees

(for vessels without a boat harbor stall OR stall renters who are not paid current)

Short-term (less than two weeks)	\$.55 per lineal foot per day
Long-term (two weeks and longer)	\$5.50 per lineal foot per month

Miscellaneous Fees

Grid Use	\$15.00 min or \$.50 per ft per tide cycle
Harbor Staff Labor (8-5 Monday-Saturday)	\$40.00 per hour (one hour minimum)
Harbor Staff Labor (After regular hours)	\$80.00 per hour (one hour minimum)
Tie-up Fee	\$20.00 per time plus cost of line (Harbor staff time not included)
Fee to Move a Boat	\$50.00 per time
Waitlist Fee	\$25.00 (first year) and \$10.00 per year thereafter
Seniority Transfer list Fee	\$10.00 per year
Pump Fee	\$20.00 per hour
Portable Electric Generator Fee	\$20.00 per day
Upland Storage Fee	\$.20 per square foot per month
Boat Stand Fee	\$2.50 per month or portion of a month

Hazardous Waste Disposal

Motor Oil	Included in moorage fees
Hydraulic Oil	Included in moorage fees
Diesel	Included in moorage fees
Gasoline	Included in moorage fees
Antifreeze	Included in moorage fees
Oil filters and Oiled Rags	Included in moorage fees
Paint	Included in moorage fees
Hazardous Materials Not Listed From Vessel	Included in moorage fees

Penalties for Violations (see Section 2, Effective Date)

First Violation	\$50.00
Second Violation	\$100.00
Third Violation And Any there After	\$150.00

Permanent Open Moorage Vessels

Long-term vessels with no permanent stall that meet the conditions outlined in HBC 16.16.105(A) shall qualify for rates equal to the regular moorage rate for their size vessel (see #14 - *Annual Moorage Rates*). If the conditions are not met, transient rates apply (see #1 – *Transient Boat Moorage Fees*).

Permanent stall renters that have a second commercial vessel and meet the conditions outlined in HBC 16.16.105(A) shall qualify for rates equal to the regular moorage rate for their size vessel (see #14 - *Annual Moorage Rates*) provided the permanent stall fee is paid. If the conditions are not met, transient rates apply (see #1 – *Transient Boat Moorage Fees*), and from April 1st through September 30th these vessels shall be charged the long-term transient moorage rate.

Annual Moorage Rates

Length (feet)	10/1/15 to 9/30/16 (\$22/ft up to 40 ft; \$28/ft over 40 ft)	10/1/16 to 9/30/17 (\$23/ft up to 40 ft; \$29/ft over 40 ft)	10/1/17 to 9/30/18 (\$24/ft up to 40 ft; \$30/ft over 40 ft)	10/1/18 to 9/30/19 (\$25/ft up to 40 ft; \$31/ft over 40 ft)	10/1/19 to 9/30/20 (\$26/ft up to 40 ft; \$32/ft over 40 ft)
up to 25	\$550	\$575	\$600	\$625	\$650

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Length (feet)	10/1/15 to 9/30/16 (\$22/ft up to 40 ft; \$28/ft over 40 ft)	10/1/16 to 9/30/17 (\$23/ft up to 40 ft; \$29/ft over 40 ft)	10/1/17 to 9/30/18 (\$24/ft up to 40 ft; \$30/ft over 40 ft)	10/1/18 to 9/30/19 (\$25/ft up to 40 ft; \$31/ft over 40 ft)	10/1/19 to 9/30/20 (\$26/ft up to 40 ft; \$32/ft over 40 ft)
26	\$572	\$598	\$624	\$650	\$676
27	\$594	\$621	\$648	\$675	\$702
28	\$616	\$644	\$672	\$700	\$728
29	\$638	\$667	\$696	\$725	\$754
30	\$660	\$690	\$720	\$750	\$780
31	\$682	\$713	\$744	\$775	\$806
32	\$704	\$736	\$768	\$800	\$832
33	\$726	\$759	\$792	\$825	\$858
34	\$748	\$782	\$816	\$850	\$884
35	\$770	\$805	\$840	\$875	\$910
36	\$792	\$825	\$864	\$900	\$936
37	\$814	\$851	\$888	\$925	\$962
38	\$836	\$874	\$912	\$950	\$988
39	\$858	\$897	\$936	\$975	\$1014
40	\$880	\$920	\$960	\$1000	\$1040
41	\$1148	\$1189	\$1230	\$1271	\$1312
42	\$1176	\$1218	\$1260	\$1302	\$1344
43	\$1204	\$1247	\$1290	\$1333	\$1376
44	\$1232	\$1276	\$1320	\$1364	\$1408
45	\$1260	\$1305	\$1350	\$1395	\$1440
46	\$1288	\$1334	\$1380	\$1426	\$1472
47	\$1316	\$1363	\$1410	\$1457	\$1504
48	\$1344	\$1392	\$1440	\$1488	\$1536
49	\$1372	\$1421	\$1470	\$1519	\$1568
50	\$1400	\$1450	\$1500	\$1550	\$1600
51	\$1428	\$1479	\$1530	\$1581	\$1632
52	\$1456	\$1508	\$1560	\$1612	\$1664
53	\$1484	\$1537	\$1590	\$1643	\$1696
54	\$1512	\$1566	\$1620	\$1674	\$1728
55	\$1540	\$1595	\$1650	\$1705	\$1760
56	\$1568	\$1624	\$1680	\$1736	\$1792
57	\$1696	\$1653	\$1710	\$1767	\$1825
58	\$1624	\$1682	\$1740	\$1798	\$1856
59	\$1652	\$1711	\$1770	\$1829	\$1888
60	\$1680	\$1740	\$1800	\$1860	\$1920
61	\$1708	\$1769	\$1830	\$1891	\$1952
62	\$1736	\$1798	\$1860	\$1922	\$1984
63	\$1764	\$1827	\$1890	\$1953	\$2016
64	\$1792	\$1856	\$1920	\$1984	\$2048

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Length (feet)	10/1/15 to 9/30/16 (\$22/ft up to 40 ft; \$28/ft over 40 ft)	10/1/16 to 9/30/17 (\$23/ft up to 40 ft; \$29/ft over 40 ft)	10/1/17 to 9/30/18 (\$24/ft up to 40 ft; \$30/ft over 40 ft)	10/1/18 to 9/30/19 (\$25/ft up to 40 ft; \$31/ft over 40 ft)	10/1/19 to 9/30/20 (\$26/ft up to 40 ft; \$32/ft over 40 ft)
65	\$1820	\$1885	\$1950	\$2015	\$2080
66	\$1848	\$1914	\$1980	\$2046	\$2112
67	\$1876	\$1943	\$2010	\$2077	\$2144
68	\$1904	\$1972	\$2040	\$2108	\$2244
69	\$1932	\$2001	\$2070	\$2139	\$2208
70	\$1960	\$2030	\$2100	\$2170	\$2224
71	\$1988	\$2059	\$2130	\$2201	\$2272
72	\$2016	\$2088	\$2160	\$2232	\$2304
73	\$2044	\$2117	\$2190	\$2263	\$2336
74	\$2072	\$2146	\$2220	\$2294	\$2368
75	\$2100	\$2175	\$2250	\$2325	\$2400
76	\$2128	\$2204	\$2280	\$2356	\$2432
77	\$2156	\$2233	\$2310	\$2387	\$2464
78	\$2184	\$2262	\$2340	\$2418	\$2496
79	\$2212	\$2291	\$2370	\$2449	\$2528
80	\$2240	\$2320	\$2400	\$2480	\$2560
81	\$2268	\$2349	\$2430	\$2511	\$2592
82	\$2296	\$2378	\$2460	\$2542	\$2624
83	\$2324	\$2407	\$2490	\$2573	\$2656
84	\$2352	\$2436	\$2520	\$2604	\$2688
85	\$2380	\$2465	\$2550	\$2635	\$2720
86	\$2408	\$2494	\$2580	\$2666	\$2752
87	\$2436	\$2523	\$2610	\$2697	\$2784
88	\$2464	\$2552	\$2640	\$2728	\$2816
89	\$2492	\$2581	\$2670	\$2759	\$2848
90	\$2520	\$2610	\$2700	\$2790	\$2880
91	\$2548	\$2639	\$2730	\$2821	\$2912
92	\$2576	\$2668	\$2760	\$2852	\$2944
93	\$2604	\$2697	\$2790	\$2883	\$2976
94	\$2632	\$2726	\$2820	\$2914	\$3008
95	\$2660	\$2755	\$2850	\$2945	\$3040
96	\$2688	\$2784	\$2880	\$2976	\$3072
97	\$2716	\$2813	\$2910	\$3007	\$3104
98	\$2744	\$2842	\$2940	\$3038	\$3136
99	\$2772	\$2871	\$2970	\$3069	\$3168
100	\$2800	\$2900	\$3000	\$3100	\$3200

Haines Borough
Ordinance No. 16-06-436
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ADOPTED BY A DULY CONSTITUTED QUORUM OF THE HAINES BOROUGH ASSEMBLY THIS
____ DAY OF _____, 2016.

Janice Hill, Mayor

ATTEST:

Julie Cozzi, MMC, Borough Clerk

Date Introduced:	05/24/16
Date of First Public Hearing:	06/14/16
Date of Second Public Hearing:	06/28/16



Haines Borough
BOROUGH ASSEMBLY
ACTION REQUEST

DATE: 4-07-16

TO: Borough Assembly

FROM: Haines Borough Ports and Harbor Advisory Committee

BOARD ACTION: MOTION...TO AMEND BOROUGH ASSEMBLY APPROVED FEE SCHEDULE. 2ND, 3RD, 4TH LAUNCH RAMP PERMITS TO BE CHARGED AT \$30.00 EACH. ANY ADDITIONAL PERMITS WILL BE CHARGED AT \$60.00. 1ST NORMAN HUGHES, 2ND TERRY PARDEE. PASSED 5-0

RATIONALE: A HARBOR USER ASKED FOR RELIEF FROM \$60 PER TRAILER ANNUAL FEE. THIS HARBOR USER HAS 2 TRAILERS. AFTER DISCUSSION, THE HARBORMASTER MADE A SUGGESTION, WHICH IS REFLECTED IN THE MOTION.

BOARD REQUEST: AMEND FEE SCHEDULE TO ALLOW REDUCED FEE FOR 2ND, 3RD, 4TH TRAILER PERMITS.

SUBMITTED B: Norman Hughes, Chair, HBPHAC



Haines Borough
Assembly Agenda Bill

Agenda Bill No.: 16-652Assembly Meeting Date: 6/28/16

Business Item Description:	Attachments:
Subject: Establish a Code Review Commission	1. Ordinance 16-05-435 2. SUBSTITUTE Ordinance Proposed by Borough Attorney and Staff 3. Attorney Comments & Suggested Amendments 4. Memo from D.Vogt with proposed initial draft ordinance language to establish a committee
Originator: Minor Offenses Ad Hoc Committee	
Originating Department:	
Date Submitted: 5/2/16 Committee (and 4/26/16 by Jackson motion)	

Full Title/Motion:

Motion: Adopt Ordinance 16-05-435.

There are two postponed motions currently on the table (see summary statement below) that must be dealt with prior to making a motion to adopt the ordinance.

Administrative Recommendation:**Fiscal Impact:**

Expenditure Required	Amount Budgeted	Appropriation Required	Projected Impact to Future Operating Budgets
\$	\$	\$	

Comprehensive Plan Consistency Review:

Comp Plan Goals/Objectives:

Consistent: Yes No**Summary Statement:**

On 5/10/16, the assembly passed a motion to introduce on 5/24/16 a draft ordinance creating a code review committee, as recommended by the MO Committee. Staff prepared a draft ordinance, and the manager referred it to the attorney for review. Based on the attorney's suggestions, staff prepared a substitute ordinance. On 6/14/16, the assembly postponed the following motions to this meeting, so they are currently on the table for discussion following the 2nd hearing: Motion: "Amend Ordinance 16-05-435 by substituting it in its entirety with the substitute ordinance proposed by the borough attorney and staff."

Amendment Motion: "Amend the substitute ordinance, as follow:

1. Replace the word commission with the word committee everywhere it appears in the ordinance,
2. Strike subsection 2.51.040(B) in its entirety, and
3. Strike the phrase "local attorneys" from subsection 2.51.040(A) #3."

Referral:

Referred to:

Referral Date:

Recommendation: Recommended by Minor Offenses Committee

Meeting Date:

Assembly Action:

Meeting Date(s): 4/26, 5/10, 5/24, 6/14, 6/28/16

Public Hearing Date(s): 6/14, 6/28/16

Postponed to Date:

An Ordinance of the Haines Borough amending Haines Borough Code Title 2 to add a new Chapter 2.51 establishing a Code Review Commission.

BE IT ENACTED BY THE HAINES BOROUGH ASSEMBLY:

Section 1. Classification. This ordinance is of a general and permanent nature and the adopted amendment shall become a part of the Haines Borough Code.

Section 2. Severability. If any provision of this ordinance or any application thereof to any person or circumstance is held to be invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

Section 3. Effective Date. This ordinance is effective upon adoption.

Section 4. Purpose. This ordinance adopts Chapter 2.51 creating a Code Review Commission for the purpose of reviewing and recommending changes to the Haines Borough Code to:

- Achieve common goals, to support individual rights, to form a more responsive government, and to secure maximum control of local affairs;
- Retain control over the affairs of government; and
- Enjoy life without unnecessarily restrictive or arbitrary laws or regulations.

**Chapter 2.51
CODE REVIEW COMMISSION**

Sections:

- 2.51.010 Composition.
- 2.51.020 Organization and meetings.
- 2.51.030 Vacancies – Filling vacancies.
- 2.51.040 Duties and responsibilities.

2.51.010 Composition.

The code review commission shall serve as advisory to the borough assembly and shall consist of seven members who shall serve staggered terms of three years. Commission members shall not receive compensation for services rendered.

2.51.020 Organization and meetings.

A. The commission shall elect a chairperson, a vice-chairperson, and a secretary who shall hold their offices for one year but may be re-elected to the same or other positions.

B. The commission shall initially operate under the provisions of Robert's Rules of Order but may develop bylaws to reflect unique characteristics of their purpose.

C. Commission meetings shall be held as often as necessary and if a quorum so desires. A quorum shall be determined as provided by HBC 2.60.100.

D. The commission may hold public hearings.

E. The commission may establish one or more subcommittees to assist it in the performance of its duties.

F. Meeting notifications and minutes shall be according to the provisions of HBC 2.60. Subject to availability, a borough employee will be assigned to attend commission meetings for the purpose of recording minutes.

G. Subject to appropriation for the purpose, the commission may request the assembly to contract with other persons for the performance of necessary services.

2.51.030 Vacancies – Filling vacancies.

A member's position on the commission shall be deemed vacated if the member fails to attend three consecutive meetings without being excused by the commission. All appointments to the commission shall be made according to the provisions of HBC 2.60.055.

2.51.040 Duties and responsibilities.

A. The code review commission shall:

1. Examine Haines Borough Code, Alaska Statutes and judicial decisions to discover defects, anachronisms, inconsistencies and redundancies in the code.

2. Review and consider proposed changes in the code recommended by the Alaska Municipal League, model municipal codes, the National League of Cities, and principal departments, agencies, boards, and commissions of the Haines Borough.

3. Receive and consider suggestions from local attorneys, the district court, public officials, organizations, and individuals as to areas of code needing review and possible remedy.

4. Recommend changes in code needed to eliminate antiquated, overly-complicated, unnecessary and inadequate provisions and to bring the code into harmony with current needs and conditions, consistent with principles outlined in the Haines Borough Charter.

5. Submit its reports and recommendations, and draft ordinances as to revision of code, to the assembly. Each draft submitted by the commission shall be accompanied by a sectional analysis. The commission shall prepare the sectional analysis using language that is understandable to a layman.

6. With borough manager approval, the commission may request from borough staff the information and documents the commission considers necessary to the accomplishment of its work.

B. If the commission considers it necessary to seek funds to meet expenses, the commission shall make a formal request to the assembly. Funds appropriated to the commission are to be disbursed and accounted for under procedures established by the Haines Borough.

ADOPTED BY A DULY CONSTITUTED QUORUM OF THE HAINES BOROUGH ASSEMBLY THIS _____ DAY OF _____, 2016.

ATTEST:

Janice Hill, Mayor

Julie Cozzi, MMC, Borough Clerk

Date Introduced: 05/24/16
Date of First Public Hearing: 06/14/16
Date of Second Public Hearing: 06/28/16

An Ordinance of the Haines Borough amending Haines Borough Code Title 2 to add a new Chapter 2.51 establishing a Code Review Commission.

BE IT ENACTED BY THE HAINES BOROUGH ASSEMBLY:

Section 1. Classification. This ordinance is of a general and permanent nature and the adopted amendment shall become a part of the Haines Borough Code.

Section 2. Severability. If any provision of this ordinance or any application thereof to any person or circumstance is held to be invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

Section 3. Effective Date. This ordinance is effective upon adoption.

Section 4. Purpose. This ordinance adopts Chapter 2.51 creating a Code Review Commission for the purpose of reviewing and recommending changes to the Haines Borough Code to:

- Achieve common goals, to support individual rights, to form a more responsive government, and to secure maximum control of local affairs;
- Retain control over the affairs of government; and
- Enjoy life without unnecessarily restrictive or arbitrary laws or regulations.

**Chapter 2.51
CODE REVIEW COMMISSION**

Sections:

- 2.51.010 Composition.
- 2.51.020 Organization and meetings.
- 2.51.030 Vacancies – Filling vacancies.
- 2.51.040 Duties and responsibilities.

2.51.010 Composition.

The code review commission shall serve as advisory to the borough assembly and shall consist of seven members, each a resident of the borough as defined in HBC 2.60.020, who shall serve staggered terms of three years. Commission members shall not receive compensation for services rendered.

2.51.020 Organization and meetings.

A. The commission shall elect a chairperson, a vice-chairperson, and a secretary who shall hold their offices for one year but may be re-elected to the same or other positions.

~~B. The commission shall initially operate under the provisions of Robert's Rules of Order but may develop bylaws to reflect unique characteristics of their purpose.~~

~~B.~~ Commission meetings shall be held as often as necessary and if a quorum so desires. A quorum shall be determined as provided by HBC 2.60.100.

~~C.~~ The commission may hold public hearings.

~~D.~~ The commission may establish one or more subcommittees to assist it in the performance of its duties.

F. Meeting notifications and minutes shall be according to the provisions of HBC 2.60. Subject to availability, a borough employee will be assigned to attend commission meetings for the purpose of recording minutes.

G. Subject to appropriation for the purpose, the commission may request the assembly to contract with other persons for the performance of necessary services.

2.51.030 Appointments and vacancies — ~~Filling vacancies.~~

~~A member's position on the commission shall be deemed vacated if the member fails to attend three consecutive meetings without being excused by the commission.~~ All appointments to the commission shall be made according to the provisions of HBC 2.60.030055. **The office of a commission member shall become vacant according to the provisions of HBC 2.60.050. Vacancies shall be filled according to the provisions of HBC 2.60.055.**

2.51.040 Duties and responsibilities.

A. The code review commission shall:

1. Examine Haines Borough Code, Alaska Statutes and judicial decisions to discover defects, anachronisms, inconsistencies and redundancies in the code.

2. Review and consider proposed changes in the code recommended by ~~the Alaska Municipal League~~, model municipal codes, the National League of Cities, **the publisher of the borough code**, and principal departments, agencies, boards, and commissions of the Haines Borough.

3. Receive and consider suggestions from local attorneys, the district court, public officials, organizations, and individuals as to areas of code needing review and possible remedy.

4. Recommend changes in code needed to eliminate antiquated, overly-complicated, unnecessary and inadequate provisions and to bring the code into harmony with current needs and conditions, consistent with principles outlined in the Haines Borough Charter.

5. Submit its reports and recommendations, and draft ordinances as to revision of code, to the assembly **and the borough manager**. Each draft submitted by the commission shall **may** be accompanied by a sectional analysis. The commission shall prepare ~~the~~ **any** sectional analysis using language that is understandable to a layman.

6. With borough manager approval, the commission may request from borough staff the information and documents the commission considers necessary to the accomplishment of its work.

B. If the commission considers it necessary to seek funds to meet expenses, the commission shall make a formal request to the assembly. Funds appropriated to the commission are to be disbursed and accounted for under procedures established by the Haines Borough.

ADOPTED BY A DULY CONSTITUTED QUORUM OF THE HAINES BOROUGH ASSEMBLY THIS _____ DAY OF _____, 2016.

ATTEST:

Janice Hill, Mayor

Julie Cozzi, MMC, Borough Clerk

Date Introduced: 05/24/16
Date of First Public Hearing: 06/14/16
Date of Second Public Hearing: 06/28/16

HAINES BOROUGH, ALASKA **Draft**
ORDINANCE No. 16-05-435

An Ordinance of the Haines Borough amending Haines Borough Code Title 2 to add a new Chapter 2.51 establishing a Code Review Commission.

BE IT ENACTED BY THE HAINES BOROUGH ASSEMBLY:

Section 1. Classification. This ordinance is of a general and permanent nature and the adopted amendment shall become a part of the Haines Borough Code.

Section 2. Severability. If any provision of this ordinance or any application thereof to any person or circumstance is held to be invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

Section 3. Effective Date. This ordinance is effective upon adoption.

Section 4. Purpose. This ordinance adopts Chapter 2.51 creating a Code Revision Commission for the purpose of reviewing and recommending changes to the Haines Borough Code to:

- Achieve common goals, to support individual rights, to form a more responsive government, and to secure maximum control of local affairs;
- Retain control over the affairs of government; and
- Enjoy life without unnecessarily restrictive or arbitrary laws or regulations.

**Chapter 2.51
CODE REVISION COMMISSION**

Sections:

- 2.50.010 Composition.
- 2.50.020 Organization and meetings.
- 2.50.030 Vacancies – Filling vacancies.
- 2.50.040 Duties and responsibilities.

2.51.010 Composition.

The code revision commission shall serve as advisory to the borough assembly and shall consist of seven members each a resident of the borough as defined in HBC 2.60.020 who shall serve staggered terms of three years. Commission members shall not receive compensation for services rendered.

Comment [B1]: This differs from the 1 year default of HBC 2.60.030.

2.50.020 Organization and meetings.

A. The commission shall elect a chairperson, a vice-chairperson, and a secretary who shall hold their offices for one year but may be re-elected to the same or other positions.

~~B. The commission shall initially operate under the provisions of Robert's Rules of Order but may develop bylaws to reflect unique characteristics of their purpose.~~

Comment [B2]: This is not necessary. HBC 2.60.080 already provides for a commission to develop it's own rules and sets Robert's Rules as the default.

C. Commission meetings shall be held as often as necessary and if a quorum so desires. A quorum shall be determined as provided by HBC 2.60.100.

D. The commission may hold public hearings.

E. The commission may establish one or more subcommittees to assist it in the performance of its duties.

Amendments
Recommended by the
Borough Attorney

F. Meeting notifications and minutes shall be according to the provisions of HBC 2.60. Subject to availability, a borough employee will be assigned to attend commission meetings for the purpose of recording minutes.

G. Subject to appropriation for the purpose, the commission may request the assembly to contract with other persons for the performance of necessary services.

2.50.030 Appointments and Vacancies—Filling vacancies.

~~A member's position on the commission shall be deemed vacated if the member fails to attend three consecutive meetings without being excused by the commission.~~ All appointments to the commission shall be made according to the provisions of HBC 2.60.03055, however member terms shall be three (3) years commencing on _____ of the year of appointment. ~~The office of a commission member shall become vacant according to the provisions of HBC 2.60.050. Vacancies shall be filled according to the provisions of HBC 2.60.055.~~

2.50.040 Duties and responsibilities.

A. The code revision commission shall:

1. Examine Haines Borough Code, Alaska Statutes and judicial decisions to discover defects, anachronisms, inconsistencies and redundancies in the code.

2. Review and consider proposed changes in the code recommended by ~~the Alaska Municipal League~~, model municipal codes, the National League of Cities, ~~the publisher of the Borough Code~~ and principal departments, agencies, boards, and commissions of the Haines Borough.

3. Receive and consider suggestions from local attorneys, the district court, public officials, organizations, and individuals as to areas of code needing review and possible remedy.

4. Recommend changes in code needed to eliminate antiquated, overly-complicated, unnecessary and inadequate provisions and to bring the code into harmony with current needs and conditions, consistent with principles outlined in the Haines Borough Charter.

5. Submit ~~its~~ reports and recommendations, and draft ordinances as to revision of code, to the assembly ~~and the Borough Manager~~. Each draft submitted by the commission ~~may shall~~ be accompanied by a sectional analysis. The commission shall prepare ~~any the~~ sectional analysis using language that is understandable to a layman.

6. With borough manager approval, the commission may request from borough staff the information and documents the commission considers necessary to the accomplishment of its work.

B. If the commission considers it necessary to seek funds to meet expenses, the commission shall make a formal request to the assembly. Funds appropriated to the commission are to be disbursed and accounted for under procedures established by the Haines Borough.

ADOPTED BY A DULY CONSTITUTED QUORUM OF THE HAINES BOROUGH ASSEMBLY THIS _____ DAY OF _____, 2016.

ATTEST:

Janice Hill, Mayor

Julie Cozzi, MMC, Borough Clerk

Date Introduced:

05/24/16

Comment [B3]: AML does not get involved in recommending changes to municipal codes.

Comment [B4]: Most Code publishing companies will (for a fee) provide a comprehensive review of a local code. If that was done in the future it would be logical to have any recommendations reviewed by this Commission.

Comment [B5]: This is just a suggestion. It is not required by HBC 2.32.020. But when creating a permanent commission in the code one should anticipate the possibility there may not always be members on the commission with background in drafting ordinances even if they are retired or active lawyers. The Manager could make the call on whether the draft should be reviewed by the Borough Attorney before the ordinance is considered in an Assembly work session/COW.

Comment [B6]: Again just a suggestion for more flexibility. Not all ordinances require a "sectional analysis" (changing a current deadline for example is self-explanatory). And this can be a lot of work to ask volunteers to accomplish.

May 2, 2016

Madam Mayor, Members of the Assembly

Attached is language for an ordinance that would establish a Code Revision Commission for the Haines Borough. I served on the ad hoc Minor Offenses Ordinance committee, and it was the unanimous recommendation of that committee that the Assembly create, and the Mayor appoint, such a committee.

The need for such a review became apparent in a number of ways during our work. First and most apparent was the staggering list of more than 250 offenses that a Haines citizen can commit under our code. Most of us believed that this list can and should be pared down. Next is the perplexing question of whether it is better to -- for example -- incorporate state traffic code into ours by reference; draft our own traffic code; or just let the state law be the only law. At other times we honestly could not agree what a particular provision meant. And in places, the code seems unnecessarily complex and poorly worded.

The goal of such a committee should be to make the Haines Borough Code serve the particular needs of our community. The Code should be accessible, clear, consistent and simple. There are many resources available to assist a committee in meeting those goals.

Thank you.

Deborah Vogt

Code Revision Commission

HAINES BOROUGH CODE REVISION COMMISSION.

- (a) The Haines Borough Code Revision Commission is established as a permanent commission of the Haines Borough Assembly.
- (b) The Code Revision Commission shall consist of seven members appointed by the mayor, with the approval of the assembly, to three-year staggered terms.
- (c) The commission shall:
- (1) examine the Haines Borough Code, Alaska Statutes and judicial decisions to discover defects, anachronisms, inconsistencies and redundancies in the code;
 - (2) review and consider proposed changes in the code recommended by the Alaska Municipal League, model municipal codes, the National League of Cities, and principal departments, agencies, boards, and commissions of the Haines Borough;
 - (3) receive and consider suggestions from local attorneys, the district court, public officials, organizations, and individuals as to areas of code needing review and remedy;
 - (4) recommend changes in code needed to eliminate antiquated, overly complicated, unnecessary and inadequate provisions and to bring the code into harmony with current needs and conditions, consistent with principles outlined in our charter to
 - i. achieve common goals, to support individual rights, to form a more responsive government, and to secure maximum control of our own local affairs;
 - ii. retain control over the affairs of our government;
 - iii. enjoy life without unnecessarily restrictive or arbitrary laws or regulations.
- (d) The commission may:
- (1) hold public hearings and other meetings as necessary and shall determine an appropriate quorum for conducting business;
 - (2) establish one or more subcommittees to assist it in the performance of its duties.
- (e) The Borough Clerk serves as staff for the commission. Subject to appropriation for the purpose, the commission may request the assembly to contract with other persons for the performance of necessary services.
- (f) The commission shall submit its reports and recommendations, and draft ordinances as to revision of code, to the assembly. Each draft submitted by the commission shall be accompanied by a sectional analysis. The commission shall prepare the sectional analysis using language that is understandable to a layman.
- (g) All branches of Haines Borough government shall provide information and documents requested by the commission necessary to the accomplishment of its work.
- (h) The commission shall make a formal request to the assembly for funds it considers necessary to meet the expenses of the commission. Funds appropriated to the commission are to be disbursed and accounted for under procedures required by the Haines Borough. The commission chairman shall approve all expenditure documents.



Report

from the
Borough Manager

Date: 6/28/16
 To: Mayor and Borough Assembly
 From: William E. Seward, Borough Manager
 Re: **Manager's Report**

ROADS

- Porcupine Road, a through way for industrial mining operations, has become waterlogged due to glacial melt. The borough is currently monitoring this road. A public notice will be released to notify those affected that this subject to short notice closure should it be deemed unsafe. Measures to mitigate the erosion are currently being reviewed.

TOURISM

- To support the rights of buskers to express themselves in an artistic manner, a busking policy was promulgated on June 23, 2016, to encourage activities that contribute to the culture and life of the community and provide opportunities for artists to be heard through public performance.

FIRE/EMS

- EMT/FF position advertised on 6/17/16.
- FD Borough Event support-EMS crew volunteers.
- Beer Festival supported 3 EMT's.
- Bike Race supported with Medic 2 Ambulance and 3 EMT's.
- July 2 Fire Department BBQ.
- Total Volunteer Service Hours 2016: 2346.

HARBOR

- PC dock is busy this week with three cruise ships.
- Commercial vessels are filtering back into the harbor from their first opener.
- The Harbor Master is currently developing a plan to deliver a new gangway landing float for Excursion Inlet.
- Next PHAC meeting is 30 June at 10:30 am.
- Harbor expansion town hall meeting 29June at 18:30.

LANDS

- Priority for assessor to date is annual report due to the Office of the State Assessor July 1.

WATER/SEWER

- For 5 days well water was supplementing lily lake water to help keep water tanks full, this is due to Piedad off line for construction and tower road tank is off line for roof replacement. Piedad is expected to come back online by 15 July 2016.
- Cleaning and inspecting filters at the water plant and adding anthracite to each filter as needed.
- Water samples sent out, TTHM, HAA5, 3 Bacti's.
- Cutting brush around tanks, well field and pump stations.
- Jetting beach road sewer each week.
- Two loads of sludge transferred to refuse.
- In the process of making repairs to clarifier sweep arm.
- Cutting brush around plant and pump stations.

Library

- The Summer Reading Kick-off on May 27th was a huge success with over 150 people in attendance. Participants were treated to dancing by the Gei San dancers, puppet shows, music, stories, and food. Thanks to Holly Davis and the many volunteers that made this a successful event. The Summer Reading program continues to August 3 when it concludes with a Program Finale.
- OWL (online with libraries), state-wide technology funding for library internet and videoconferencing, was restored at \$761,800 in the Conference Committee Substitute for House Bill 256 during the 4th Special Session of the 29th Alaska State Legislature. HB 256 is waiting to be delivered to the Governor for his signature. On June 19, the Governor called a Special 5th Session to commence in Juneau on July 11. At this point, the State of Alaska does not have a signed budget to take effect on July 1, 2016. Consequently, to maintain library internet, the State Library has offered us an OWL internet grant award for FY17 in the amount of \$6,272. The Friends of the Library have agreed to pay the remaining balance.
- With budget cuts to the State Library, there are a few sponsored databases due to be cut. One of these was Mango languages, a popular language learning resource for Haines library users. I am happy to announce that the Alaska Library Network was able to negotiate a group buy-in with Mango Languages so we will be able to continue this service at a 40% discounted rate. Again, the Friends of the Library have agreed to pay the annual subscription fee.
- The library will be closed on Sunday, June 26th for our annual volunteer “thank-you” picnic.

Haines Sheldon Museum

Director's Report: May 2016

May Visitor count: 1091 people (176 fewer than last year – fewer ships and no May camps)

May Volunteer hours: 198 hours (24 people)

Adult Programs: 272

Collections Cataloged: 24 # Collections Updated: 4,834

Research Requests: 7 (*Canneries, Chilkat Mission, Haines House, Princess Sophia, Fort Seward, Tlingit Jewelry, Grizzly Bear Clan, Judson Brown, Louis Shotridge*)

May Cash Deposits: \$28,609.07 (\$25,000 grant included)

May Sales (Admissions and Store): \$5,007.59 (446 transactions)

Finances

Compared to this time last year, we are significantly down in earned income. Our store revenues for May this year were half that of last year, a trend that has been consistent since the start of the fiscal year. The good news is that our cost of goods for the store is also significantly reduced, so our earned income from the store is only down by about \$1000.

Our admissions income is 20%, or \$4,500, less than this time last year. Our visitor numbers have been increasing, primarily in local visitors who do not pay to enter the museum. Our non-local visitors have been flat-lined or decreasing, depending on the month.

Our fundraising, since we did not do a winter fundraiser, is 36%, or \$5,333 less than last year at this time.

We have raised \$40,000 more in grants than last year for a total of \$98,000. \$14,415 of that money is designated for personnel costs. At the moment, it looks like we will owe the borough about \$24,500 by the end of June. (Remember, we budgeted to increase Andrea's time and not cut other staff hours this year and pay the difference.) More than one of our grant projects came in under budget and, unless we can negotiate something with the funders, we may have to return a portion of those grants, estimated at about \$11,600.

As we head into 2017, we must revise how we approach our revenue stream. Obviously, the store is not going to be as significant a contributor. The borough allocations have been relatively flat for many years. Board and community donations are down, except for the significant contribution by Lucy Harrell, which saved us this year. In order to run a vibrant museum that is an asset to the community both for quality of life and economic generation, we need to shift our funding paradigm. The museum needs at least 3.5 full time equivalent professional staff positions, with 4.0 being more realistic to avoid staff burn out.

1. We need to be put into wills and estate planning. This has not been done for nearly a decade, severely eroding what was an important funding source. That we were not featured in Henderson's estate, when he had worked so closely with the museum, shows our deficits in this area.
2. We need to significantly increase our endowment so earned revenue from the endowment can supplement operating costs in two years. At this time, it is projected to bring in about \$6,000 annually once it kicks in.
3. We need to raise money from businesses through sponsorships. We have not had sponsors for exhibits or lecture series, which would be a logical place to start. Also, we must increase sponsorships for the Totem Trot in August.

4. We need to ask the borough for a \$25,000 increase to cover staff salaries.
5. We may need to consider charging local residents a small amount. (This is not recommended, if we can avoid it.)
6. Every board member must commit to raising or donating at least \$1,000 every year.
7. We must get on tours next year. With no tours coming into the museum, we have significantly reduced revenues from other area attractions. We have one to two museum staff at the cruise ship dock every ship day, but walk-ins will never be able to bring in enough money. We actually see a bigger increase in walk-ins due to rain than to our presence at the dock. However, at this point, every little bit helps. Our staff at the dock have increased walk-ins by 20 to 50 people on a ship day. However, this takes a lot of effort, removes staff from the museum on the busiest day, and would not be required at all if we had tours coming to the museum.
8. Finally, we can consider raising our entrance fee.

We have an amazing museum and archives with internationally significant collections, as confirmed by the number of funders who have consistently been impressed by our holdings. We hold the stories and images of our community, a valuable and irreplaceable commodity that is regularly mined by local businesses, artists, clans, government, writers, students, and educators. Without us, there would be no Haines Library storyboard, no historic mural being done on Main Street and no Fort Seward historic signs. Our photographs decorate the Pilot Light Restaurant and the SEARHC waiting room. Over 1000 Haines children attended programs in the museum last year. 2,600 Haines residents attended special programming. Another 2,100 Haines residents visited the museum outside of programming. We are a significant part of the quality of life and education of our community. It is time for us to celebrate that and raise money to ensure the museum's continuance into the future.

Education, Public Programs, Events and Staff Training

- May 2-3, 2016: Nancy Nash recitals. Attended by 138
- May 4-13, 2016: Fortnight of Learning (lectures every evening)
 - Tuesday May 4th: Marlena Saupe. Attended by 29
 - Wednesday May 5th: Shannon Donahue. Attended by 29
 - Thursday May 6th: Joan Snyder. Attended by 21
 - Friday May 7th: First Friday: 100th Anniversary of the Chisel Building. Attended by 8
 - Monday May 9th: Paul Swift. Attended by 27
 - Tuesday May 10th: Brian Elliott. Attended by 26
 - Wednesday May 11th: Mario Benassi. Attended by 17
 - Thursday May 12th: Pam Randles. Attended by 22
 - Friday May 13th: Dan Henry, Haines 50 & Children's Art Opening. Attended by 93
- May 7: Gil Smith: Legacies of Landscape closed.
- May 13 – June 11, 2016: Student Art show
- May 13 – October 31, 2016: The Haines 50: Objects of our History – in the former museum store space

Marketing

- **Event Promotion:**
 - Designed and submitted ad for What's Up Yukon
 - Updated website, main and exhibition pages

- Designed posters for the Museum Pass, Tlingit Tattoo presentation, Haines Student Art Show
- Handed out \$1 off coupons at the dock on cruise ship days (5/18 & 5/25)
- Completed monthly e-newsletter for May events.
- **Three Museum Pass:** The pass has been extremely popular. Still waiting on final numbers for May.

Administration:

- **990 Tax Report:** Gregg Richmond filed our 990 report.
- Paid **Sales tax** of \$10.16 for month of April.
- Painted front entryway
- **Volunteers:** Trained new volunteers, organized a work schedule, and set up a volunteer station in the exhibit gallery.
- **Bank Reconciliations:** John Carlson came in and reconciled all bank statements so we are now caught up.

Fundraising:

- **Gaming Permit:** Helen passed test. Application nearly complete. Need to set up a new bank account for gaming activities.
- Received two **Museums Alaska Grants - Acquisitions Fund** of \$25,000 to purchase Wayne Price's Tlingit War Helmet. **Collections Management Grant** to fund the second half of Amy Lowery's six month internship.
- Continued work on **National Historical Publications and Records Commission Grant** to fund an archivist for 18 months. Received feedback from the NHPRC staff on a draft of the grant.
- **Museum Store:** Worked on learning the Square system and solving glitches in data input and output. Continued working on a T-shirt design with Tlingit Ink.
- **Quilt Raffle:** Worked on graphics for quilt raffle

Exhibits:

- **Gil Smith: Legacy of Landscapes** closed on May 7. Paintings were returned to storage and database records were updated.
- **Haines 50: Objects of Our History:** Exhibit opened May 13 as the culmination of the Fortnight of Learning. First two weeks of the month were spent with all staff working on the exhibit – writing, editing, designing, printing, and mounting labels and photographs, mounting artifacts, hanging the large Mosquito Screen, and applying large photographs to the gallery windows.
- **Sixweek Spotlight:** Had final meetings with the artists and Andrea Nelson transferred the project to Madeline Witek.

Collections and Archives

- **Gate valve** from tank farm brought to borough facilities yard for preparation prior to installation on the museum grounds.
- Uploaded and organized recordings of Fortnight of Learning speakers on the Digital Pictures Server

- **Alaska Indian Arts Acquisition**
 - 1,010 different images (with many duplicates) in the first group of photos have been assigned numbers. The next step is to organize the photos on a table in the archives space so that Lee Heinmiller can come to the museum and identify the people, the date, and the project the AIA artists are working on in the photos. We will be record him when he comes and the audio tape will also be accessioned as an oral history. This way all the stories associated with the photos will also be recorded as a part of the collection.
 - Cataloged the tired wolf carving and Carl Heinmiller's portrait.
 - Raven mask written up as a loan object.
 - The next intern will start working on sorting books when she arrives in July. This will be a nice introduction to the AIA collection, which will allow Amy to focus on finishing cataloging the photos.
- Finalized the **Archives Move Project**.
 - Locations were changed for all the books, ledgers, photo albums, newspapers, and magazines cataloged in PastPerfect as well as the objects now in large object storage.
 - Boxes were constructed for fragile books using materials purchased with the Chilkat Valley Foundation grant.
 - Photo cabinets and the photo collection and Ripinski's bookshelf were removed from the old archives space and brought to the new archives space. The bookshelf was stored in the large object storage shelves.
- **KHNS History Talks**, 8:45-9 a.m. every other Tuesday morning: 5/10: Haines 50: #1-4, 5/24: Haines 50: #5-9

Upcoming Activities

- June 12, 2016, 7:30 p.m.: Tlingit Tattoos
- June 13-17, 2016: Summer Camp, grades K-2, H2Oh My!
- June 17, 2016, 5-7 p.m.: Six Week Spotlight: Mud Bay Artists Opening
- June 11-15, 2016: Summer Camp, grades 3-5, Night
- June 18-22, 2016: Summer Camp, preschool
- July 23, 2016: Volunteer Appreciation Luncheon
- August 5, 2016, 5-7 pm: Lyn Fabio's Gutskin Art Opening
- August 12, 2016: Totem Trot Pasta Dinner
- August 13, 2016: Totem Trot Fundraiser



**Haines Borough
Planning Commission Meeting
May 12, 2016
MINUTES**

Approved

1. **CALL TO ORDER/PLEDGE TO THE FLAG** – Chairman **Goldberg** called the meeting to order at 6:30 p.m. in Assembly Chambers and led the pledge to the flag.
2. **ROLL CALL – Present:** Chairman Rob **Goldberg**, and Commissioners Lee **Heinmiller**, Brenda **Josephson**, Larry **Geise**, Don **Turner III**, Heather **Lende** and Rob **Miller** (via telephone).

Staff Present: Kathryn **Friedle**, Administrative Assistant.

Also Present: Diana **Lapham**, Emily **Files**, Jan **Hill**/Mayor, Clay **Good**, Paul **Nelson**, Margaret **Friedenauer**, Burl **Sheldon**, and Brad **Ryan**/Interim Manager.

3. **APPROVAL OF AGENDA**

Motion: **Lende** moved to “approve the agenda.” **Josephson** seconded it. The motion carried unanimously.

4. **APPROVAL OF MINUTES** – April 14, 2016 Regular Meeting Minutes.

Motion: **Lende** moved to “approve the April 14, 2016 minutes,” and **Turner** seconded it. The motion carried unanimously.

5. **PUBLIC COMMENTS—None**

6. **CHAIRMAN’S REPORT**

Goldberg asked Commissioner **Lende** to report on the 4/21/16 meeting with Roger Schnabel, Steve Cunningham and Renee Hoffman regarding the proposed Chilkat Valley Preschool addition to the Senior Center and possible safety concerns with the existing Schnabel property and truck traffic on the neighboring lot on First Street.

7. **STAFF REPORTS**

- A. **Planning & Zoning Staff Report**

Commissioners questioned continued permitting of trailer at golf course due to change in definition of Temporary residences.

8. **PUBLIC HEARINGS**

- A. **Clay Good—Guest House Conditional Use Proposal**

Note: Property owner Clay Good applied for a conditional use permit to build a guest house on his property at 836 Mud Bay Road.

Goldberg opened the public hearing at 6:50 p.m.

Good had no further information to add to his request for a CUP to build a guest house.

Lende questioned possible gravesites on the hillside of **Good’s** property. **Good** reported he had not seen any gravesites, but appreciated being aware of them.

Goldberg closed the public hearing at 6:55 p.m.

Motion: Turner moved to “grant the conditional use permit for the construction of a guest house on Clay Good’s property,” and **Geise** seconded. The motion carried unanimously.

9. UNFINISHED BUSINESS - None

10. NEW BUSINESS

A. Historic District/Building Review—None

B. Haines Borough Code Amendments—None

1. Clarification of Calculating Building Height

The only change the Commissioners made to Ordinance No. 16-03-431 was in the definition of “Grade Plane”, as follows: "Grade Plane" means a reference plane representing the average of finished ground level adjoining the building at exterior walls. Where the finished ground level slopes away from the exterior walls, the reference plane shall be established as the average of the finished ground level measured at the lot line or, where the lot line is more than 6 feet from the building, measured at a point 6 feet from the building. Window wells, stair wells and garage ramps intended solely to provide below-ground access to the structure need not be included in the average when calculating grade plane. Prior to issuance of a land use permit, calculations shall disregard any fill or construction which have no significant purpose other than elevating the grade plane. In reaching such finding, only those architectural, structural, safety, aesthetic, access or other purposes claimed by the developer and supported by reasonable evidence shall be considered.

Josephson suggested reframing the draft ordinance to not directly reference the Borough manager.

Motion: Turner moved to “amend the proposed ordinance by interjecting **Josephson’s** suggested verbiage and submitting it to the Assembly,” and **Josephson** seconded. The motion carried unanimously.

2. Reviewing Process for Capital Improvement Projects

After discussion on how to categorize projects based on dollar amounts of the proposed projects, **Goldberg** tabled the discussion until the June 9th PC meeting at which time he will provide more concise language.

C. Project Updates

D. Other New Business

1. Modular Units in Spruce Grove Park

After discussion, Commissioners determined that modular units are not allowed in a light industrial zoned area. Therefore, no motion was needed and **Goldberg** will inform Leonard **Dubber** of the decision.

2. Rezoning for Parks

Sheldon requested the PC to consider designating the corner of Third Avenue and Main Street as a Haines Borough park. **Josephson** emphasized the need for continued and limited commercial property on Main Street. No

motion was needed, with the decision to make no changes for now, as corner “park” will probably remain undeveloped in the near future. **Goldberg** will research Haines Borough code for “parks” definition and other “park” areas within the borough.

11. COMMISSION COMMENTS

Lende stated concern for parking at the former Salmon Bake buildings on the Fort Seward Parade Grounds, questioning if parking is taxed commercially or if it is public parking due to new ownership. **Heinmiller** confirmed that the leased part, which is only a small area, is taxed commercially.

12. CORRESPONDENCE - None

13. SET MEETING DATES

A. Regular Meeting — **Thursday, June 9, 2016 6:30 p.m.**

14. ADJOURNMENT– 8:55 p.m.

From: [Rob Goldberg](#)
To: [Xi Cui](#); [Julie Cozzi](#)
Subject: Planning Commission June meeting summary
Date: Friday, June 10, 2016 12:00:42 AM

Hi Tracy,

Here is the summary for the June 9 meeting:

8a - 35 Mile Heliport CUP - The commission approved a CUP for the 35 Mile heliport by a vote of 6 to 1. The permit will be reviewed at a public hearing in three years.

10 B 1 - Review process for capital improvement projects - The commission finalized language for a change to Borough Code that will require projects to come to the commission for a public hearing and review at the conceptual design stage.

10 B 2 - Multiple Residences - The commission approved a change to Borough Code that would allow multiple residences on a lot by conditional use in the Light Industrial zone. This change would allow mobile home parks to replace aging trailers with better quality housing built on site.

10 B 3 - Borough Parks - Commissioners Goldberg and Lende will work with Burl Sheldon from the PARC to write a section in Borough Code that defines and regulates activities in our parks.

10 B 4 - Building height - Is the 30' height restriction right for Haines? The commission looked at the regulations in other towns in Alaska and will bring the matter back up for discussion in the fall.

10 D 1 - Parking in Fort Seward - A discussion of parking in Fort Seward occurred, but no action was taken.

10 D 2 - First Avenue Right of Way/ Preschool Plans - The commission discussed the potential for conflict among uses along First Ave. The commission rejected a suggestion that the right of way be vacated. No action was taken. Plans for the new preschool building were reviewed to general approval by the commissioners.

10 D 3 - Wood Chip Boiler for the school - Commissioners discussed a site for the new wood chip boiler for the school. It was decided that vacating a portion of the 5th Avenue right of way and placing the boiler there was not a good idea. The idea of purchasing a portion of the Elks property or the Alascom property was discussed.

Thanks.

Rob

Rob Goldberg and Donna Catotti
Catotti and Goldberg Art Studio
PO Box 1154 Haines, AK 99827 USA
907-766-2707
artstudioalaska.com

HAINES SHELDON MUSEUM
Board of Trustees Meeting
May 10, 2016

Meeting called to order at 3:52 pm.

Members Present: Jim Shook, John Carlson, Gregg Richmond, Tim Ackerman, Kelleen Adams, Helen Alten, Diana Kelm

Visitors: Diana Lapham, Karen Garcia

President Jim Shook called for an Executive Session.

Motion to approve agenda by Gregg Richmond, seconded by Diana Kelm. Unanimous.

Minutes of last meeting: motion by Diana Kelm, seconded by Gregg Richmond. Unanimous.

Diana requested a meeting with candidates.

Staff Reports:

Director discussed change to square in museum store.

New exhibit taking time.

Working on booklet.

Grant to cover Amy's salary.

Gil Smith exhibit successful.

Discussed budget—down \$30,000 from last year.

Need more funding—get more tourists in the door.

Helen proposed buying a new advertising flag to draw attention to the museum.

Jim asked Helen about cash on hand in unrestricted funds. Helen responded, \$30,000 in bank.

Helen asked to approve the budget or not. No motion was made.

The FY 05 wage level for staff brought up by Jim Shook.

Discussion of low wages of staff continued.

We discussed the museum goals regarding staffing, i.e. make Madeline full time; hire no more help.(?)

Group discussed Borough funding in that we must sell the museum to the assembly.

Was a discussion about how the museum has been unable to get tours—we must have ways to get people to get off the bus and into the museum.

Helen requested another vote on her budget projection and due to objections by a board member, it was tabled.

Priorities discussed.

Hold onto staff; strategic plan. And as a result we are planning a retreat to discuss these.

Kelleen proposed to accept the long range plan; Gregg seconded. Unanimous.

Bonus program: good idea or not? Jim will find out.

Get more volunteers.

Work with Chilkoot Indian Association regarding plan materials held at museum for free.

Discussion regarding museum's land at Ft Seward; no decision made.

Next meeting: June 16, 2016, 2 pm.

Director told board she would be gone end of June.

Motion to adjourn by John Carlson; Gregg seconded. Unanimous.

Meeting adjourned 6:15 pm.



**Haines Borough
Assembly Agenda Bill**

Agenda Bill No.: 16-631

Assembly Meeting Date: 6/28/16

Business Item Description:		Attachments:
Subject: Title 18 Revision to Clarify the Method for Calculating Building Height		1. Ordinance 16-03-431 2. Substitute ordinance containing planning commission amendments 3. Planning commission action request 4. May 16 Rob Goldberg email 5. May 16 Rob Miller email
Originator: Planning Commission		
Originating Department:		
Date Submitted: 3/9/16		

Full Title/Motion:
 Motion: Amend the ordinance by substituting it in its entirety with the draft proposed by the planning commission, and then adopt Ordinance 16-03-431.

Administrative Recommendation:

Fiscal Impact:

Expenditure Required	Amount Budgeted	Appropriation Required	Projected Impact to Future Operating Budgets
\$ none	\$ n/a	\$ n/a	n/a

Comprehensive Plan Consistency Review:

Comp Plan Goals/Objectives: Page 60; Goal 5 Page 199	Consistent: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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Summary Statement:

This ordinance is recommended by the planning commission. It calls for adjustments to Title 18 to clarify the method for calculating building height. Currently, the description of how building height is calculated does not match the definition in borough code. The planning commission originally worked on this over three different meetings...12/10/15, 1/14/16, and 2/9/16. It was introduced at the assembly level on 3/29/16. Public hearings were held on 4/12/16 and 4/26/16. During the second hearing, the assembly heard proposals for additional modifications and chose to refer it back to the planning commission for consideration of those suggestions. The ordinance was to return to the assembly when the planning commission was ready with a recommendation, and that is now the case. Staff prepared a substitute ordinance containing the commission's input, and it is recommended the assembly adopt that revised ordinance.

Referral:

Referred to:	Referral Date:
Recommendation:	Meeting Date:

Assembly Action:

Meeting Date(s): 3/29, 4/12, 4/26, 6/28/16	Public Hearing Date(s): 4/12, 4/26/16
	Postponed to Date:

HAINES BOROUGH, ALASKA
ORDINANCE No. 16-03-431

Draft

An Ordinance of the Haines Borough amending Haines Borough Code Section 18.20.020 and Sub-Section 18.80.030(B) to clarify the method of calculating building height.

BE IT ENACTED BY THE HAINES BOROUGH ASSEMBLY:

Section 1. Classification. This ordinance is of a general and permanent nature and the adopted amendment shall become a part of the Haines Borough Code.

Section 2. Severability. If any provision of this ordinance or any application thereof to any person or circumstance is held to be invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

Section 3. Effective Date. This ordinance is effective upon adoption.

Section 4. Amendment of Section 18.20.020 Section 18.20.020 of the Haines Borough Code is hereby amended as follows:

NOTE: **Bolded/UNDERLINED** ITEMS ARE TO BE ADDED.
~~STRIKETHROUGH~~ ITEMS ARE DELETED

18.20.020 Definitions – Regulatory.

The definitions in this section are intended to be specific to this title. Any word or term not defined shall be used with the meaning of common or standard usage as determined by a current edition of Webster’s Unabridged Dictionary. The following words shall have the following meanings for the purpose of this title:

...

“Building” means any structure intended or used for the support, shelter or enclosure of persons, animals, or property of any kind.

“Building height” means the ~~maximum vertical dimension~~ **distance from grade plane to the highest point on** of a building ~~which is measured from a horizontal plane intersecting the mean building grade and measured at the center of each of the four exterior walls,~~ but not including **chimneys**, radio antennas, water towers, church spires, structures or enclosures constructed primarily for mechanical equipment and similar building mechanical features.

...

“Existing use” means a lawful structure, use or uses in existence as of the effective date of this title.

“Exterior Wall” means a wall, bearing or nonbearing, that is used as an enclosing wall for a building.

...

“Grade” means the degree of the slope of the land.

“Grade Plane” means a reference plane representing the average of finished ground level adjoining the building at exterior walls. Where the finished ground level slopes away from the exterior walls, the reference plane shall be established as the average of the finished ground level measured at the lot line or, where the lot line is more than 6

feet from the building, measured at a point 6 feet from the building. Window wells, stairwells and garage ramps intended solely to provide below-ground access to the structure need not be included in the average when calculating grade plane. Calculations shall disregard any fill or construction which the manager finds to have no significant purpose other than elevating the grade plane. In reaching such finding, the manager shall consider only those architectural, structural, safety, aesthetic, access or other purposes claimed by the developer and supported by reasonable evidence.

Section 5. Amendment of Sub-Section 18.80.030(B) Sub-Section 18.80.030(B) of the Haines Borough Code is hereby amended as follows:

NOTE: **Bolded/UNDERLINED** ITEMS ARE TO BE ADDED.
~~STRIKETHROUGH~~ ITEMS ARE DELETED

18.80.030 Setbacks and height.

B. **Building H** height is measured from the average grade **plane** of the footprint of the structure to the highest point on the **building, but not including chimneys, radio antennas, water towers, church spires, structures or enclosures constructed primarily for mechanical equipment and similar building mechanical features** structure, measured at the center of each of the four exterior walls.

ADOPTED BY A DULY CONSTITUTED QUORUM OF THE HAINES BOROUGH ASSEMBLY THIS _____ DAY OF _____, 2016.

Janice Hill, Mayor

ATTEST:

Julie Cozzi, MMC, Borough Clerk

Date Introduced: 03/29/16
Date of First Public Hearing: 04/12/16
Date of Second Public Hearing: 04/26/16 – Referred back to the planning commission
Date Returned to Assembly: 06/28/16

An Ordinance of the Haines Borough amending Haines Borough Code Section 18.20.020 and Sub-Section 18.80.030(B) to clarify the method of calculating building height.

BE IT ENACTED BY THE HAINES BOROUGH ASSEMBLY:

Section 1. Classification. This ordinance is of a general and permanent nature and the adopted amendment shall become a part of the Haines Borough Code.

Section 2. Severability. If any provision of this ordinance or any application thereof to any person or circumstance is held to be invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

Section 3. Effective Date. This ordinance is effective upon adoption.

Section 4. Amendment of Section 18.20.020 Section 18.20.020 of the Haines Borough Code is hereby amended as follows:

NOTE: **Bolded/UNDERLINED** ITEMS ARE TO BE ADDED.
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The definitions in this section are intended to be specific to this title. Any word or term not defined shall be used with the meaning of common or standard usage as determined by a current edition of Webster's Unabridged Dictionary. The following words shall have the following meanings for the purpose of this title:

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...

"Existing use" means a lawful structure, use or uses in existence as of the effective date of this title.

"Exterior Wall" means a wall, bearing or nonbearing, that is used as an enclosing wall for a building.

...

"Grade" means the degree of the slope of the land.

"Grade Plane" means a reference plane representing the average of finished ground level adjoining the building at exterior walls. Where the finished ground level slopes away from the exterior walls, the reference plane shall be established as the average of the finished ground level measured at the lot line or, where the lot line is more than 6

feet from the building, measured at a point 6 feet from the building. Window wells, stairwells and garage ramps intended solely to provide below-ground access to the structure need not be included in the average when calculating grade plane. Prior to issuance of a land use permit, c~~Calculations shall disregard any fill or construction which the manager finds to have no significant purpose other than elevating the grade plane. In reaching such finding, the manager shall consider~~ only those architectural, structural, safety, aesthetic, access or other purposes claimed by the developer and supported by reasonable evidence shall be considered.

Section 5. Amendment of Sub-Section 18.80.030(B) Sub-Section 18.80.030(B) of the Haines Borough Code is hereby amended as follows:

NOTE: **Bolded/UNDERLINED** ITEMS ARE TO BE ADDED.
STRIKETHROUGH ITEMS ARE DELETED

18.80.030 Setbacks and height.

B. **Building H** ~~height~~ is measured from the average grade **plane** of the footprint of the structure to the highest point on the **building, but not including chimneys, radio antennas, water towers, church spires, structures or enclosures constructed primarily for mechanical equipment and similar building mechanical features** ~~structure, measured at the center of each of the four exterior walls.~~

ADOPTED BY A DULY CONSTITUTED QUORUM OF THE HAINES BOROUGH ASSEMBLY THIS _____ DAY OF _____, 2016.

Janice Hill, Mayor

ATTEST:

Julie Cozzi, MMC, Borough Clerk

Date Introduced: 03/29/16
Date of First Public Hearing: 04/12/16
Date of Second Public Hearing: 04/26/16 – Referred back to the planning commission
Date Returned to Assembly: 06/28/16



Haines Borough
BOROUGH ASSEMBLY
ACTION REQUEST

DATE: 5/12/16

TO: Haines Borough Assembly

FROM: Haines Borough Planning Commission

PLANNING COMMISSION ACTION:

In the matter of...

Ordinance 16-03-431

An Ordinance of the Haines Borough amending Haines Borough Code Section 18.20.020 and Sub-Section 18.80.030(B) to clarify the method of calculating building height.

Motion: "amend the proposed ordinance by interjecting Josephson's suggested verbiage and submitting it to the Assembly."

The motion carried unanimously.

RATIONALE:

This ordinance was recommended by the planning commission (PC). It calls for adjustments to Title 18 to clarify the method borough staff would use when calculating building height when reviewing land-use permit applications. Currently, the description of how building height is calculated does not match the definition in borough code. The planning commission worked on this over four different meetings, 12/10/15, 1/14/16, 2/9/16 and 5/12/16. They requested assembly adoption of this code change. That ordinance is attached.

At the assembly level, the ordinance was introduced on 3/29/16, and public hearings were held on 4/12/16 and 4/26/16. There were no public comments until the second hearing at which two persons commented including Paul Nelson who brought up a concern he shares with Rob Miller...concern the manager could alter his approval criteria after the land-use permit has been issued. Mr. Miller had submitted his concern in writing, and it was provided to the assembly as a supplemental packet document. That email is attached to this Action Request. The assembly was reluctant to amend the ordinance without a recommendation from the planning commission. They decided to send it back along with Rob Miller's email and asked Paul Nelson to send his comments to the commission, as well. Mr. Nelson agreed to do that.

At the planning commission level, the ordinance was discussed on 5/12/16. The change the commissioners made to Ordinance No. 16-03-431 was in the definition of "Grade Plane", as follows: "Grade Plane" means a reference plane representing the average of finished ground level adjoining the building at exterior walls. Where the finished ground level slopes away from the exterior walls, the reference plane shall be established as the average of the finished ground level measured at the lot line or, where the lot line is more than 6 feet from the building, measured at a point 6 feet from the building. Window wells, stair wells and garage ramps intended solely to provide below-ground access to the structure need not be included in the average when calculating grade plane. Prior to issuance of a land use permit, calculations shall disregard any fill or construction which has no significant purpose other than elevating the grade plane. In reaching such finding, only those

architectural, structural, safety, aesthetic, access or other purposes claimed by the developer and supported by reasonable evidence shall be considered.

PLANNING COMMISSION REQUEST:

❖ For the Borough Assembly to amend HBC 18.20.020 to read:

"Building height" means the ~~maximum vertical dimension~~ **distance from grade plane to the highest point on** of a building ~~which is measured from a horizontal plane intersecting the mean building grade and measured at the center of each of the four exterior walls,~~ but not including **chimneys,** radio antennas, water towers, church spires, structures or enclosures constructed primarily for mechanical equipment and similar building mechanical features.

...

"Existing use" means a lawful structure, use or uses in existence as of the effective date of this title.

"Exterior Wall" means a wall, bearing or nonbearing, that is used as an enclosing wall for a building.

...

"Grade" means the degree of the slope of the land.

"Grade Plane" means a reference plane representing the average of finished ground level adjoining the building at exterior walls. Where the finished ground level slopes away from the exterior walls, the reference plane shall be established as the average of the finished ground level measured at the lot line or, where the lot line is more than 6 feet from the building, measured at a point 6 feet from the building. Window wells, stair wells and garage ramps intended solely to provide below-ground access to the structure need not be included in the average when calculating grade plane. Prior to issuance of a land use permit, calculations shall disregard any fill or construction which have no significant purpose other than elevating the grade plane. In reaching such finding, only those architectural, structural, safety, aesthetic, access or other purposes claimed by the developer and supported by reasonable evidence shall be considered.

❖ For the Borough Assembly to amend HBC 18.80.030(B) to read:

B. **Building H**height is measured from the average grade **plane** of the footprint of the structure to the highest point on the **building, but not including chimneys, radio antennas, water towers, church spires, structures or enclosures constructed primarily for mechanical equipment and similar building mechanical features** structure, measured at the center of each of the four exterior walls.

SUBMITTED BY



Rob Goldberg, Planning Commission Chairman

From: [Rob Goldberg](#)
To: [Julie Cozzi](#); [Xi Cui](#); [Kathy Friedle](#)
Subject: Changes to Building Height Ordinance
Date: Monday, May 16, 2016 10:33:52 AM

Hi Julie, Tracy and Kathy,

The only change the Planning Commission made to Ordinance No. 16-03-431 was in the definition of "Grade Plane". Please insert this new definition and return the ordinance to the Assembly. Thanks. -Rob

New definition:

"Grade Plane" means a reference plane representing the average of finished ground level adjoining the building at exterior walls. Where the finished ground level slopes away from the exterior walls, the reference plane shall be established as the average of the finished ground level measured at the lot line or, where the lot line is more than 6 feet from the building, measured at a point 6 feet from the building. Window wells, stair wells and garage ramps intended solely to provide below-ground access to the structure need not be included in the average when calculating grade plane. Prior to issuance of a land use permit, calculations shall disregard any fill or construction which have no significant purpose other than elevating the grade plane. In reaching such finding, only those architectural, structural, safety, aesthetic, access or other purposes claimed by the developer and supported by reasonable evidence shall be considered.

Rob Goldberg and Donna Catotti
Catotti and Goldberg Art Studio
PO Box 1154 Haines, AK 99827 USA
907-766-2707
artstudioalaska.com

From: [Rob Miller](#)
To: [Xi Cui](#); [Julie Cozzi](#)
Subject: Building height ordinance change
Date: Monday, May 16, 2016 12:38:29 PM
Attachments: [bldg height questions.doc](#)
[grade plane example.pdf](#)

Hi Julie and Tracy

I've attached my responses to the questions included at the last Planning Commission meeting packet, and an example calculation and sketch to show how it can be done, and how to deal with doorways and garage openings.

Please let me know if there are any questions. If you feel this material would be helpful as part of the assembly packet, then please submit it. If you think it is more detail than the assembly wants, then Tracy can just hang onto it as a reference. Thanks.

I would be happy to meet with Tracy and go over any questions she might have about the process, or look at other problematic building shapes with her.

Rob Miller

My responses to Tracy's questions:

How do we determine if a proposed structure complies with the permitted height limit?

I think that so long as you have an elevation view of the structure and a site plan, it won't be too difficult. If it's very irregular ground, it might require a site visit with a pea gun and level pole for you to verify. I would be willing to visit a site with Tracy to show her how I would approach this. I don't believe that there will be much burden on the applicant—they should have a surveyor to be sure they have met setbacks and for layout anyway. They have to have a notion of their finished grade. It's possible there may need to be some language inserted into the land use permit application to be sure enough information is provided in the application, but typically a surveyor could bang out 5 or 6 shots in a jiff. Note that none of this is really necessary if someone is building a woodshed or one story house.

What if staff suspects the building is over the height limit after construction is complete?

What have you been doing up to now? This ordinance change doesn't have any effect on how you would verify a building that was constructed too high. I think you need to have tools that allow you to measure height as you described.

What if the building has an irregular footprint, how do we determine the “critical measuring points.”

There are many ways this could be approached. If there are contours, you can easily extract what you need by interpolating from them. Often a site visit makes this obvious. Ultimately, it's the applicant's responsibility to provide you enough information to make the determination. Even a field visit by you won't necessarily solve this because usually fill is brought in and a pad built up during construction. If the ground is fairly flat, this will not matter much. If the ground is sloped and irregular, it may require some effort on the part of the owner. This is effort they would usually make anyway before purchasing many yards of fill, and perhaps some thought should be given to requiring a grading plan as part of the application process.. Again, these are problems that are not created by the ordinance change—they still apply even if we leave the ordinance as-is.

Ultimately, it is important to remember that the purpose of this ordinance is not to cause problems for builders. It's always been the builder's responsibility to ensure that their structures aren't too high. All we are doing is clarifying how the height is to be calculated.

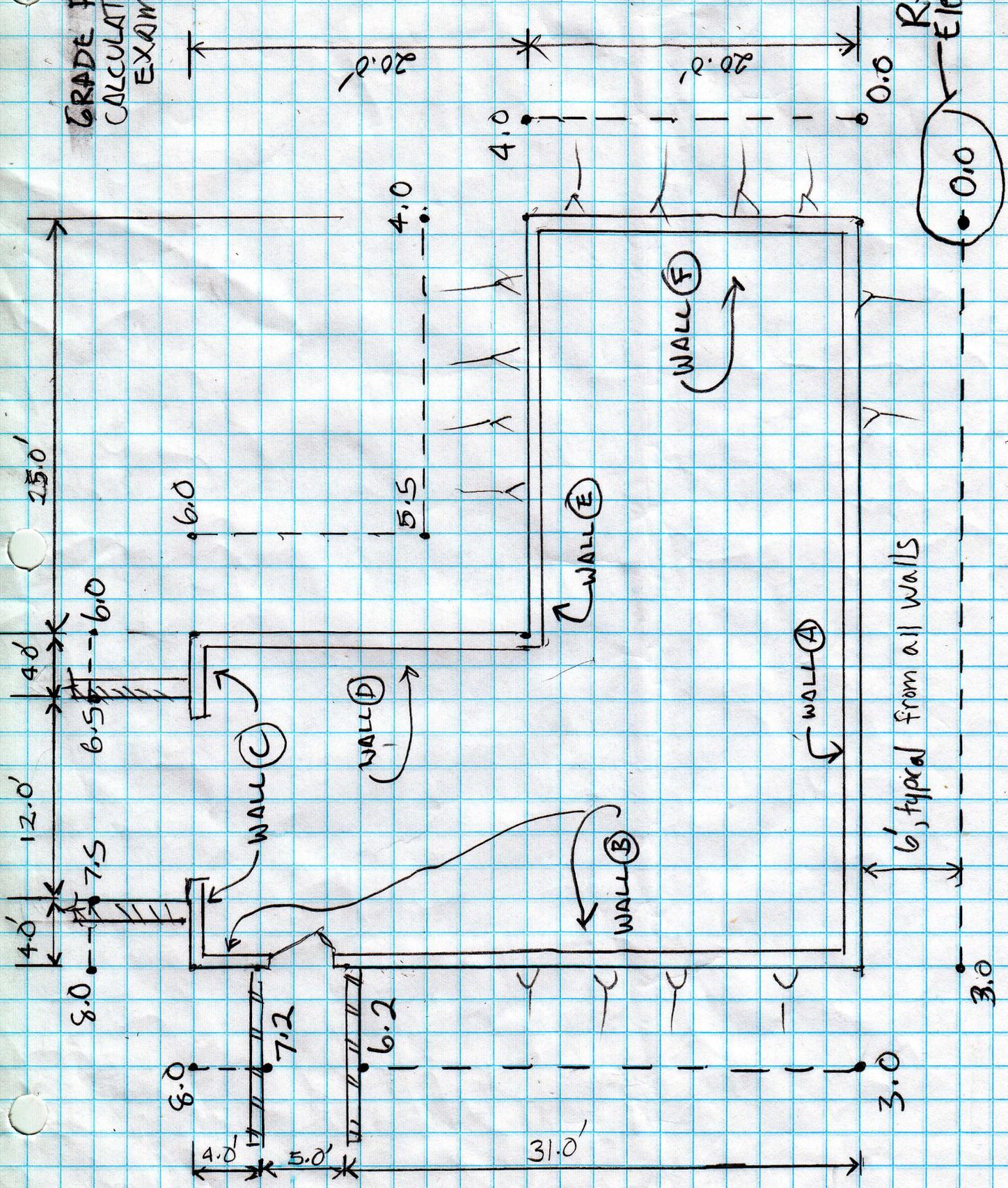
What if it is a yurt, how do we determine the “critical measuring points”? Most people build their yurts on a raised wooden platform. Shall we calculate the height of the platform separately?

The only way that makes sense is to consider the yurt and platform as both part of the structure. Otherwise someone could build a 30 foot platform and a 10 foot yurt on it and claim it was 10 feet high. I think you treat the perimeter of the platform as the edge of the structure. If the ground slopes away, then you use the property line or the 6' distance as appropriate.

GRADE PLANEDETERMINATION

- ① DETERMINE REFERENCE ELEVATION. THIS IS ARBITRARY. I USE 0.0 at the low data point. OR SOME PREFER 100.0
- ② DETERMINE WHERE ground level is to be "measured". If the ground does not slope away from the building, just use the building perimeter (minus doors and windows). Otherwise use lot line or 6 feet from building perimeter, whichever is closer.
- ③ Add up total "sampling segments" (dotted lines in example)
- ④ use the average elevation of a segment and multiply by the length of the segment.
- ⑤ add up all the values in ④ and divide by the result of ③. This gives the "Grade Plane Elevation" relative to your initial reference elevation.
- ⑥ building height is the elevation of the building with respect to the reference elevation minus the grade plane elevation. See Example
- ⑦ spot elevations can easily be obtained with a peg gun. A few measurements can be made, the others obtained by extrapolation.

GRADE PLANE CALCULATION EXAMPLE



CALCULATIONS

WALL (A): $45' \times \frac{1}{2} (0.0 + 3.0) = 67.5$
 WALL (B): $31' \times \frac{1}{2} (3.0 + 6.2) + 4.0' \times \frac{1}{2} (7.2 + 8.0) = 446.6$
 WALL (C): $4' \times \frac{1}{2} (8.0 + 7.5) + 4.0 \times \frac{1}{2} (6.5 + 6.0) = 56.0$
 WALL (D): $(20 - 6)' \times \frac{1}{2} (6.0 + 5.5) = 80.5$
 WALL (E): $(25 - 6)' \times \frac{1}{2} (5.5 + 4.0) = 90.25$
 WALL (F): $20.0' \times \frac{1}{2} (4.0 + 0.0) = 40.0$

780.85

SAMPLING SEGMENT LENGTH =

A	B	C	D	
45	35	8	14	
	E	F		
	+ 19	+ 20		= 141 feet

GRADE PLANE ELEVATION is $\frac{780.85}{141} = 5.5$ feet above 0.0

NOTES: GROUND ASSUMED TO SLOPE AWAY FROM building clear ground.

To measure top of building, use whatever method you have been using, after construction for field verification. This example is geared toward grade plane determination

if the building height is at elevation 31.0 then building height would be $31 - 5.5 = 24.5$ feet.

HAINES BOROUGH, ALASKA
RESOLUTION No. 16-06-682

Draft

A RESOLUTION OF THE HAINES BOROUGH ASSEMBLY AUTHORIZING AND DESIGNATING CERTAIN PERSONS TO SIGN AND ENDORSE CHECKS PERTAINING TO THE BOROUGH'S FIRST NATIONAL BANK ALASKA ACCOUNTS, AND AUTHORIZING CERTAIN PERSONS AS SIGNATORIES FOR THE BOROUGH'S SECURITY CASH ACCOUNTS AND INVESTMENTS.

WHEREAS, the Haines Borough Assembly approves a signature authority list for the Haines Borough bank accounts; and

WHEREAS, First National Bank Alaska is hereby authorized to honor and pay checks or other orders for the payment of money drawn in the name of the Haines Borough when signed by any two of the authorized individuals; and

WHEREAS, the following individuals are recommended as check signers for all borough First National Bank Alaska bank accounts:

- Janice Hill, Mayor
- Diana Lapham, Deputy Mayor
- William Seward, Borough Manager
- Julie Cozzi, Borough Clerk (Corporate Secretary)
- Jila Stuart, Chief Fiscal Officer; and

WHEREAS, the Haines Borough has also established and wishes to maintain security cash accounts and investments; and

WHEREAS, a resolution of the Borough Assembly is required to authorize signatories on such accounts and investments; and

WHEREAS, the following individuals are recommended as signatories for all borough security cash accounts and investments:

- Jila Stuart, Chief Fiscal Officer
- Julie Cozzi, Borough Clerk (Corporate Secretary)
- William Seward, Borough Manager

NOW THEREFORE BE IT RESOLVED by the Haines Borough Assembly:

Section 1: The foregoing authorizations shall be continuing ones and shall not be exhausted by their exercise but shall remain in effect until revoked by a resolution of the Haines Borough Assembly, or if any individual named in this resolution ceases to be an official, contractor, or employee of the Haines Borough;

Section 2: The Borough Clerk is hereby authorized to certify to First National Bank Alaska a copy of this resolution and the names of this borough's designated officials and employees thereby authorized to act as check signers;

Haines Borough
Resolution No. 16-06-682
Page 2 of 2

Section 3: The foregoing designated individuals are hereby authorized to sell, assign and endorse for transfer, certificates representing stocks, bonds or other securities now registered or hereafter registered in the name of the Haines Borough; and

Section 4: The Borough Clerk is hereby given the authority, by means of a certification form, to certify the names and titles of such officers when changes in office occur, and is also hereby authorized to certify this resolution has been duly adopted and will remain in full force and effect until the Transfer Agent receives a duly executed amendment to the original Certification Form.

Adopted by a duly-constituted quorum of the Haines Borough Assembly on this ____ day of _____, 2016.

Janice Hill, Mayor

Attest:

Julie Cozzi, MMC, Borough Clerk



**Haines Borough
Assembly Agenda Bill**

Agenda Bill No.: 16-665
Assembly Meeting Date: 6/28/16

Business Item Description:	Attachments:
Subject: Identify Sewer Plant Upgrades as Number One Local State Funding Priority for FY 2018	1. Resolution 16-06-683 2. ADEC Grant Solicitation Letter/Scoring Criteria
Originator: Director of Public Facilities	
Originating Department: Public Facilities	
Date Submitted: 6/22/16	

Full Title/Motion:
Motion: Adopt Resolution 16-06-683.

Administrative Recommendation:
The Director of Public Facilities recommends adoption of this resolution.

Fiscal Impact:			
Expenditure Required	Amount Budgeted	Appropriation Required	Projected Impact to Future Operating Budgets
\$ 0	\$ 0	\$ 0	Reduced Energy/Maintenance Costs

Comprehensive Plan Consistency Review:	
Comp Plan Goals/Objectives: Objective 15A, Page 252	Consistent: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Summary Statement:
<p>The Haines Borough through the Alaska Department of Environmental Conservation (ADEC) will request grant funding for Haines Sewer Treatment Plant Health and Safety Upgrades. ADEC has requested that the Borough identify if this project is the community's number one local state funding priority for fiscal year 2018. Haines Sewer Treatment Plant Health and Safety Upgrades will provide for improving the screening process that removes incoming solids to the facility and replacing the existing belt filter press with a screw press. Upgrades will allow screening to be done on the first floor, which will reduce energy costs incurred from pumping the sewage to the second floor, and will allow for greater energy efficiency. This project will reduce health risks to employees and the general public, enhance safe operating conditions, and significantly reduce operating costs. The Borough seeks to obtain the necessary financial assistance for this project. ADEC is able to offer funding through the Municipal Matching Grant program. Note: ADEC awards extra points for phased projects like this one (see attached).</p>

Referral:	
Referred to:	Referral Date:
Recommendation:	Meeting Date:

Assembly Action:	
Meeting Date(s): 6/28/16	Public Hearing Date(s):
	Postponed to Date:

A Resolution of the Haines Borough Assembly designating the acquisition of State of Alaska, Department of Environmental Conservation (ADEC) grant funds for the project entitled Sewer Treatment Plant Health and Safety Upgrades as the number one local state funding priority for fiscal year 2018.

WHEREAS, the Haines Borough through the State of Alaska, Department of Environmental Conservation (ADEC) will request grant funding for Haines Sewer Treatment Plant Health and Safety Upgrades; and

WHEREAS, the ADEC has requested that the Haines Borough identify if this project is the community's number one local state funding priority for fiscal year 2018; and

WHEREAS, Haines Sewer Treatment Plant Health and Safety Upgrades will provide for improving the screening process that removes incoming solids to the facility and replacing the existing belt filter press with a screw press; and

WHEREAS, upgrades will allow screening to be done on the first floor, which will reduce energy costs incurred from pumping the sewage to the second floor, and will allow for greater energy efficiency; and

WHEREAS, this project will reduce health risks to employees and the general public, enhance safe operating conditions, and significantly reduce operating costs; and

WHEREAS, the Haines Borough seeks to obtain the necessary financial assistance for Sewer Treatment Plant Health and Safety Upgrades; and

WHEREAS, the ADEC is able to offer funding through the Municipal Matching Grant program,

NOW, THEREFORE, BE IT RESOLVED that the Haines Borough Assembly designates Sewer Treatment Plant Health and Safety Upgrades as the number one local state funding priority for fiscal year 2018.

Adopted by a duly-constituted quorum of the Haines Borough Assembly on this ____ day of _____, 2016.

Janice Hill, Mayor

Attest:

Julie Cozzi, MMC, Borough Clerk



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Environmental Conservation

DIVISION OF WATER
Municipal Grants & Loans

555 Cordova Street
Anchorage, Alaska 99501-2617
Main: 907.269.7502
Fax: 907.269.7509

May 27, 2016

Dear Utility:

The Alaska Department of Environmental Conservation's **Municipal Matching Grant (MMG)** program is seeking questionnaires for projects to be evaluated and scored for placement on the program's State Fiscal Year 2018 (FY 18) project list. The MMG program provides match funding for drinking water, wastewater, solid waste, and water quality related projects. The questionnaire solicitation period will begin on June 1st and end on July 15th.

MMG questionnaires must be filled out and submitted to the department on-line through the Online Application System (OASys). The enclosed document entitled "FY 2018 MMG Online Step-by-Step" guidance will help you navigate through the necessary steps to complete the on-line questionnaire. Please note, you will need to use either a "My Alaska Account" personal or business account to log into the system to access the questionnaire. If you have questions about the program or need technical assistance in filling out the questionnaire, please contact either your assigned community MGL project engineer or myself in Anchorage at 269-7616. Access to the on-line questionnaires may be found at the following link:

<http://www.dec.state.ak.us/water/munigrant/MMGonlineQuestionnaires.htm>

If you would rather send the questionnaire directly and bypass the above page as the method of accessing, then use this link instead:

<https://myalaska.state.ak.us/login/login.aspx?pubid=opa>

Please complete and submit a questionnaire for each project you wish considered for funding assistance under the grant program, which may include projects to be co-funded under the ACWF (Alaska Clean Water Fund) or ADWF (Alaska Drinking Water Fund) loan programs. For questionnaires not submitted electronically, please mail the original to Soraida (Zorrie) Cassell-Caparrosso at Alaska Department of Environmental Conservation, Division of Water, Municipal Matching Grants and Loans Program, P.O. Box 111800, Juneau, AK 99811-1800 or fax at (907) 465-5177.

Completed questionnaires must be received no later than **5:00 p.m. Wednesday, July 15, 2016** to be considered for funding. After the deadline, projects will be scored and a review period will be allowed for communities to check their preliminary scores for comment. No additional information will be accepted during this period with the exception of a community council/assembly resolution designating a project as the community's number one state priority project. This community review period will run from July 25th through the 29th. Final comments and any outstanding resolutions must be received no later than 5:00 p.m., July 29, 2016.

Key items for the FY 18 project solicitation:

- Questionnaire requests are limited to a maximum project funding level amount of \$1 Million. In prior years, we requested communities limit their project amounts to \$3 Million; however, with current lower state budgeting levels a reduced amount is being requested to better distribute funding.
- Communities are limited to one project on the final priority list. Communities may submit more than one questionnaire, but only the highest scoring project will be included on the final prioritized list.
- Finally, as started last year, MMG has combined questionnaires and applications into one process. As part of this process, additional information is being requested in parts of the form which will simplify the application process.

As a reminder from previous questionnaire solicitation, we have added features to the on-line questionnaire process to allow easier use of the system. One of these key features allows you to revisit an already submitted questionnaire to make changes during the open solicitation period. The effective submission date of the questionnaire will be the final date submitted. Another key feature allows you to copy repetitive information (i.e. name, address, etc.) from one questionnaire onto a new questionnaire. This feature helps reduce the amount of typing needed when filling out additional questionnaires. A final key feature increases the timeout period for inputting a questionnaire to one hour.

We would appreciate receiving any comments you may have regarding your experience working with the on-line questionnaire submission system. Your comments are valuable to us for making future improvements to the questionnaire process. We look forward to hearing from you.

Sincerely,



Mike Lewis

Program Manager

Enclosures: Enclosures: "FY 2018 MMG Online Step-by-Step" - Guidance



SFY 2018 CAPITAL PROJECTS SCORING CRITERIA

ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION DIVISION OF WATER MUNICIPAL MATCHING GRANTS

I. Project Need - 300 Maximum Points

Projects score the highest from either Public Health or Environmental criteria.
(Choose one of the following)

A. **Public Health** Points

- Drinking Water Projects

- 1) A human disease event exists, documented by ADEC or a recognized public health organization, which may include a compliance order to correct any violation related to the event. Construction of this project will correct the existing problem. Documentation is required; OR 300

Examples:

- Outbreaks such as Hepatitis, Giardiasis or Cryptosporidiosis
- A Primary MCL drinking water standard that has shown repeated exceedances after the first documented event
- Upgrading facilities to meet new EPA/DEC regulations w/ shorter term deadlines (examples: arsenic /LT2 rules)
- Installation of new water mains to an area where wells are contaminated by a documented regulated contaminant that exceeds safe standards

- Drinking Water & Wastewater Projects

- 2) Current conditions are severe enough that a disease event could occur, but has not yet happened or been reported, or a Primary MCL drinking water standard has been exceeded. Documentation is required; OR 200

Examples:

- Fecal contamination of surface/ground waters and/or a drinking water source
- Replacement of old pipe or facilities that are leaking or constructed of inferior materials (example - asbestos cement pipe, structurally impaired water tank/reservoir), or installation of new water and/or sewer (un-piped area) mains to un-serviced area
- Replacement of a lift station wet well - documented structural deficiencies
- Upgrading facilities to meet new federal and state standards w/longer term deadlines
- Installation of new water and/or sewer (un-piped area) mains to un-serviced area

- Drinking Water & Wastewater Projects

- 3) Current conditions show that a disease event might occur. This project will prevent or minimize the potential public health concern of this problem; OR 100

Examples:

- Replacement of aging water and/or sewer main with no documented failures, but failures on cross streets and/or separation distance issues exists.
- Extension of water and/or sewer service for existing customers and/or water main looping to remove dead-end mains.
- New or upgrade of water tank/reservoir to allow either added disinfection/chlorine contact time or documented capacity need. Extra points may be awarded if required to meet new regulatory rule or replacement of failing infrastructure

B. Environmental

- Wastewater & Non-Point Source Projects

- 1) A pollution event or a violation of an existing permit limit has occurred, as documented by ADEC or by a recognized public health organization, which may include a compliance order to correct any violation related to the event. Construction of this project will correct the existing problem. Documentation is required; OR 200

Examples:

- Violations of wastewater permits or documented failure of on-site disposal systems
- Correction of I&I issues that will help the WWTP meet permit limits
- Construction to remedy surface water contamination violation

- 2) Current conditions are severe enough that a pollution event can occur, but has not yet happened or been reported. Documentation is required; OR 100

Examples:

- Inadequate community or on-site wastewater treatment systems – treatment deficiencies with high potential of permit or pollution event
- Replacement of pump/lift station pumping systems and controls - documented operating deficiencies
- Landfill cell closure

- 3) Current conditions show that a pollution event is unlikely to occur, but this project will prevent or minimize the potential future concern of pollution events; OR 50

Examples:

- Wastewater Treatment Facility Upgrades – capacity and/or obsolete equipment
- Cathodic protection (unless documented leaks)
- Recycling facility (included waste oil recycling)
- Security fencing and monitoring, access cards etc.
- SCADA upgrades

C. Minor public health or environmental impacts. 0

Examples:

- Water and sewer main alignment changes (rerouting mains that have little to no improvement on operation)
- Sewer main expansion for future development
- Water/wastewater treatment plant pilot studies unless meeting compliance conditions
- Master Plans

II. Project Development Status – 125 Maximum Points

(Choose one of the following)

- A. Engineering plans and specifications have been approved by ADEC or the appropriate regulatory authority. Documentation is required; OR 125
- B. Substantial engineering plans and specifications (at least 65% complete) have been prepared and provided to ADEC; Documentation is required; OR 100
- C. A feasibility study, facility plan, and/or a set of engineering plans and specifications (at least 35% complete) has been prepared and has been provided to ADEC. Documentation is required; OR 50
- D. An up to date comprehensive study, master plan, and/or a current project cost estimate (MGL - Cost Estimate Form is required) has been prepared and is available or has been provided to ADEC; OR 25
- E. No project development has been accomplished. 0

III. Relationship to other Project Phases – 100 Maximum Points

(One of the following)

Phased projects are identified as phased for purposes of ADEC funding. Please note, planning or design work is not considered a phase under this criteria.

- A. This construction project will make functional or complete the previous phases (within 3 years) that received funding and phasing points under this program. Documentation identifying the full project, the remaining/unfinished phased work, and previously completed phases must be provided.; OR 100

- | | |
|--|----|
| B. This construction project will make functional or complete the previous Phases (within 3 years) that received funding from other funding sources. Documentation identifying the full project, the remaining/unfinished phased work, and previously completed phases must be provided; OR | 75 |
| C. This is the initial phase of construction for a large project that is being phased for purposes of funding under this program. Documentation identifying the full project and identifying the individual phases must be provided; OR | 50 |
| D. This project is planned to be constructed in conjunction with another state or federally funded project to reduce costs. This can include projects being constructed and funded through RDA/USDA, ADOTPF, EPA STAG/SAAP Grants, etc... Documentation of the companion funds and project(s) must be provided. OR | 25 |
| E. None of the above criteria applies. | 0 |

IV. Operation, Maintenance and Management Capabilities – 400 Maximum Points

(Multiple choices may be applicable except where noted)

A. Operator Qualifications

- | | |
|---|----|
| 1) Water and Wastewater Facilities are operated by the correct level of State certified operators. For solid waste and stormwater projects, operators have been trained and/or certified; | |
| *Drinking Water Treatment Certified? | 25 |
| *Drinking Water Distribution Certified? | 25 |
| *Wastewater Treatment Certified? | 25 |
| *Wastewater Collection Certified? | 25 |

(* Note: If a community does not operate the system type, a 25 point credit will be given.)

OR

- | | |
|--|-----|
| 2) Solid Waste or Stormwater System Operated by Qualified Operators? | 100 |
|--|-----|

OR

- | | |
|--|---|
| 3) Operators are not sufficiently qualified. | 0 |
|--|---|

B. Operation Capabilities (Note – Points will only be deducted by lack of due diligence by the community.)

- | | |
|--|----|
| 1) Drinking Water System complies with the sampling and submittal requirements, and does not have any violations (other than MCL or TT violations) within the past year; AND | 75 |
|--|----|

2) Wastewater Treatment facilities comply with permit requirements; OR	75
3) For Solid Waste or Stormwater permit (if applicable) requirements are being met by the system; OR	150
4) Facility is not in compliance.	0
C. Operation and Maintenance Costs	
1) Operation and Maintenance costs have been estimated for this project and have been found to be equal to or less than current costs (MGL - O&M Estimate Form is required). <u>Documentation is required</u> ; OR	50
2) Operation and Maintenance costs have been estimated for this project and have been found to be more than current costs (MGL - O&M Estimate Form is required). <u>Documentation is required</u> ; OR	25
3) Costs have not been estimated.	0
D. Rate Analysis and User Rate Consideration	
1) Has a water/sewer/solid waste utilities rate analysis been conducted within the last 5 years, or documentation provided that shows rates have been reviewed during the annual budget process for cost of services? <u>Documentation of the most current rate analysis and year issued is provided</u> ; AND	50
2) Has a user fee ordinance been adopted and provided? <u>Documentation of the most current ordinance and year issued is provided</u> ; OR	50
3) None of the above criteria apply.	0
V. <u>Local Project Commitment – 225 Maximum Points</u> (Multiple choices may be applicable except where noted)	
A. The source, amount and year of matching funds has been identified and is available now. This does not include anticipated funds from future year grants or appropriations. <u>Documentation is required</u> ; AND	100
B. Captured federal funds (this includes an ADEC loan agreement) that are available for use on the project. <u>Documentation is provided</u> ; OR	75

- | | |
|--|----|
| C. The project is listed on a current ADEC loan program Intended Use Plan and has a loan application submitted. <u>Documentation is provided</u> ; OR | 50 |
| D. The project is currently listed on an ADEC loan fund program Intended Use Plan; AND | 25 |
| E. The local governing body has submitted an acceptable resolution or priority list identifying this project as the top priority in the community's overall list of State capital projects for this fiscal year. <u>Documentation is provided</u> ; OR | 50 |
| F. None of the above criteria applies. | 0 |

VI. Project Cost/Population Benefiting Ratio – 15 Maximum Points (Data from DCCED)

Low cost/population benefiting	0 – 400	15
Moderate cost/population benefiting	401 – 4000	10
High cost/population benefiting	> 4000	5



**Haines Borough
Assembly Agenda Bill**

Agenda Bill No.: 16-667
Assembly Meeting Date: 6/28/16

Business Item Description:	Attachments:
Subject: Authorize Purchase Order with Cal Worthington Ford for Public Facilities Pickup	1. Resolution 16-06-684 2. Truck Quote
Originator: Public Works Superintendent	
Originating Department: Public Facilities	
Date Submitted: 6/23/16	

Full Title/Motion:
Motion: Adopt Resolution 16-06-684.

Administrative Recommendation:
This resolution is recommended by the Director of Public Facilities.

Fiscal Impact:

Expenditure Required	Amount Budgeted	Appropriation Required	Projected Impact to Future Operating Budgets
\$ 38,914 + shipping	\$ See Summary	\$ See Summary	Reduced Maintenance Costs

Comprehensive Plan Consistency Review:

Comp Plan Goals/Objectives:	Consistent: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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Summary Statement:

A pickup assigned to Public Facilities has been identified for replacement. The State of Alaska, Department of Transportation and Public Facilities, State Equipment Fleet (SEF) maintains contracts with several vendors in Alaska. Cooperative Purchasing is authorized on these contracts for qualified political subdivisions. The Public Works Superintendent has entered the minimum requirements into the database provided by SEF and has identified Cal Worthington Ford of Anchorage as the vendor that can provide the desired vehicle at the lowest price (\$38,914). The Haines Borough Assembly appropriated \$38,500 in the FY17 budget's Capital Improvement Projects (CIP) fund for a utility truck for Public Facilities. The vehicle expense line item from the Public Facilities operating budget is sufficient to cover this purchase order, plus the cost of delivering the vehicle from Anchorage.

Note: The quote from Cal Worthington Ford shows the Haines Borough price compared to the MSRP.

Referral:

Referred to:	Referral Date:
Recommendation:	Meeting Date:

Assembly Action:

Meeting Date(s): 6/28/16	Public Hearing Date(s):
	Postponed to Date:

A Resolution of the Haines Borough Assembly authorizing the Borough Manager to execute a purchase order with Cal Worthington Ford of Anchorage to purchase a pickup for Public Facilities for an amount not-to-exceed \$38,914.

WHEREAS, a pickup assigned to Public Facilities has been identified for replacement; and

WHEREAS, the State of Alaska, Department of Transportation and Public Facilities, State Equipment Fleet (SEF) maintains contracts with several vendors in Alaska; and

WHEREAS, Cooperative Purchasing is authorized on these contracts for qualified political subdivisions; and

WHEREAS, the Public Works Superintendent has entered the minimum requirements into the database provided by SEF and has identified Cal Worthington Ford of Anchorage as the vendor that can provide the desired vehicle at the lowest price (\$38,914); and

WHEREAS, the Haines Borough Assembly appropriated \$38,500 in the FY17 budget's Capital Improvement Projects (CIP) fund for a utility truck for Public Facilities; and

WHEREAS, the vehicle expense line item from the Public Facilities operating budget is sufficient to cover this purchase order, plus the cost of delivering the vehicle from Anchorage,

NOW, THEREFORE, BE IT RESOLVED that the Haines Borough Assembly authorizes the Borough Manager to execute a purchase order with Cal Worthington Ford of Anchorage to purchase a pickup for Public Facilities for an amount not-to-exceed \$38,914.

Adopted by a duly-constituted quorum of the Haines Borough Assembly on this ____ day of _____, 2016.

Janice Hill, Mayor

Attest:

Julie Cozzi, MMC, Borough Clerk



Worthington Ford Fleet
431 Unga street , Anchorage, AK, 99501
Office: 907-793-8213

HAINES BOROUGH PUBLIC WORKS

6-15-2016

PRICE \$38,914
FOB ANCHORAGE

2016 F-250, SD Super Cab
4x4 SD Super Cab 8' box 158" WB SRW XL(X2B)

INCLUDES SERVICE BODY, PIPE RACK, SPARE TIRE.

Major Equipment

(Based on selected options, shown at right)

- 6.2L V-8 SOHC w/SMPI 385hp
- TorqShift 6 speed automatic w/OD
- * Rear locking differential driver selectable
- * Brake assistance
- * LT 265/70R17 E OWL AT S-rated tires
- * Firm suspension
- * Air conditioning
- * AM/FM stereo with seek-scan, single in-dash CD player, MP3 decoder, auxiliary audio input, external memory control
- * Dual manual mirrors
- * 17 x 7.5 steel wheels
- * Driver and front passenger seat mounted side airbags
- * Tachometer
- * Reclining front split-bench seats
- * Audio control on steering wheel
- * Front axle capacity: 6000 lbs.
- * Front spring rating: 6000 lbs.
- * Frame section modulus: 6.7 cu.in.
- * Cab to axle: 56.4"

- Exterior:Oxford White
- Interior:Steel
- * 4-wheel ABS
- * Traction control
- * Battery with run down protection
- * Advance Trac w/Roll Stability Control
- * Tinted glass
- * Bluetooth wireless streaming
- * Variable intermittent wipers
- * Dual front airbags w/passenger cancel
- * SecuriLock immobilizer
- * Underseat ducts
- * 60-40 folding rear split-bench
- * Class V hitch
- * Rear axle capacity: 6200 lbs.
- * Rear spring rating: 6100 lbs.
- * Frame Yield Strength 36000 psi
- * Axle to end of frame: 47.6"

Selected Options

MSRP

STANDARD VEHICLE PRICE	\$37,585.00
Order Code 600A	N/C
Engine: 6.2L 2-Valve SOHC EFI NA V8 Flex-Fuel	Included
Transmission: TorqShift 6-Speed Automatic	Included
GVWR: 10,000 lb Payload Package	Included
Wheels: 17" Argent Painted Steel	Included
Heavy Duty Vinyl 40/20/40 Split Bench Seat	Included
158" Wheelbase	STD
Monotone Paint Application	STD
Oxford White	N/C
Steel	N/C
Electronic Locking w/3.73 Axle Ratio	\$390.00
Tires: LT265/70Rx17E OWL A/T	\$455.00
XL Value Package	\$595.00
Radio: AM/FM Stereo/Single-CD/MP3 Player	Included
Steering Wheel-Mounted Cruise Control	Included
XL Decor Group	Included
Chrome Front Bumper	Included
Bright Chrome Hub Covers & Center Ornaments	Included
Snow Plow Prep Package	\$85.00
Engine Block Heater (Regional)	N/C

Fuel Economy

City
N/A



Hwy
N/A

Prices and content availability as shown are subject to change and should be treated as estimates only. Actual base vehicle, package and option pricing may vary from this estimate because of special local pricing, availability or pricing adjustments not reflected in the dealer's computer system. See salesperson for the most current information.



Worthington Ford Fleet
 431 Unga street , Anchorage, AK, 99501
 Office: 907-793-8213

2016 F-250, SD Super Cab
 4x4 SD Super Cab 8' box 158" WB SRW XL(X2B)

INCLUDED EQUIPMENT

98" MSS II SERVICE BODY, WHITE
 STEEL UNDERSTRUCTUER
 A40-A60 GALAVANNEALED DIAMOD PLATE FLOOR
 18 GA OUTER DOOR SKINS, DOUBLE PANEL FLOOR CONST
 STAINLESS STEEL ROTARY PADDLE LATCHES AND DOOR HINGES
 NITROGEN GAS STRUT DOOR HOLDERS
 AUTOMOTIVE BUBBLE TYPE DOOR SEALS
 ADJUSTABLE COMPARTMENT TRAYS / SHELVES, 1 SHELF IN FRONT,
 HORIZONTAL & REAR COMPARTMENT.
 KNEE BRACED SLAM ACTION TAILGATE.
 SEAMLESS WHEELHOUSE PANEL W / POLY CARBONATE FENDER FLARES
 LED S / T / T LIGHTS RECESSED IN STEP BUMPER
 7 WAY RV TRAILER PLUG, FLAT PIN.
 OVERHEAD PIPE RACK
 SPARE TIRE

Trailer Brake Controller	\$270.00
Roof Marker/Clearance Lamps	\$55.00
SYNC w/MyFord Communications/Entertainment System	\$295.00
Steering Wheel Audio Controls	\$70.00
Power Equipment Group	\$895.00
Accessory Delay	Included
Power Locks	Included
Remote Keyless Entry	Included
Perimeter Anti-Theft Alarm	Included
Power Front Side Windows	Included
Manual Telescoping 2-Way Fold Trailer Tow Mirrors	Included
Upfitter Switches (4)	\$125.00
Pickup Box Delete	-\$625.00
Rear Bumper Delete	Included
Spare Wheel, Tire, Carrier & Jack Delete	Included
Extra Heavy-Duty 200-Amp Alternator	\$75.00
<hr/>	
SUBTOTAL	\$40,270.00
Destination Charge	\$1,195.00
<hr/>	
TOTAL	\$41,465.00

Prices and content availability as shown are subject to change and should be treated as estimates only. Actual base vehicle, package and option pricing may vary from this estimate because of special local pricing, availability or pricing adjustments not reflected in the dealer's computer system. See salesperson for the most current information.



**Haines Borough
Assembly Agenda Bill**

Agenda Bill No.: 16-664
Assembly Meeting Date: 6/28/16

Business Item Description:	Attachments:
Subject: Change Poll Opening Time for Borough Elections from 8am to 7am to Match State Elections	1. Ordinance 16-06-437
Originator: Borough Clerk	
Originating Department:	
Date Submitted: 6/14/16	

Full Title/Motion:
Motion: Introduce Ordinance 16-06-437 and schedule a first public hearing for 7/12/16 and a second hearing for 7/26/16.

Administrative Recommendation:

Fiscal Impact:			
Expenditure Required	Amount Budgeted	Appropriation Required	Projected Impact to Future Operating Budgets
\$ Approx. \$100	\$ sufficient	\$ 0	Approx. \$100 more per Election

Comprehensive Plan Consistency Review:
Comp Plan Goals/Objectives: _____
Consistent: Yes No

Summary Statement:
State of Alaska Elections have the polls open from 7:00am to 8:00pm. Polls for Haines Borough Elections open one hour later, 8:00am. In 2015, the clerk received a citizen complaint that it is not only confusing but is much less convenient for voters who must report to work at 8:00 in the morning.

The clerk proposes making this change. It should have minimal impact on the borough's finances and the borough's election workers are for the most part the same ones who work the state elections. This would seem to be a relatively simple change that would help some members of the voting public.

Referral:
Referred to: _____ Referral Date: _____
Recommendation: _____ Meeting Date: _____

Assembly Action:
Meeting Date(s): 6/28/16 Public Hearing Date(s): _____
Postponed to Date: _____

An Ordinance of the Haines Borough amending Haines Borough Code Section 11.40.040 to change the Borough Election Day polling place opening time from 8:00 a.m. to 7:00 a.m. to match the State Election opening time.

BE IT ENACTED BY THE HAINES BOROUGH ASSEMBLY:

Section 1. Classification. This ordinance is of a general and permanent nature and the adopted amendment shall become a part of the Haines Borough Code.

Section 2. Severability. If any provision of this ordinance or any application thereof to any person or circumstance is held to be invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

Section 3. Effective Date. This ordinance is effective upon adoption.

Section 4. Amendment of Section 11.40.040 Section 11.40.040 of the Haines Borough Code is hereby amended as follows:

NOTE: **Bolded/UNDERLINED** ITEMS ARE TO BE ADDED.
~~STRIKETHROUGH~~ ITEMS ARE DELETED

11.40.040 Dates and hours for elections.

A. General and Special Elections. General and special elections may be held as prescribed in HBC 11.08.010 and 11.12.020, respectively.

B. Polls – Opening and Closing. On election day, precinct polls shall open for voting at ~~8:00~~ **7:00** a.m. and shall remain open continuously until 8:00 p.m., ~~except on those election days when borough and state elections are held concurrently, in which case the precinct polls shall be open for voting at 7:00 a.m.~~ Immediately after the opening of the polls and before receiving any ballots, one of the judges of the election shall proclaim from the door of the polling place that the polls of such election are open. Thirty minutes before the closing of the polls, an election judge shall proclaim to any persons present the time remaining before the polls close. When the polls are closed that fact shall be similarly proclaimed and thereafter no ballot shall be accepted except those of qualified voters already present at the polls and waiting to vote when the polls are closed.

ADOPTED BY A DULY CONSTITUTED QUORUM OF THE HAINES BOROUGH ASSEMBLY THIS _____ DAY OF _____, 2016.

Janice Hill, Mayor

ATTEST:

Julie Cozzi, MMC, Borough Clerk

Date Introduced: 06/28/16
Date of First Public Hearing: ___/___/___
Date of Second Public Hearing: ___/___/___



**Haines Borough
Assembly Agenda Bill**

Agenda Bill No.: 16-666

Assembly Meeting Date: 6/28/16

Business Item Description:	Attachments:
Subject: Authorize Lease of Senior Center Addition to the Chilkat Valley Preschool	1. Ordinance 16-06-438 2. Proposed Lease, drafted by the borough attorney 3. Management Agreement, effective 7/1/16
Originator: Director of Public Facilities	
Originating Department: Public Facilities	
Date Submitted: 6/17/16	

Full Title/Motion:
 Motion: Introduce Ordinance 16-06-438 and schedule a first public hearing for 7/12/16 and a second hearing for 7/26/16.

Administrative Recommendation:

Fiscal Impact:

Expenditure Required	Amount Budgeted	Appropriation Required	Projected Impact to Future Operating Budgets
\$ 0	\$ 0	\$ 0	TBD

Comprehensive Plan Consistency Review:

Comp Plan Goals/Objectives: Objective 17E(7), Page 294 Objective 18A(3), Page 299	Consistent: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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Summary Statement:

On 12/15/15, the assembly adopted Resolution 15-12-652 approving the concept of an addition on the Senior Center building for use by Chilkat Valley Preschool (CVP). CVP has entered into an agreement with Southeast Senior Services to share the borough-owned Senior Center building provided it is expanded. The planned addition would be approx. 1,400 sq. ft. added onto the back between the Senior Center and the playground & would have a separate entrance to the outside & the kitchen. On 1/26/16, the assembly passed a motion directing staff to work with CVP on a design & a management agreement. On 5/10/16, Resolution 16-05-674 was adopted supporting a Rasmuson Foundation grant application for the addition. A management agreement was executed on 5/10/16 to be effective beginning 7/1/16. CVP will pay all costs associated with construction of the addition that will be owned by the Haines Borough. This non-code ordinance will approve a long-term lease of the addition. The lease document was drafted by the borough attorney.

Referral:

Referred to:	Referral Date:
Recommendation:	Meeting Date:

Assembly Action:

Meeting Date(s): 6/28/16	Public Hearing Date(s):
	Postponed to Date:

An Ordinance of the Haines Borough authorizing Chilkat Valley Preschool, Inc. to lease an addition on the Senior Center Building.

WHEREAS, HBC 14.16.060 provides that “[t]he lease of any borough land may be made to any state or federal agency, nonprofit organization, or political subdivision of the state for less than the appraised value, and for a consideration to be determined by the assembly to be in the best interests of the borough”; and

WHEREAS, the public interest is served by Chilkat Valley Preschool, Inc. (CVP) providing preschool services to assist with meeting the early education needs of the Haines Borough; and

WHEREAS, on December 15, 2015, the assembly adopted Resolution 15-12-652 approving the concept of an addition on the Senior Center building for use by CVP; and

WHEREAS, CVP has entered into an agreement with Southeast Senior Services to share the borough-owned Senior Center building provided it is expanded; and

WHEREAS, the planned addition would be approximately 1,400 square feet added onto the back between the Senior Center and the playground and would have a separate entrance to the outside and the kitchen.; and

WHEREAS, CVP will pay all costs associated with construction of the addition that will be owned by the Haines Borough; and

WHEREAS, on January 26, 2016, the assembly passed a motion directing staff to work with CVP on a design and a management agreement; and

WHEREAS, on May 10, 2016, Resolution 16-05-674 was adopted supporting a Rasmuson Foundation grant application for the addition; and

WHEREAS, the parties have executed a separate Memorandum of Agreement regarding management of the Senior Center building (“MOA”) to be effective January 1, 2016; and

WHEREAS, the lease agreement stipulates CVP shall pay rent at the base rate of \$1.00 per year and shall be responsible for 100% of all utilities and services associated with the leased addition; and

WHEREAS, Borough Charter 3.03(8) stipulates that the leasing of borough property must be granted by the assembly by ordinance,

NOW THEREFORE BE IT ENACTED, to authorize the borough manager to execute a lease with Chilkat Valley Preschool, Inc. for use of the planned Senior Center building addition for the sole purpose of providing preschool services under the conditions of the attached lease agreement, and for a period of 30 years with renewal options.

Section 1. Classification. This ordinance is a non-code ordinance.

Section 2. Severability. If any provision of this ordinance or any application thereof to any person or circumstance is held to be invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

Haines Borough
Ordinance No. 16-06-438
Page 2 of 2

Section 3. Effective Date. This ordinance shall become effective immediately upon adoption.

ADOPTED BY A DULY CONSTITUTED QUORUM OF THE HAINES BOROUGH ASSEMBLY THIS ____ DAY OF _____, 2016.

Janice Hill, Mayor

Attest:

Julie Cozzi, MMC, Borough Clerk

Date Introduced: 06/28/16
Date of First Public Hearing: __/__/__
Date of Second Public Hearing: __/__/__

HAINES BOROUGH Draft
LEASE AGREEMENT

This Lease Agreement effective and adopted this ____ day of July 2016, and entered into by and between the **Haines Borough**, of P.O. Box 1209, Haines, Alaska 99827 (“Landlord”) and **Chilkat Valley Preschool, Inc.** an Alaska non-profit corporation of P.O. Box 1165, Haines, Alaska 99827 (“Tenant” or “CVP”).

Recitals

A. Landlord is the owner of the building and property known as the Haines Senior Center and having the physical address of 33 Mission Street, Haines, Alaska 99827 (“the Building”).

B. Tenant has proposed to build and pay for an addition to the Building to house its preschool operation (“the Addition”). Landlord and Tenant have agreed to appoint co-project managers, one chosen by Landlord and one chosen by Tenant, to oversee their agreement for construction of the addition to the Building.

C. Landlord and Tenant have entered into a Memorandum of Agreement by which Tenant will manage the building including the CVP and the Haines Senior Center. The Memorandum of Agreement shall be incorporated into and made subject to this Lease.

D. To facilitate the mutual goals of Landlord and Tenant, the parties hereby enter into this Lease to document the terms and conditions under which Tenant will lease a portion of the Building.

1. Premises. Landlord hereby rents to Tenant the approximately 1400 square feet of commercial space included in the (2017) addition to the Building that Tenant shall build and pay for.

2. Term. The term of this Lease shall be for thirty (30) years, beginning on the first day of the month following substantial completion of the Addition or August 1, 2017, whichever is later and ending on July 31, 2047, subject to renewal or earlier termination as described below.

3. Rent and Security Deposit. In consideration of Tenant’s payment of the construction costs of the addition to the Building, Tenant shall pay rent to the Landlord at the base rate of \$1.00 per year. By signature below Landlord acknowledges receipt of \$30.00 as payment in full for rent during the initial term of the Lease. Landlord agrees to forego the advance collection of a security and cleaning deposit, but reserves its right to seek a full recovery of damages from Tenant in the event that the Premises are returned in a damaged or unclean condition, reasonable wear and tear excepted.

4. Renewal. Provided Tenant is not then in material breach of the terms of the Lease, Tenant shall have an option to renew the Lease for three additional periods of 30 years each on the terms then offered by Landlord. To secure this right, Tenant shall give notice of renewal to Borough Manager in writing not fewer than 90 days before the end of the then Term as set out in Section 2.

5. Parking. Landlord shall provide Tenant non-exclusive parking rights in the Building parking lot for Tenant’s use during the term of this Lease, subject to the restrictions stated in Section 6. Tenant shall not park in or block, nor permit its employees or visitors to park in or block the driveway access to the Building.

6. Dangerous and Noxious Substances. Tenant shall not knowingly engage in or allow any activity, anywhere in the Building, by its own agents or anyone else, involving any hazardous and/or dangerous substance or conduct, including but not limited to flammable or toxic liquids, gases, paints, chemicals, or fumes; explosives; matches or lighters; or open or closed flames. Tenant shall not store any such item in any area of the Premises or adjacent to the Building, and shall not permit anyone else to do so. Tenant shall not store in or near the Building any item that could pose a danger to the Building or anyone in the Building, including but not limited to explosive, combustible, flammable, or noxious substances.

7. Storage Outside the Building. Tenant shall not store, nor permit anyone else to store, any item outside the Building or outside the Premises without pre-approval from the Landlord. Tenant's parking spaces shall be used only to park a motor vehicle that leaves the parking space at least once daily.

8. Utilities/Services. The Tenant shall be responsible for all utilities and services associated with the Premises (the 1,400 square foot addition) as follows:

<u>Utilities</u>	<u>Paid By</u>
Telephone & Internet Access	Tenant (100%)
Janitorial	Tenant (100%)
Electricity	Tenant (100%)
Heat	Tenant (100%)
Water/Sewer (50% for the single hookup)	Tenant (100%)
Snow Removal of Walkways & Egress	Tenant (100%)
Trash Collection	Tenant (100%)
Other Services/Utilities	Tenant (100%)

Special electrical wiring, plumbing and other requirements shall be undertaken at Tenant's sole expense and only with Borough Manager's prior written consent.

9. Use. The Premises (the 1,400 square foot addition) are leased to Tenant solely for the use and operation of a full-service, non-profit, preschool educational facility. No other use is permissible without Landlord's prior written consent. Tenant shall at all times comply with all applicable laws, ordinances and regulations of duly constituted authorities now or hereafter in effect, with respect to Tenant's conduct or use of the Premises or any other portion of the Building.

Tenant shall not allow any person to reside on the Premises. Nothing in this Article or in this Lease shall create any third-party beneficiary rights or relationship between Landlord and any other person. Tenant agrees to conduct its business at all times in good faith, and in a reputable manner. Tenant shall not conduct any going out of business or bankruptcy sale in the Premises without Borough Manager's expressed, written consent.

Tenant shall maintain any personal property in or about the Premises at Tenant's sole risk. Landlord assumes no responsibility for damage to Tenant's property or loss or theft of such property. Landlord reserves the right to close and keep locked all entrance and exit doors of the Building during such hours as Landlord may deem to be advisable for the adequate protection of the property.

10. Signs and decor. Tenant may display signs subject to HBC Chapter 18.90. Tenant shall decorate the Premises in a manner Landlord considers tasteful. Tenant is encouraged to seek Borough Manager's concurrence in any decorative scheme it considers before undertaking it. Without Borough Manager's advance concurrence, any such scheme is undertaken at Tenant's own risk.

11. Early Termination. Tenant may terminate its tenancy at any time during the term of the Lease by giving Landlord a 30-day written notice of termination. In the event of early termination by Tenant, Tenant forfeits any claim for reimbursement of construction costs incurred by Tenant in building the CVP addition to the Premises. Landlord may not terminate the Lease before the end of the term of the Lease except for a material violation or breach of the Lease by Tenant. Landlord shall give at least a 90-day written notice of its intent to terminate the lease but Tenant shall have the 90-day notice period to cure or contest the violation or breach of the Lease relied on by Landlord in its Notice of Early Termination.

12. Return of Premises. Tenant agrees to return the Premises in good order, condition and repair at the expiration or sooner termination of the Lease, excepting only reasonable wear and tear arising from normal use thereof. At such time, Tenant will surrender the Premises without further demand, in a neat and clean condition, and will deliver all keys to Landlord. Tenant agrees that holding over its occupancy at the expiration or sooner termination of this Lease will result in the creation of a month-to-month tenancy at the rental rate in effect at the time. Tenant shall have sixty (60) days after the termination of the Lease to remove Tenant's personal property from the Premises. Landlord shall have the option to treat as abandoned and retain or dispose of all personal property belonging to Tenant that Tenant fails to remove from the Premises within sixty (60) days of termination of the Lease, or Landlord may remove items and store them at Tenant's expense.

13. Maintenance, Alterations, and Moving. Before Tenant may make tenant improvements, it must comply with every applicable provision of this Lease, including but not limited to proof of insurance.

Subject to other provisions of this Lease, Landlord shall maintain all structural elements of the Building, as well as all mechanical systems, basic lighting systems and electrical systems serving the Building. The Landlord shall be responsible for major maintenance projects.

Landlord shall have the right to make changes, additions, and alterations to the Building. Landlord will use reasonable efforts to avoid disturbing Tenant's decorations or operations within the Premises in connection with such changes, additions, and alterations.

Tenant shall not make any alteration, addition, or improvement in the Premises without the consent of Borough Manager in writing, which consent shall not be unreasonably withheld. All such alterations, additions and improvements shall be at the sole cost and expense of Tenant, and shall be coordinated with Borough Manager. All alterations, additions and improvements shall remain when Tenant returns the Premises to Landlord, unless otherwise specified in Tenant's written request and consented to by Borough Manager.

14. Cleaning. Tenant will keep the Premises in a clean, sanitary and safe condition at all times. Tenant is responsible for disposing of all trash, empty boxes, and other disposable material.

15. Insurance. During the term of this lease and any and all renewals or extensions hereof, Tenant shall keep in full force and effect a comprehensive commercial liability insurance policy, including public liability and property damage, covering all of Tenant's activities with respect to the leased Premises in an amount not less than Five-Hundred Thousand Dollars (\$500,000.00), with Landlord named as an additional insured under the policy. Tenant shall also insure, and Landlord shall bear no responsibility for loss or damage to, Tenant's personal property and trade fixtures in the leased Premises in an amount equal to the replacement cost of such property and trade fixtures. Tenant shall provide Landlord with appropriate Certificates of Insurance showing compliance with this paragraph.

During the term of this lease and any and all renewals or extensions hereof, Landlord shall keep the Premises insured against damage and destruction by fire, vandalism and other perils in an amount equal to the replacement value of the building.

16. Indemnification. Tenant shall defend, indemnify and hold Landlord and Landlord's agents, officers, affiliates, and employees harmless against any and all claims, demands, liability, causes of action, suits, or judgments including expenses and legal fees incurred in connection with such matters, for death or injuries to persons or for loss of or damage to property arising out of or in connection with the use and occupancy of the Premises by Tenant or by Tenant's agents, employees, or invitees.

17. Liens. Tenant shall keep the Premises and the Building free from any lien arising out of any work performed, material furnished or obligation incurred by Tenant. If a mechanic's lien is filed, Tenant shall immediately cause the same to be discharged, but Tenant shall have the right to contest any such lien. If Tenant shall fail to cause such lien to be discharged within 30 days after being notified of the filing thereof and before judgment or sale thereunder, then Landlord may discharge the same, and the amount so paid by Landlord and all costs and expenses incurred by Landlord in procuring the discharge of such lien, including reasonable attorneys' fees, shall immediately be due and payable by Tenant to Landlord. Nothing contained in this lease shall be construed as consent on the part of Landlord to subject Landlord's interest in the Premises or the Building to any lien.

18. Inspection by Landlord. Tenant permits Landlord to enter the Premises to inspect it, to enforce or carry out any provision of this Lease, to perform required maintenance or repairs, or to make additions, alterations, or modifications. In the event of an emergency, Landlord may enter without prior notice, but will notify the tenant immediately. In the event that no emergency exists, Landlord will give Tenant 24 hours' notice before entering during non-business hours. In exercising its rights under this paragraph, Landlord shall make a reasonable effort not to interfere with Tenant's operations or disturb Tenant's quiet use and enjoyment of the Premises.

19. Default. The occurrence of any one or more of the following events shall constitute a material default and breach of this Lease by Tenant:

- a. failure to observe or perform any of the covenants, conditions, rules, or any other nonfinancial provisions of this Lease, where the failure shall continue for a period of 30 days after Tenant's receipt of written notice of the failure from Landlord; and/or
- b. filing of a petition in insolvency or bankruptcy, or a statement of insolvency.

In the event of any default by Tenant under this Lease, in addition to any other remedy, Landlord shall also have the right, with or without terminating this Lease, to re-enter and re-let the Premises. Tenant hereby agrees to pay Landlord the cost of recovering possession of the Premises, including attorney's fees, paralegal fees, and costs; the expenses of re-letting; and any other costs or damages arising out of Tenant's default. Tenant hereby waives all rights of notice to quit in the event of any abandonment of the Premises.

20. Miscellaneous.

a. Entire Agreement. This Lease, along with its exhibits, shall constitute the entire agreement between the parties. Any prior understanding or representation of any kind preceding the date of this Lease shall not be binding upon either party.

b. Timeliness. Time is of the essence of this Lease.

c. Construction. Tenant has had the opportunity to have legal counsel review this Lease on its behalf. The rule of construction that ambiguity is construed against the drafter will not apply.

d. Signatures. This Lease may be signed in counterparts, and a facsimile signature is as valid as an original.

e. Notices. Any notice, request, or other communication required or permitted to be given or made under this Lease shall be made when hand delivered, or mailed, by registered or certified mail, and addressed as follows:

If to Landlord:

Haines Borough
P.O. Box 1209
Haines, AK 99827
Phone: 907-766-2231

If to Tenant:

Chilkat Valley Preschool
P.O. Box 1165
Haines, AK 99827
Phone: 907-766-3213

IN WITNESS WHEREOF, the parties have executed this Lease the day and year first above written.

Haines Borough

By: William E. Seward

Title: Borough Manager

Chilkat Valley Preschool, Inc.

By: Lexie Dewitt

Title: President

Signature: _____

Signature Date: _____

Signature: _____

Signature Date: _____

MEMORANDUM OF AGREEMENT

This Agreement is made this 1st day of July, 2016 between the CHILKAT VALLEY PRESCHOOL (hereinafter referred to as CVP) of Haines, Alaska and the HAINES BOROUGH (hereinafter referred to as the BOROUGH).

The purpose of this agreement is to provide for the utilization and maintenance of the Haines Senior Center to expand use of the building.

The BOROUGH will continue to own the building and CVP shall manage it according to the following provisions:

1. CVP shall schedule all rentals of the building and collect all fees;
2. At the end of each quarter, CVP shall retain 25 percent of all rental fees collected and return ~~80~~ 75% ^{75R} percent of the fees to the BOROUGH;
3. CVP shall be responsible for ensuring the building is clean and supplied with essential toiletries;
4. CVP shall be responsible for ensuring walkways and the drive-through drop-off are clear of snow;
5. CVP shall be responsible for ensuring the grease trap is cleaned daily by users of the kitchen;
6. CVP shall immediately notify the borough of maintenance items;
7. The BOROUGH shall provide snow plowing for the roads and parking lots adjacent to the Senior Center;
8. The BOROUGH shall pay for utilities;
9. The BOROUGH shall provide major maintenance.

RECEIVED HAINES BOROUGH

Duration of Agreement:

Either party may terminate this Agreement with or without cause and without breach at any time upon at least sixty days written notice to the other of the intention to terminate.

JUN 21 2016

Agreed to this 10 day of May, 2016.

CLERK'S OFFICE

Signature for the HAINES BOROUGH

Brad A Ryan Interim Borough Manager

Printed Name and Title

Signature for the CHILKAT VALLEY PRESCHOOL

Alissa Henry board president

Printed Name and Title

Lisa Dewitt board president as of 6/1/16