
Haines Borough
Borough Assembly Meeting #233
AGENDA

October 9, 2012 - 6:30 p.m.

Location: Assembly Chambers, Public Safety Bldg.

Stephanie Scott,
Mayor

Daymond Hoffman,
Seat A
Assembly Member

Steve Vick,
Seat B
Assembly Member

Debra Schnabel,
Seat C
Assembly Member

Joanne Waterman,
Seat D
Assembly Member

Norman Smith,
Seat E
Assembly Member

Jerry Lapp,
Seat F
Assembly Member

Mark Earnest,
Borough Manager

Julie Cozzi,
Borough Clerk

Michelle Webb,
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 9/25/12 Assembly Meeting Minutes
- 8B – Chilkat Center Facility Report
- 8C – Museum Staff Report
- 9A – Museum Board of Trustees Minutes
- 11A1 – Adoption of Resolution 12-10-406
- 11A2 – Adoption of Resolution 12-10-407
- 11A3 – Adoption of Resolution 12-10-408
- 11B1 – Introduction of Ordinance 12-10-305
- 11B2 – Introduction of Ordinance 12-10-306
- 11C3 – Appointments to Federal Priorities Committee
- 11C4 – Confirm Letter of Support for TWC grant application

*** 4. APPROVAL OF MINUTES** - September 25, 2012 Regular Meeting

5. PUBLIC COMMENTS [Any topics not scheduled for public hearing]

6. MAYOR'S COMMENTS/REPORT – 10/09 Report

A. Employee Recognition: Brian Lemcke

B. Southeast Conference Report

7. PUBLIC HEARINGS

A. Ordinance 12-09-303 – Second Hearing

An Ordinance of the Haines Borough amending Haines Borough Code Title 18, Sections 18.80.030 and 18.90.050 to clarify the allowance of incidental items with setbacks.

*This ordinance is recommended by the planning commission and was introduced on 9/11. The first public hearing was on 9/25. **Motion:** Adopt Ordinance 12-08-302.*

B. Ordinance 12-09-304 – First Hearing

An ordinance of the Haines Borough Assembly amending Haines Borough Code Title 3, Section 3.70.040(D) to remove from the list of community purpose-exempted properties the parcels owned by Lynn Canal Human Resources, Inc.

*This is recommended the State Assessor and Lynn Canal Counseling has been notified of revocation of tax exempt status by the Borough Assistant Assessor on September 19th, 2012. This was introduced on 9/25. **Motion:** Advance Ordinance 12-09-304 to a second public hearing on 10/23/12.*

8. STAFF/FACILITY REPORTS

A. Borough Manager – October 9th, 2012 Report

*** B. Chilkat Center Facilities Report** – August and September 2012 Report

*** C. Museum Staff Report**– August 2012 Report

9. COMMITTEE/COMMISSION/BOARD REPORTS & MINUTES

*** A. Museum Board of Trustees Minutes**– Minutes of August 23, 2012 Meeting

10. UNFINISHED BUSINESS - None

11. NEW BUSINESS

A. Resolutions

* 1. **Resolution 12-10-406**

A Resolution of the Haines Borough Assembly authorizing the Borough Manager to enter into a construction contract with Southeast Road Builders for the Chilkat Lake Road project for an amount not-to-exceed \$691,418.50.

*This is recommended by the Borough Manager. **Motion:** Adopt Resolution 12-10-406.*

* 2. **Resolution 12-10-407**

A Resolution of the Haines Borough Assembly authorizing the Borough Manager to contract with PND Engineers, Inc. for design services related to Oceanview / Lutak Slope Movement mitigation measures in the amount of \$52,234.

*This is recommended by the Borough Manager. **Motion:** Adopt Resolution 12-10-407.*

* 3. **Resolution 12-10-408**

A Resolution of the Haines Borough Assembly authorizing the Borough Manager to enter into an agreement with PND Engineers, Inc. to provide contract administration and inspection services for the for the Chilkat Lake Roads project for a not-to-exceed amount of \$52,640.

*This is recommended by the Borough Manager. **Motion:** Adopt Resolution 12-10-408.*

B. Ordinances for Introduction

* 1. **Ordinance 12-10-305**

An Ordinance of the Haines Borough Assembly amending Haines Borough Code Title 3, Chapter 3.25 to clarify the purpose of the Medical Services Fund.

A code amendment is needed to allow for the funding being provided to Lynn Canal Counseling from the Medical Services Fund. While researching the matter, the clerk found no evidence the post-consolidation assembly intended to limit the medical services funds to ambulance service.

Motion: Introduce Ordinance 12-10-305 and set a first public hearing for 10/23/12.

* 2. **Ordinance 12-10-306**

An Ordinance of the Haines Borough Assembly amending Haines Borough Code Title 5 to increase the fine for violations of business permits up to \$1,000 per violation per day, to amend the approved commercial ski tour area map and to adopt a fee for allocated skier days.

The manager recommends a combination of policy and code changes for the 2013 heliskiing season, and his recommendations were "approved" by on 9/11. Some changes require code amendments. **Motion:** Introduce Ordinance 12-10-306 and set a first public hearing for 10/23/12.

C. Other New Business

1. **Presentation - Ice Rink Proposal by Haines Hockey**

*Assemblyman Hoffman requested this agenda item. **Motion:** Refer to committee.*

2. **Manager's Transition Plan and Options for Hiring Process**

*The personnel committee met on 9/21 to discuss the manager transition plan and hiring process and recommends a "traditional" recruitment method. **Motion #1:** Use a traditional recruitment method to hire the next borough manager. **Motion #2:** Refer development of a selection matrix to the Personnel Committee.*

* 3. **Advisory Board Appointments**

*On 8/28, a 2013 Federal Priorities ad hoc Steering Committee was established to be made up of one member each from the school board, assembly, planning commission, and chamber of commerce. The manager and school district superintendent will be ex officio members. The mayor is ready to make the appointments listed in the following motion and seeks assembly confirmation. **Motion:** Confirm the mayor's appointments of Allen Turner (Chamber of Commerce), Member-elect Royal Henderson (School Board), Robert Venables (Planning Commission), and Jerry Lapp (Assembly) Federal Priorities ad hoc Steering Committee.*

* 4. **Letter of Support for Takshanuk Watershed Council (TWC)**

*TWC asked for a letter of support for a grant application. A draft letter has been prepared for the mayor's signature with assembly approval. **Motion:** Approve the draft letter of support for the Takshanuk Watershed Council's Community Transformation grant application through SEARHC.*

12. SET MEETING DATES

13. PUBLIC COMMENTS

14. ANNOUNCEMENTS/ASSEMBLY COMMENTS

15. ADJOURNMENT


Haines Borough
Borough Assembly Meeting #232
September 25, 2012
MINUTES

Draft

1. CALL TO ORDER/PLEDGE TO THE FLAG: Deputy Mayor **LAPP** 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: Deputy Mayor Jerry **LAPP**, and other Assembly Members Joanne **WATERMAN**, Norman **SMITH**, Steve **VICK**, Debra **SCHNABEL**, and Daymond **HOFFMAN**. **Absent:** Mayor Stephanie **SCOTT**

Staff Present: Mark **EARNEST**/Borough Manager, Julie **COZZI**/Borough Clerk, Jila **STUART**/Chief Fiscal Officer, Michelle **WEBB**/Deputy Clerk, Gary **LOWE**/Chief Of Police, Brian **LEMCKE**/Director Of Public Facilities, Carlos **JIMENEZ**/Public Facilities, Phil **BENNER**/Harbormaster, Dean **OLSEN**/Assistant Assessor, and Jerrie **CLARKE**/Museum Director.

Visitors Present: Tom **MORPHET**/CVN, Margaret **FRIEDENAUER**/KHNS, Bill **KURZ**, Mike **HARTLEY**/PND, Jack **WENNER**, Dave **KAMMERER**, Tom **GANNER**, Jim **STUDLEY**, Dean **LARI**, Carol **TUYNMAN**, Nelle **JURGELEIT-GREENE**, Alan **TURNER**, Victoria **MOORE**, Tom **QUINLAN**, William **CUMMINGS**, and others.

3. APPROVAL OF AGENDA & CONSENT AGENDA

The following Items were on the published consent agenda:

- 4 – 9/11/12 Assembly Minutes
- 6 – Mayor’s Report
- 8B – Library Report
- 8C – Fire Dept Report
- 9A – Library Board Minutes
- 11A1 – Resolution 12-09-403
- 11A2 – Resolution 12-09-404
- 11B1 – Introduce Ordinance 12-09-304

Motion: **WATERMAN** moved to “approve the agenda/consent agenda,” and it was seconded.

SCHNABEL requested removal of item 11B1 from the consent agenda. Additionally, **LAPP** asked that item 11A3 be removed from the regular agenda and referred to the Port Development Steering Committee for review and recommendation. There was no objection to the agenda changes.

The motion, as amended, carried unanimously.

*** 4. APPROVAL OF MINUTES** - September 11, 2012 Regular Meeting

5. PUBLIC COMMENTS

JURGELEIT-GREENE expressed concern about the beach camping that has been taking place during the big events like the beer festival and fair. Some campers clean up after themselves and some don’t.

LARI asked the borough to come up with a new procedure for dealing with police department complaints. He is concerned that requests for records, including an audiotape, are falling on deaf ears. The complaint process is flawed because the one who reviews the complaint is the one the complaint is about. Instead, they need to go before a neutral third-party board. He asked the assembly to demand compliance with state and federal laws.

TUYNMAN invited the assembly to an event taking place on Alaska Day about salmon. There will be a presentation with an exhibit at the Sheldon Museum.

MORPHET, owner/editor of the Chilkat Valley News, explained the Chief of Police played the recording for him. **LARI** was not aware of that.

*** 6. MAYOR’S COMMENTS/REPORT**

A written report dated 9/25/12 was included in the meeting packet.

7. PUBLIC HEARINGS

A. Ordinance 12-09-303 – First Hearing

An Ordinance of the Haines Borough Assembly amending Haines Borough Code Title 18, Sections 18.80.030 and 18.90.050 to clarify the allowance of incidental items with setbacks.

Deputy Mayor **LAPP** opened and closed the public hearing at 6:38pm; there were no public comments.

Motion: **WATERMAN** moved to "advance Ordinance 12-09-303 to a second public hearing on 10/9/12," and the motion carried unanimously. There was no discussion.

8. STAFF/FACILITY REPORTS

A. Borough Manager – 9/25 Report

EARNEST thanked **LEMCKE** for his service to the borough and community. His last day will be October 2nd, and he will be missed. **LEMCKE** said it's been a pleasure working with the staff and assembly. He believes things got done and projects will continue to be accomplished. **LAPP** said the assembly thanks him for his hard work.

*** B. Public Library – Staff Report of August 2012**

*** C. Fire Department – Staff Report of August 2012**

D. Public Facilities – Slump Update by PND Engineers

Mike Hartley, from PND Engineers in Seattle, attended to present current information on the slump

HARTLEY said in January, PND performed some bore holes on the site, and in February, the Department of Transportation (ADOT) also prepared some bore holes. The geology of the Haines area is marine silts and clays that have uplifted over time. He reviewed some of the issues affecting some of the residences and other infrastructure in that area. In his opinion, there were problems in the area prior to this most recent event. There is quite a bit of water coming out of that area and several factors causing the movement. The most prevalent one was a record amount of snowfall that melted quickly. He reviewed PND's recommendations for mitigating the causes including directing water away from the area, especially the parcels where development is planned. It would be best to move the water all the way to the tide-line to prevent erosion. There is not a clear-cut way to prevent movement. Steep slopes tend to have some unraveling. **SMITH** asked how many tide-line pipes would be needed. **HARTLEY** responded just one or possibly two if the borough gets a utility easement. **CUMMINGS**, an attorney representing Josh and Victoria **MOORE**, said he believes there are serious omissions from PND's report that need to be addressed. **LEMCKE** clarified there was no broken water main but rather a broken water service line. **SCHNABEL** moved to "suspend the rules to allow the audience to ask questions for response by **HARTLEY** and **LEMCKE**," and **LAPP** determined the motion was unnecessary. He then called on various staff members and citizens who asked questions, including **STUART**, **QUINLAN**, **STUDLEY**, and **MOORE**. **HARTLEY** said the existing pipes are privately-owned and are on private property. **EARNEST** said the borough is looking at redirecting the drainage by working with the landowner. He will ask PND for an engineering/design proposal. This project is going to be very costly. It may be something to add to this year's legislative priorities, because it will cost more than the borough can afford.

9. COMMITTEE/COMMISSION/BOARD REPORTS & MINUTES

*** A. Library Board of Trustees – Minutes of August 15, 2012 Meeting**

B. Commerce Committee – Report of September 19th Meeting

SCHNABEL reported the committee met at the request of the administration to discuss issues related to heliskiing management, and the manager's report reflects the committee's recommendations.

Additional Reports:

Personnel Committee – WATERMAN said the committee met on 9/21 to discuss the Manager's Transition Plan.

Finance Committee – LAPP reported the committee met on 9/18 to discuss the Chilkat Valley Community Foundation proposal regarding administration of nonprofit grants for the borough, and the committee does not have a recommendation, at this time. They also reviewed the FY12 financial report provided by the Finance Director.

10. UNFINISHED BUSINESS

A. Manager's Travel Approval

This item was postponed to this meeting because the manager was absent due to illness, and some questions arose during the 9/11 discussion. In the mean time, the manager withdrew his proposed manager travel plan for the balance of FY13. Instead, he plans to make a couple of day trips to Whitehorse and Juneau in conjunction with the Port Development Plan and may also attend the Yukon Geoscience Forum & Trade Show in November. All of this could be accomplished within the

existing manager's travel budget approved in the FY 2013 budget.

Motion on the Table: Approve the manager's planned business travel for the remainder of FY13.

WATERMAN noted the clerk's suggestion that the assembly might consider defeating the motion since the manager's original proposal had been withdrawn.

The motion **failed** unanimously in a roll call vote.

EARNEST spoke of the need to revise the manager's contract concerning assembly approval of travel. It is important to address this for the future. The manager has authority to travel based on budget appropriations. **VICK** agreed. It is inefficient. The manager should be able to travel, as needed. He suggested **EARNEST** draft language for the assembly's consideration as they go through the hiring process of a new manager and development of a new contract.

11. **NEW BUSINESS**

A. Resolutions

* 1. **Resolution 12-09-403**

A Resolution of the Haines Borough Assembly authorizing the borough manager to enter into a purchase and sale agreement between the Borough and Roger Beasley regarding the acquisition of Picture Point property.

The motion adopted by approval of the consent agenda: "adopt Resolution 12-09-403."

* 2. **Resolution 12-09-404**

A Resolution of the Haines Borough Assembly authorizing the Borough Manager to enter into a contract with Maine Energy Systems to purchase of a wood pellet boiler, silo, and associated parts for an amount not to exceed \$25,000.

The motion adopted by approval of the consent agenda: "adopt Resolution 12-09-403."

3. **Resolution 12-09-405**

A Resolution of the Haines Borough Assembly authorizing the Borough Manager to enter into a Memorandum of Agreement with Prophecy Platinum Corp. to establish a framework of mutual cooperation and the exchange of information among the parties regarding the potential development of the Wellgreen Ni, Cu, Au, PGE deposit near Burwash Landing, Yukon Territory.

This was removed from the agenda during approval of the agenda/consent agenda for referral to the Port Development Steering Committee.

B. Ordinances for Introduction

1. **Ordinance 12-09-304**

An ordinance of the Haines Borough Assembly amending Haines Borough Code Title 3, Section 3.70.040(D) to remove from the list of community purpose-exempted properties the parcels owned by Lynn Canal Human Resources, Inc.

Motion: **SCHNABEL** moved to "introduce Ordinance 12-09-304 and set a first public hearing for 10/9/12," and it was seconded. The motion carried unanimously.

During the discussion, **SCHNABEL** spoke against the motion. In spite of what the state assessor says, she believes they still qualify. **HOFFMAN** wondered if there is a maximum time period for developing the land. **LAPP** said Lynn Canal Human Resources has no plans to build for the foreseeable future. He believes the ordinance should be moved forward until there is more information. **STUART** explained the state assessor is concerned with fairness. Being a 501(c)3 nonprofit does not inherently entitle them to property tax exemption. The property they are holding is separate from the service they provide. This ordinance is very timely because they are thinking of putting the property up for sale and abandoning their plans to build.

C. Other New Business - None

12. **CORRESPONDENCE/REQUESTS** – None

13. **SET MEETING DATES**

A. **Election Canvass** – Tuesday, 10/9, 5:30pm (Clerk's note: later changed to 6:00pm)

B. **Special Joint Meeting of the Assembly & School Board** – Tuesday, 12/4, 6:30pm - Purpose: establish 2013 Legislative Priorities

C. **Port Development Steering Committee** – The manager said this meeting will be scheduled for

very early October. Purpose: Resolution re Prophecy Platinum and Northern Economics' report.

14. PUBLIC COMMENTS

CLARKE expressed appreciation for **LEMCKE**'s work and how easy he is to work with.

15. ANNOUNCEMENTS/ASSEMBLY COMMENTS

SCHNABEL said the Department of Natural Resources is considering issuing a mining exploration permit in the area of the Mt. Riley Trailhead, just up from the shooting range. This area is mineralized and the public has known for quite some time there are claims there. Apparently, the permit process does not require public notification and comment. There are recreational interests in that area that should be considered, and she's not sure how to deal with it on an official level.

WATERMAN asked that the *manager's transition plan and the options for hiring process* be on the October 9th assembly agenda.

SCHNABEL said there needs to be closure on the police department complaint procedure and perhaps a Government Affairs & Services Committee meeting would be in order to review the complaint policies and procedures. **VICK** suggested that meeting wait until after the election. It can be scheduled at the next assembly meeting.

LAPP announced the Lynn Canal-Icy Strait Resource Advisory Committee recently met and the borough got approval for Tier II Forest Service funds to deal with road erosion in Excursion Inlet. **EARNEST** said **STUART**'s persistence and determination is a major reason this effort was successful.

16. ADJOURNMENT – 7:42 p.m.

Motion: **SMITH** moved to "adjourn the meeting," and the motion carried unanimously.

ATTEST:

Jerry Lapp, Deputy Mayor

Julie Cozzi, MMC, Borough Clerk

Mayor's Report

Haines Borough
Office of the Mayor
103 Third Avenue S.
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October 3, 2012

Southeast Conference

Thank you for sending me to The Southeast Conference 2012 Annual Meeting in Craig. I thoroughly enjoyed it. Here are some highlights:

Mineral Development. The 2012 Annual Meeting in Craig was rich in information about mineral development in Southeast. Clearly, mines in production bring jobs, increase the tax base, and add revenue to the non-profit sector – including schools. Jan Trigg with Coeur Alaska (Kensington Mine) and Ron Plantz from Hecla Greens Creek Mine were able to detail these contributions to Juneau. I have asked both presenters to provide data that might show the impact in Haines: number of Haines residents employed; amount of philanthropic contributions to date. Jan Trigg stated that she was arranging for a field trip to Kensington for Haines representatives in 2013.

There are two mines in development on Prince of Wales (POW): Niblack Mine and Ucore Bokan Mountain Rare Earths Mine. I was impressed that Craig City Manager Jon Bolling was able to publicly state that “by and large, the people of POW are behind these mining developments.” As you know, there are many communities on POW. Mr. Bolling was making his statement on behalf of all of the communities, not just Craig. It is wonderful to see a region united around a path.

Mining Education Initiative. Mike Bell and Elaine Price will be visiting Haines in November to explain the mining distance learning program that has been developed. I was able to speak with both and added my support and encouragement for the initiative.

Economic Forecast. The Southeast Conference commissioned a document called “Southeast Alaska by the Numbers, 2012,” hailed as a “somewhat rosy picture” for the first time in two decades. ¹It was produced by Sheinberg Associates and presented by Sheinberg Associates Research Analyst Meilani Schijvens. It is a five-year snapshot analysis of the regional economy. It shows what sectors are forecasted to go “up” in terms of jobs and revenue (Visitor Industry, Mining, Health Care); and which to go “down” (Timber & Wood Products, Government). Population is also forecast to continue to climb as it has been doing since 2007. The report states, “In 2011, Southeast Alaska was the fastest growing region in the state, led by 3%+ increases in Price of Wales, Haines, Petersburg, and Juneau.”

¹ See attached October 2 article from KRBD.

AMHS. I was pleased to meet Deputy Commissioner Captain Michael Neussl. He verified that the Upper Lynn Canal will have ferry service 7-days a week next summer. Captain Neussl announced that AMHS revenue was up for FY12 – though there has been no fare increase, indicating that the revenue increase is due to an increase in ridership. The system has added live tracking of vessels to its website. Captain Neussl said that the system’s goal was simple: “keep customers informed.”

Scott Foster, KTOO, 360 North, previewed the documentary commissioned to celebrate the 50th anniversary of the Alaska Marine Highway System. The MTAB Chair, Robert Venables, expressed some concern that the documentary may not clearly indicate that the AMHS originated in Haines. I conveyed this concern to Mr. Foster and to Shelly Wright, Executive Director of The Southeast Conference, and one of the three underwriters of the film. Through Sheldon Museum and Culture Center Director Jeri Clarke, I followed up by providing additional documentation of the origin of the ferry system.²

Because Haines is the origin of the Alaska Marine Highway System, I suggest that it is appropriate for Haines to launch the 50th anniversary celebration this coming January in partnership with Skagway. I have asked the Manager and the Tourism Advisory Committee to consider contributing to the cost of the documentary (suggested contribution of \$2000) and to plan the first celebratory activity.

Energy Issues.

Southeast Alaska Intertie. Sara Fischer-Goode explained that although the Southeast Alaska Integrated Resource Plan does not find interties between communities to be cost effective at this time, many public comments argued in favor of intertie. AEA will continue to examine intertie recommendations and work with the mining sectors. AEA will also look at the potential for connection with British Columbia.

AEA and Rate Setting Workshop. Sara Fischer-Goode, Executive Director of the Alaska Energy Authority, spoke with me about AEA’s plan to come to Haines in November, along with a representative of the Regulatory Commission of Alaska (RCA) to help us understand how utility rates are established. The meeting is facilitated by Southeast Conference’s Energy Coordinator and Haines resident, Robert Venables.

Wood Heat. Darsie Culbeck and I were able to tour the Craig chip-fired wood boiler with Craig City Manager Jon Bolling. It is an enormous piece of machinery! Bolling reported that there have been maintenance and fuel challenges but the overall savings have been significant. He did state however, that were he to do it over again, he would go with pellets.

² See attached documents provided by The Sheldon Museum and Cultural Center



LOCAL NEWS

Southeast numbers up and continue to rise

by Leila Kheiry

October 2, 2012 3:47 PM

For the first time in about two decades, the annual Southeast “By The Numbers” report from Juneau-based research firm Sheinberg Associates gave a somewhat rosy picture of the region’s economy.

Meilani Schijvens was one of a group from Sheinberg Associates that took a detailed look at Southeast Alaska’s economy and population over the past five years. She presented some of the study’s findings last week during Southeast Conference in Craig.

“For the last 15-20 years, we’ve been getting up in front of you to convey rather depressing numbers,” she said. “We’ve tried to put a good spin on them, and focus on the successes, but the late ‘90s and early 2000s were tough years for Southeast Alaska.”

In the late 1990s, fishing and timber were in decline, and populations throughout the region fell by 10 percent on average, not including Juneau. Now, however, “I’m excited to tell you that we are indeed starting in on a new book of the Southeast Alaska economic history,” she said. “Population is up, employment is up, wages are up, more specifically, state and local government jobs are up; health care and mining jobs are up; seafood statistics are way up thanks to a banner seafood year in 2011; home values are up and metal prices continue to skyrocket.”

Over the last five years, there were a few decreases, Schijvens reports, which do cancel out some of the good news. Those are the visitor industry, federal government jobs and new home construction. Of those, only federal employment continued to decline over the past 12 to 18 months.

Schijvens says federal employment likely will stay on that downward path through the end of the year.

As the name of her company’s report indicates, Schijven’s presentation contained a lot of numbers. Most of them are positive, though, so it’s pleasant to pay attention and follow along.

“Mining employment in the region was up by 58 percent over five years ago, and that’s really good for the region when you consider that the average wage in the mining industry is 2.5 times that of the average private sector wage in the region, so we like our mining jobs,” she said. “In 2011 there were 100 more mining jobs than in 2010, and preliminary data for 2012 suggests that employment in the mining industry is going to increase another 150 jobs to 200 jobs in 2012 alone.”

That growth has been spurred by high prices for metal, such as gold. Schijvens says she believes the price of gold will

hit \$2,000 an ounce in the next year.

Another area that has seen growth is the region's health care system, which provides about 9 percent of the jobs in Southeast Alaska. The population is aging, in part because of a low birth rate in Southeast. However, people are moving here, and in fairly large numbers.

"Now, this is actually what I think is the most exciting story of the five-year overview. Over the past three years, Southeast Alaska has grown by 2,300 people, actually over the last five years. That's an increase of 3 percent," she said. "The 2011 population of Southeast Alaska was 73,526. What I think is really interesting is that in 2011, Southeast Alaska was the fastest growing region of all of Alaska."

Schijvens says most of that growth is due primarily to young, single, highly educated people choosing to move to Southeast. About a third come from other parts of Alaska, about half are from Down South and others have moved from foreign countries.

Will the upward trend continue? Schijvens says it can, but only if Southeast continues to attract and, more important, retain these newcomers. She says the high cost, and low availability of affordable rental housing is a continuing problem that communities need to address.

Looking to the future, Schijvens has some pretty good news.

"In 2012, Southeast Alaska will hit a new population record, finally surpassing our 1997 peak. In 2012, Southeast Alaska will hit a new employment record, surpassing our 2006 peak. In 2012, Southeast Alaska will have the highest average total wages, even adjusted for inflation," she said. "These are the three most important indicators for measuring a growing economy, and it means Southeast Alaska is headed in a very good direction."

Also following the numbers theme, Jim Calvin of the McDowell Group gave a presentation at Southeast Conference about the Southeast Alaska modeling project, which will take millions of pieces of data to come up with a model that shows what makes the region's economy tick.

The project was introduced at last year's Southeast Conference in Ketchikan, and Calvin says it will take about 100 hours of professional labor to complete. While the project isn't done, Calvin had some numbers to share.

"This wouldn't be a McDowell Group presentation if we didn't have a few numbers," he said. "So I'll give you a sample of the kind of information that's buried in all of this data set. These are the kinds of things you can impress your friends and neighbors with. Regarding the Southeast Alaska economy, did you know that we have workplace-related earnings of \$2.2 billion and total personal income in Southeast Alaska of \$3.4 billion. We have total value-added of \$3.9 billion and our regional economy has a total output of \$6.2 billion. So there's a few factoids for you."

Calvin says the modeling project is about a third of the way complete. Among other uses, when done, it will provide economic information for specific towns, rather than just boroughs or census areas.

Southeast Conference is a regional economic development organization. It formed in 1958, and includes representatives from Southeast Alaska communities and business interests.





JeremyLana Parker

Yeah.

[Reply](#) · [Like](#) · 19 minutes ago

Facebook social plugin

'Father of Ferries' remembered for innovations

Steve Homer, a Haines businessman and sailor who searched out distant horizons, died Sunday in Bellingham, Wash. He was 71.

Homer is credited with establishing the first ferry service in Lynn Canal, as well as the town's first bus company and condominium. "He came here before World War II and saw potential for growth. He wanted to be in on it," said longtime friend Joan Snyder.

Homer was one of five World War II veterans who came to Haines in 1947, the major investors in the \$105,000 purchase of Fort Seward as Army surplus. The same year he bought a surplus Navy landing craft for \$10,500, named it the M/V Chilkoot, and in 1948 started weekly freight and passenger service between Haines, Skagway and Tee Harbor, Juneau. The vessel could hold 17 cars and traveled at nine knots.

"It sort of felt right, like a hand in a glove," Homer once said of the service, with its road link to Interior Alaska. Homer had hopes of expanding the service to other communities but expenses and increased regulation dashed those dreams and in 1951 he sold the Chilkoot to the Territory of Alaska.

The government added the M/V Chilkat to its ferry service in 1954 and an act of the state legislature established the Alaska Marine Highway in 1963, when three mainline vessels came into service.

Homer ventured into other fields. From 1967 to 1972 he helped establish fisheries cooperatives in Vietnam for the Agency for International Development. "He was very concerned about the Viet-

namese and he helped several of them get out of the country," Snyder said.

In the early 1970s, Homer established the Mar-Air Bus Company, the first bus to link Haines with the ferry terminal and airport. His idea as well as one of his buses survives today as the Haines Streetcar Co. In later years Homer also started Yukon Stage Lines, a bus service between Skagway and Whitehorse. He divided his home in the fort to establish Homer Building Condominiums, the first in Haines.

"He was always coming up with ideas. They didn't all pan out but the ferry one did," said local historian Lib Hakkinen. Less than two weeks ago Homer was talking of running small-boat tourist excursions in the Lynn Canal that would include tours of the Golden Circle Route.

A one-time resident of Bellingham, Homer 40 years ago hoped that port one day would be the southern terminus of Alaska ferry system and had promoted the recent switch from Seattle. Homer died only a few days before the first ferry landed there this week. "He wanted to see that," Hakkinen said.

Born in Fairfield, Conn., Homer was a lifetime bachelor and had no children. "He was a real independent spirit," said Snyder. The landing craft Chilkoot eventually was sold and is beached in Seward, Alaska, she said.

Homer served in the Marine Corps 1940-42 and in the Navy, 1943-45. He was stationed in Iceland and the South Pacific. He will be buried in Haines next week.



Steve Homer aboard the M/V Malaspina last summer during the 25th anniversary celebration of the marine highway.

Local girl runners finish sixth at state championship meet

The Haines girls cross country team finished sixth of eight teams at the Division 3A state championship meet last

Stuart said. Rookie standout Phillips, who didn't meet academic eligibility requirements, could have pushed the team to third



Juneau's on the Alcan Now!

By J. A. F. MacCammond, Jr.

The Chilkoot MotorShip Line completes the direct route between Juneau and the rest of the Territory.

• • •

If you were to tell your friends that Juneau was on the Alaska Highway, they would think that you had lost your mind . . . but you would be right! Starting April first, Juneau will be on the Alaska Highway, for on that date the Chilkoot MotorShip Line will start on schedule operation from Haines to Juneau and Skagway. In Haines you are at the start of the Haines Highway, and 159 miles farther you are on the Alaska Highway. From Haines Junction it is up to you, be it Fairbanks, Anchorage, or New York City.

Ever since the completion of the Haines Highway, plans have been discussed as to the possibility of a ferry run from the Southeastern Alaskan towns and cities to Haines, and the Highway. Now this service has been started by two of the young veterans from the Port Chilkoot Settlement, Steve Larsson Homer and Ray Gelotte. This ferry service, for years the missing link of the intra-Alaskan transportation system, was made possible through the help and vision of men who realize the necessity of opening up the Territory. Steve and Ray were fortunate to have men behind them like Judge Simon Hellenthal, Mr. E. G. Cleveland with his progressive banking methods, Gov. Gruening, Territorial Highway Engineer Frank Metcalf, and all the others who helped to push this new small venture.

The saga of the Chilkoot MotorShip Line goes back to 1938 and 1939 when Steve Homer first came



to Alaska. He spent most of his time in Juneau and Skagway ("I never knew Haines existed," he admits frankly.), but he looked over the Interior . . . and left with one resolve: He was coming back!

Time and the War postponed his plans. Steve went into the Navy, became Skipper of an L.C.T., and went into battle.

After the war was over, Steve knew that it was time to be getting back to Alaska, and while in Washington, D. C., he joined with a group of young veterans interested in coming to the Territory. The group purchased the Chilkoot Barracks property from the War Assets Administration in 1946, but ran into legal controversy, and did not get title until 1947.

Ray Gelotte joined the Veterans' Alaska Co-op in the fall of 1946. He didn't know anyone in the group but had heard about it from his brother, Gustav Arne Gelotte who had been in Juneau during the war and had married a Juneau girl, the former Bonnie Mozee. Ray wanted

to go to Alaska, and he wanted to go RIGHT NOW. When he heard nothing from the Co-op during the winter of 1946, he began to wonder what had happened, and upon looking through his paper one spring morning, he saw a picture with the caption "Veterans and wives leaving to start new community at old Army base in Alaska." Ray was on the next train for Washington! A tall, sandy-haired Swede opened the door of the office, saying, "My name's Steve Homer," and that was the beginning of the friendship that was to eventually be the Chilkoot MotorShip Line.

Ray came to Alaska a short time after that, driving up with Ted Gregg and his van of household furnishings. Steve came in August and talked water transportation with the members of the group who were here. There were quite a few who were interested, and as Ray says, "I bit!"

Steve and Ray went back to Seattle to make arrangements for the purchase of a ship. Ray's brother Arne, who is now attending the Uni-



versity of Virginia, joined the partnership, as well as six other men who were in Seattle, but early in December there was a disagreement and the six others dropped out. At this point, the R.F.C. couldn't consider the loan, so the matter was dropped for a while and this postponement brought about what Steve and Ray call their "Dejected Period."

The first disappointment ended up by Steve's "getting a job as night clerk in a fourth-rate hotel in Portland," and Ray's taking a trip home to Brooklyn for the Holidays. They were still determined to start a ferry operation, so Ray came back to Portland in January and took a job with Bressie Electric Company. While Ray and Steve were looking for a ship, Ray met Doreen De Lisle, or as Steve says, "The partnership was increased by one." Ray says, "If everything else fails, I still got a wonderful deal out of the partnership!"

Negotiations were rapidly coming to a close on the purchase of an L.C.T. They were not able to buy it from the surplus division of the Maritime Commission, so they had to buy it from a private Corporation. This entailed considerably more time and expense.

On July sixth they sailed for Port Chilkoot via Bremerton, Washington, where they picked up Gordon Byrne, his wife Dorothy, Ray Johnson, his family, and the fleet of boats that are now being operated out of Juneau as the Sportsman's Boat Rental. This was the start of the great trek north.

Scratched on the wall of the deck-house of M/V Chilkoot is the cryptic note, "Monday 1 a.m. Seymour Narrows." They worked a 4-hour-on-8-off shift for all hands except Ray and Steve who swear that it seemed like 12-on-and-12-on. It is conceded by all that there was considerable "sweating" by all during the run through the Narrows, but that was alleviated four days later when they arrived in Ketchikan and bought two quarts of ice cream apiece. From Ketchikan, it took

thirty hours running time to Juneau.

At Juneau they deposited the Byrne-Johnson group at the Small Boat Harbor. Returning, they were interviewed by the press and invited to be guests of the Junior Chamber of Commerce, where they unfolded their plan for the operation of a Ferry service among Juneau, Haines, and Skagway.

It was a hot Saturday morning when they arrived at the Port Chilkoot Terminal Co. Dock at Haines. Curiosity brought almost all of the Port Chilkoot group to the dock to see the ship and to welcome home these two tired, sunburned, dirty men men whose dream had become a reality.

Steve and Ray made a test run to Skagway before Ray left for Portland to be married. After the return of Ray and Doreen, many more exploratory runs to Skagway and Tee Harbor were tried. Operations were not put into effect during the winter, for the M/V Chilkoot needed a complete overhauling, and the ramps at Haines, Tee Harbor, and Skagway had not been completed. This is about done now, and the eyes of Alaska are soon to be centered upon these two young veterans and their enterprise, The Chilkoot MotorShip Line.

So, you see, Juneau and, in fact, all of Southeastern Alaska is on the Alaska Highway now.

THE END

Relax at the

Chilkoot Inn

*On the doorstep of
The Alaska Highway*

at

Port Chilkoot Haines, Alaska

U...
Lyon has looked at other buildings in Fairhaven, but nothing suitable or affordable could be found.

"All along we were hoping this thing with the rose garden would work," he said.

City Parks Director Byron Elmendorf said a hostel would benefit the city by enhancing security in the area and relieving

resident park manager. Because of money problems, the department has phased out its resident manager program.

The hostel organization promotes global understanding by providing inexpensive lodging for member travelers of all ages. It operates 10 hostels in Washington, including ones in Birch Bay, Port

ish the unfinished basement to provide bathrooms and bed space for 12 to 16 travelers, Lyon said. The main floor would provide common rooms, a kitchen and accommodations for a live-in manager.

Membership in American Youth Hostels would be required to stay at the hostel, but community groups could use the building for gatherings, he said.

Before he died Homer parted waves for Alaska ferry system

By BEN GARRISON
of the Herald staff

Steve Homer hopes to be at Bellingham Cruise Terminal on Friday for the first Alaska-bound sailing from Bellingham of the ferry system he started 41 years ago.

"I'd like to get down there if I can," said Homer, 72, from his bed at Sehome Park Care Center in Bellingham.

Homer was moved to Bellingham last week from Virginia Mason Hospital in Seattle, where he had recovered from pneumonia. He also has suffered from diabetes and cancer.

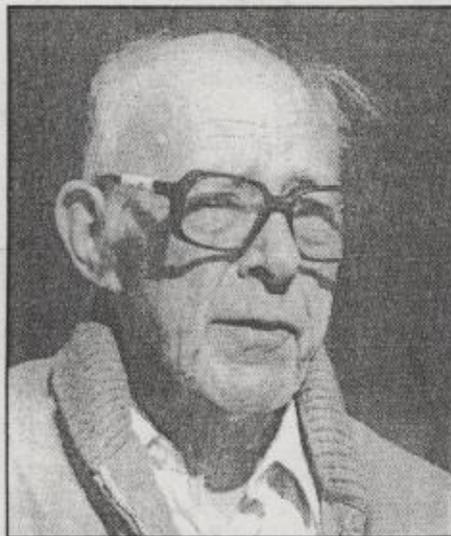
During recent years, he has lived on and off in Whatcom County, where some of his closest friends live. They vow to get him to Fairhaven on Friday.

"We'll drag him down there one way or another," said Terry Buzzard, who worked with Homer on the San Juan Islands mailboat and ferry runs from Anacortes and Bellingham in the early 1960s.

Lani Calkins, manager of the Port of Bellingham's Fairhaven Terminal and another of Homer's friends, also would like to get him there.

"It only seems fitting that he should be here, since he started the whole thing," Calkins said.

Raised in Fairfield, Conn., Homer worked in Alaska during the summers of 1938 and 1939 on breaks from schooling in Missouri and Washington. During the first summer, he worked as a blacksmith's helper in a gold mine on Chichagof Island. During the second, he helped build the roadway from Juneau to Auke Bay, where the Alaska ferry now docks for Juneau passengers.



STEVE HOMER

In 1940, he was drafted into the military. After a tour as a hospital corpsman in Iceland with the U.S. Marine Corps, he eventually became an ensign in charge of LCT (landing craft-tank) vessels in the South Pacific.

The experiences in Alaska and World War II eventually would lead to the establishment of the first ferry in Alaska. But first Homer had to get there. After the war, Homer returned to Fairfield feeling footloose, he said.

"The idea of working 30 years for General Electric Co. and then getting a gold watch didn't appeal to me," he said.

Fortunately, he got a call from Ted

The ship comes in



Workers at Bellingham Cruise Terminal continue their scramble to get the building ready for Tuesday's grand opening.

Bellingham officials, real estate agents and South Side businessmen say little of the impact of the ferry's arrival will be visible immediately.

See Page B1.

Gregg, Homer said. Gregg and his wife, Mimi, Homer and others formed Veterans Alaska Cooperative Co. in Washington, D.C., a consortium of people with various skills who wanted to settle in Alaska.

By chance, they learned the War Assets Division of the U.S. Department of the Interior had put Fort Seward in Haines, Alaska, up for sale. Eventually, the Washington, D.C., group bought the 40-year-old fort for \$105,000.

Mimi and Ted Gregg still live in a hilltop former officer's house in Haines. Next to them is Homer's home. Like the Greggs, Homer still is part owner of Port Chilkoot Co., the former cooperative that owns the

(Continued on Page A2, Col. 1)

Homer inspired Alaska ferry system

Homer inspired Alaska ferry system

(Continued from Page A1)
fort.

In 1947, Homer and two minority partners paid \$10,000 to buy a 121-foot LCT from the Port of Newport, Ore., which had bought some war surplus vessels. With the help of Ted Gregg and Homer's partners, Homer converted the boat designated LCT No. 1168 into a car-bearing ferry named the M/V Chilkoot after an inlet near Haines.

Homer's main partner then, Ray Gelotte, now lives in Port Angeles.

Homer's idea was to establish affordable marine transport for vehicles and passengers between Southeast Alaska communities and Haines, Skagway and Prince Rupert, B.C., where highways extended inland and even to the Lower 48.

But the U.S. Coast Guard refused to recognize the LCT's design as different from a ship, Homer said. As a result, it required the vessel be dry-docked each time it touched ground, making Homer's plan unfeasible.

In the end, the Chilkoot was limited to twice-weekly sailings with calls at: Haines; Skagway, now the northern terminus of the Lower 48-Inside Passage line; and Tea Harbor, about 15 miles north of Juneau.

For the first time, Southeast Alaska residents had an affordable and regularly scheduled means of transport. Juneau residents also could get cars to Haines and Skagway roadways leading into interior Alaska.

The partners charged \$25 a car and \$10 a passenger, Homer said. At first, the vessel could accommodate 14 cars and 20 passengers. But later the Coast Guard limited the passenger load to five, Homer said.

Homer wanted to accept other business transporting construction, mining and logging machinery on the side to make the service profitable, he said. But again, the Coast Guard stopped him.

Without the extra business, the operation was not profitable, he said. Homer sold the operation in 1951 to the then-territorial government of Alaska for what he said was a small price that nonetheless spared the partners any losses.

Homer never forgave the Coast Guard, which he called the "hooligan navy," for thwarting his enterprise, he said. To this day, he said does not

believe the Coast Guard had a good reason for restricting it.

The government continued to operate the ferry. But it replaced the Chilkoot with the M/V Chilkat in 1959, the year of statehood. The Chilkat, now moored in Ketchikan, still is part of the system.

The Chilkoot eventually was sold into private use, Ted Gregg said. It now sits abandoned on a shore near Seward, Alaska.

Homer returned to Seattle to earn degrees in economics and political science from the University of Washington, he said. He also managed apartments, taught and worked as a shipmate.

In the early 1960s, Homer and others operated a mail run between Anacortes and the San Juan Islands and then a foot ferry from Bellingham Bay called Marine Commuter, according to Buzzard, who bought the ferry.

The Alaska Marine Highway System officially was formed in 1963 as the M/Vs Malaspina, Matanuska and Taku were completed and brought into service in additional Southeast Alaska ports.

When the ferry system's M/V Malaspina made its way up the Inside Passage for the first time in 1963, cheering crowds met the ship at every port, according to several who were there.

For the region's residents, it brought an affordable and safe way to visit other cities of Southeast Alaska and the rest of the state during all seasons.

And unlike steamships and cruise lines that regularly sailed the Inside Passage in previous decades, the government-run Alaska Marine Highway System was their transportation.

"I'm sure every politician in Southeast was there," said William Bendixen, who was aboard the first sailing of the Malaspina. "The public looked at it and said, 'That's our ferry.' They were very proud of it."

Bendixen, now living in La Conner, was aboard the Malaspina as pilot observer. He later was the Taku's pilot captain, the ferry system's port captain and then its marine superintendent. He retired in 1978.

Today, the system fleet includes nine vessels. Two of them, M/Vs Bartlett and Tustumena, serve Southwest Alaska. The entire system serves 32 Alaska communities and some 400,000 passengers annually.

High school sports teams, tourists and fishermen and other workers alike use the system routinely to make their way throughout the two regions and down to Prince Rupert, B.C., and the Lower 48.

Homer said moving the southern tie-up to Bellingham is wise.

"It's smart," he said. "Why would you have a ferry system that parallels an interstate highway?"

As the terminal moves from Seattle to Bellingham officially on Friday, Alaskans familiar with the ferry's history are thinking of Homer. Among them is Robert E. Lee, pilot of the M/V Columbia, which will dock here Tuesday.

"He was the dreamer," Lee said.



**Haines Borough
Assembly Agenda Bill**

Agenda Bill No.: 12-157
Assembly Meeting Date: 10/9/12

Business Item Description:	Attachments:
Subject: Allowing Incidental Items within Setbacks	1. Ordinance 12-09-303 2. Excerpt of 10/13/11 Planning Commission Minutes 3. Backup Documentation from 10/13/11 PC Packet
Originator: Planning Commission (Agenda Bill by Clerk's Office)	
Originating Department: Planning & Zoning	
Date Submitted: November 2011	

Full Title/Motion:
 Motion: Adopt Ordinance 12-09-303

Administrative Recommendation:

Fiscal Impact:

Expenditure Required	Amount Budgeted	Appropriation Required
\$	\$	\$

Comprehensive Plan Consistency Review:

Comp Plan Policy Nos. :	Consistent: <input type="checkbox"/> Yes <input type="checkbox"/> No
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Summary Statement:

This is recommended by planning commission. Introduction was delayed until now because of the related off-premises signs ordinance that was still pending in committee. It was thought that the two ordinances might be addressed at the same time since they are similar. Since the off-premises signs ordinance was recently shelved, this particular ordinance was brought forward as originally requested by the planning commission. It was introduced on 9/11.

Referral:

Sent to:	Date:
Recommendation:	Meeting Date:
Refer to:	

Assembly Action:

Workshop Date(s):	Public Hearing Date(s): 9/25, 10/9/12
Meeting Date(s): 9/11, 9/25, 10/9/12	Tabled to Date:

An Ordinance of the Haines Borough Assembly amending Haines Borough Code Title 18, Sections 18.80.030 and 18.90.050 to clarify the allowance of incidental items within setbacks.

BE IT ENACTED BY THE HAINES BOROUGH ASSEMBLY:

Section 1. Classification. Sections 4 and 5 of this ordinance are of a general and permanent nature and the adopted amendments 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 18.80.030: Section 18.80.030 of the Haines Borough Code is hereby amended to read as follows:

NOTE: **BOLDED/UNDERLINED ITEMS ARE ADDED**

18.80.030 Setbacks and height.

A. Setbacks are measured from the outermost portion of the building to the nearest lot line or building as appropriate. Incidental architectural features such as window sills, cornices and eaves may not project into any required setback. This exemption also applies to cantilevered floors, decks or other similar building extensions. No building or structures may be located within a setback, except that fences may be constructed within the required setback by permit. ~~Driveways are not subject to setback requirements.~~ **The following items shall be exempt from setback requirements provided the item is located to achieve its purpose without constituting a hazard to vehicles or pedestrians, is located such that it does not obscure sight angles at intersections or driveways, and is not in any location prohibited by state regulation:**

- 1. Driveways and culverts that meet HBC 12.08;**
- 2. Parking areas that meet HBC 10.44;**
- 3. Satellite Dishes;**
- 4. Signs that meet HBC 18.90; and**
- 5. French drains, culverts, or similar infrastructure.**

Where more than one setback standard is applicable, the most restrictive setback standard applies.

Section 5. Amendment of Section 18.90.050: Section 18.90.050 of the Haines Borough Code is hereby amended to read as follows:

NOTE: ~~STRIKETHROUGH~~ ITEMS ARE DELETED

18.90.050 Required setback, placement, construction and lighting standards.

...
C. Freestanding and Portable Signs. Freestanding and portable signs shall not be located so that they obscure traffic or sight angles at intersections or driveways, or in any location prohibited by state regulation. ~~Freestanding signs shall not be located within the required building setback.~~

Haines Borough
Ordinance No. 12-09-303
Page 2 of 2

ADOPTED BY A DULY CONSTITUTED QUORUM OF THE HAINES BOROUGH ASSEMBLY THIS ____
DAY OF _____, 2012.

ATTEST:

Stephanie Scott, Mayor

Julie Cozzi, MMC, Borough Clerk

Date Introduced:	09/11/12
Date of First Public Hearing:	09/25/12
Date of Second Public Hearing:	10/09/12

**Haines Borough
Planning Commission Meeting
October 13, 2011
Excerpt of Approved Minutes**

Present: Chairman Lee **Heinmiller**, Commissioners Roger **Maynard**, Donnie **Turner**, Rob **Goldberg**, Andy **Hedden**, and Robert **Venables** (via teleconference).

Staff Present: Steve **Ritzinger** – Planning and Zoning Technician, Brian **Lemcke** – Public Facilities Manager, Scott **Bradford** – Water & Sewer Operator, Stephanie **Scott** – Mayor Elect

Visitors Present: Ross **Silkman** – SE Alaska State Fair, Terry **Povey**, Scott **Hansen** – Chilkoot Indian Association

B. Haines Borough Code Amendments – Incidental Items in Setbacks

Turner inquired about current status of fences within setbacks. **Ritzinger** responded that the Borough has been allowing fences within setbacks up to the lot line with a stipulation in the permit stating that the property owner is responsible for damage to the fence due to snow removal. **Turner** stated that he had no objection to allowing fences up to the lot line adjacent to another property but expressed concern allowing them up to the right-of-way. Roads are often not centered in the ROW leaving insufficient room for snow removal. **Maynard** pointed out that the setback is private property and that he is reluctant to prevent people from utilizing private property. **Goldberg** suggested considering allowing fences within the setback adjacent to the ROW as a conditional use. He questioned as an example whether the fences on Portage Street adjacent to the sidewalk were problematic. **Heinmiller** suggested removing fences from the list and eliminating the strikethrough on the draft ordinance and allowing fences as a conditional use. **Venables** stated that the conditional use process is not necessary and that removing fences from the list and reinserting the strikethrough sentence on the draft ordinance would create a good ordinance to move forward and that the Borough could administratively figure out the (fence within the setback adjacent to the ROW) requirement language on a case by case basis.

Motion: Venables moved to “approve the draft ordinance to allow incidental items within setbacks with revisions to eliminate fences from the list and to reinsert the strikethrough statement,” and the motion carried unanimously.

Back up Documents from 10-13-11 PC Packet



HAINES BOROUGH, ALASKA
P.O. BOX 1209
HAINES, AK 99827
(907) 766-2231 FAX (907) 766-2716

October 7, 2011

To: Haines Borough Planning Commission
From: Haines Borough Planning and Zoning Technician
Re: HBC 18.80.030 & 18.90.050C Revision – Incidental Items within setbacks

Dear Planning Commission,

In response to the September 8th motion to table the Haines Borough Code revision to allow political signs within setbacks, after dialog with Borough management and the Planning Commission Chairman, staff drafted the subsequent ordinance to revise Haines Borough Code that would clarify in code the allowance of incidental items to exist within setbacks. In addition to the allowance of fences within setbacks, the other items listed as exempt in the ordinance have been allowed to exist within setbacks as recommended by the Planning Commission to staff, as recently approved code amendments, as uncodified policy, or have been discussed by the commission:

1. Fences
2. Driveways and culverts that meet 12.08
3. Parking areas that meet HBC 10.44;
4. Satellite Dishes
5. Signs that meet HBC 18.90
6. French drains, culverts, or similar infrastructure

HBC 18.80.030 states: *“No building or structure shall be located within a setback...”*

HBC 18.20.020 Definitions – Regulatory. The definitions in this section are intended to be specific to this title.

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

“Structure” means anything constructed or erected and located on or under the ground, or attached to something fixed to the ground, including:

1. A building, regardless of size, purpose or temporality;
2. A tower, sign, antenna, pole or similar structure;

3. A basement, foundation, or mobile home pad;
4. A fence;
5. A street, road, sidewalk, or storage area;
6. Television satellite dish.

Borough policy has been to allow commercial signs to zero lot line, (as commercial buildings are allowed) if the sign placement meets the criteria of 18.90.050. These standards adequately address public safety concerns regarding sign placement, and therefore the statement in HBC 18.90.050C “*freestanding signs shall not be located within the required building setback*” is proposed to be struck from code to eliminate a conflict.

The standards for sign placement in HBC 18.90.050 regarding public safety are prudent to apply to other proposed exempt items such as satellite dishes, and thus have been included as a qualifier for the exempt items in the draft ordinance:

The following items shall be exempt from setback requirements provided that the item is located to achieve its purpose without constituting a hazard to vehicles or pedestrians, is located such that it does not obscure sight angles at intersections or driveways, and is not in any location prohibited by state regulation:

If you wish to revise the ordinance or recommend for the Assembly to approve it as proposed please do so. Thank you for considering this draft ordinance.

Steve Ritzinger
Haines Borough Planning and Zoning Technician
(907) 766-2231 Ext. 23
sritzinger@haines.ak.us

HAINES BOROUGH, ALASKA **Draft**
ORDINANCE No. xx-xx-xxx

AN ORDINANCE OF THE HAINES BOROUGH AMENDING HAINES BOROUGH CODE TITLE 18 SECTION 18.90.050C & 18.80.030 TO CLARIFY THE ALLOWANCE OF INCIDENTAL ITEMS WITHIN SETBACKS.

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 shall become effective immediately upon adoption.

Section 4. Purpose. This ordinance amends Title 18 Section 18.90.050C and 18.80.030 to clarify the allowance of incidental items within setbacks.

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

18.90.050 Required setback, placement, construction and lighting standards.

C. Freestanding and Portable Signs. Freestanding and portable signs shall not be located so that they obscure traffic or sight angles at intersections or driveways, or in any location prohibited by state regulation. ~~Freestanding signs shall not be located within the required building setback.~~

18.80.030 Setbacks and height.

A. Setbacks are measured from the outermost portion of the building to the nearest lot line or building as appropriate. Incidental architectural features such as window sills, cornices and eaves may not project into any required setback. This exemption also applies to cantilevered floors, decks or other similar building extensions. No building or structures may be located within a setback. ~~except that fences may be constructed within the required setback by permit. Driveways are not subject to setback requirements.~~ **The following items shall be exempt from setback requirements provided that the item is located to achieve its purpose without constituting a hazard to vehicles or pedestrians, is located such that it does not obscure sight angles at intersections or driveways, and is not in any location prohibited by state regulation:**

- 1. Fences**
- 2. Driveways and culverts that meet 12.08**
- 3. Parking areas that meet HBC 10.44;**
- 4. Satellite Dishes**
- 5. Signs that meet HBC 18.90**
- 6. French drains, culverts, or similar infrastructure**

Where more than one setback standard is applicable, the most restrictive setback standard applies.



**Haines Borough
Assembly Agenda Bill**

Agenda Bill No.: 12-169
Assembly Meeting Date: 10/9/12

Business Item Description:	Attachments:
Subject: Lynn Canal HR, Inc. Tax Exemption Revocation	1. Ordinance 12-09-304 2. Memo from the Assistant Assessor 3. Exemption Revocation Notice for Lynn Canal Counseling Services
Originator: Assistant Assessor (Agenda Bill by Clerk's Office)	
Originating Department: Assessment	
Date Submitted: 9/19/12	

Full Title/Motion:
 Motion: Advance Ordinance 12-09-304 to a second public hearing on 10/23/12.

Administrative Recommendation:
 The Assistant Assessor recommends adoption of this resolution.

Fiscal Impact:

Expenditure Required	Amount Budgeted	Appropriation Required
\$	\$	\$

Comprehensive Plan Consistency Review:

Comp Plan Policy Nos.:	Consistent: <input type="checkbox"/> Yes <input type="checkbox"/> No
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Summary Statement:
 Lynn Canal Counseling Services, who provides community mental health, and substance abuse services, was granted exempt status under the adopted ordinance 09-08-213. Land use for this community purpose exemption was identified for new construction of office space on this property. During a recent audit by the State Assessor it was pointed out that new construction of the office space described in the tax-exempt application has not occurred. It was deemed by the State Assessor that owning vacant land is not a valid reason for the community service exemption. As a result, the Haines Borough Assessor's office was directed by Steve Van Sant, State Assessor for the State of Alaska, to remove the exempt status of the land owned by Lynn Canal Counseling Services, which was notified of this change by the Haines Borough on September 17th, 2012.

Referral:

Sent to:	Date:
Recommendation:	Refer to: Meeting Date:

Assembly Action:

Workshop Date(s):	Public Hearing Date(s): 10/9/12
Meeting Date(s): 9/25, 10/9/12	Tabled to Date:

An Ordinance of the Haines Borough Assembly amending Haines Borough Code Title 3, Section 3.70.040(D) to remove from the list of community purpose-exempted properties the parcels owned by Lynn Canal Human Resources, Inc.

BE IT ENACTED BY THE HAINES BOROUGH ASSEMBLY:

Section 1. Classification. Section 4 of 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 3.70.040(D): Section 3.70.040(D) of the Haines Borough Code is hereby amended to read as follows:

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

3.70.040 Local exemptions and exclusions.

. . .

D. Pursuant to AS 29.45.050(b)(1)(A), the below listed properties shall remain exempt from property taxation so long as they remain the property of their present owners (organizations not organized for business or profitmaking purposes) and so long as they remain used exclusively for community purposes:

1. Southeast Alaska Fairgrounds: that area containing 42 acres, more or less, in USS 735, currently owned by Southeast Alaska State Fair, Inc.;

2. Port Chilkoot Parade Ground, currently owned by Alaska Indian Arts, Inc., that area surrounding Block G, Port Chilkoot Subdivision, containing 7.58 acres, more or less, not used for commercial purposes;

3. Land and improvements situated on Lots 1 through 7, Block O, Presbyterian Mission Subdivision, currently owned by the American Bald Eagle Foundation;

4. Land and improvements situated on Small Tracts Road, specifically the north 300 feet of the West 100 feet of Lot 40, Section 2, Township 31 South, Range 59 East, of the Copper River Meridian, currently owned by the Haines Animal Rescue Kennel;

5. Land and improvements situated on Lots 5, 6 and 11 through 14, Block 8, Townsite Addition, dedicated to the Haines Senior Assisted Living Facility and owned by Haines Assisted Living Inc.;

6. Charles Anway Cabin: Land and improvements situated on Lot 2C within the resubdivision of Lot 2, Meacock Subdivision within Survey 206 currently owned by the Chilkat Valley Historical Society;

~~7. Land and improvements situated on Lots 5 and 6, Block 15, Townsite, dedicated to Lynn Canal Counseling Services and owned by Lynn Canal Human Resources, Inc.;~~

8.7. Land and improvements situated on Lots 1 through 5, Block 12, and Lots 5 through 8, Block 6, Townsite, currently owned by Takshanuk Watershed Council.

Haines Borough
Ordinance No. 12-09-304
Page 2 of 2

ADOPTED BY A DULY CONSTITUTED QUORUM OF THE HAINES BOROUGH ASSEMBLY THIS ____
DAY OF _____, 2012.

ATTEST:

Stephanie Scott, Mayor

Julie Cozzi, MMC, Borough Clerk

Date Introduced:	09/25/12
Date of First Public Hearing:	10/09/12
Date of Second Public Hearing:	__/__/__



Lands Department

Memo

To: Haines Borough Assembly
From: Dean Olsen
Asst. Assessor
Date: 10/4/2012
Re: LCCS vacant lot tax exempt status tax account C-TNS-15-0500

Lynn Canal Human Resources, Inc., DBA Lynn Canal Counseling Services, (LCCS), was granted tax exempt status for account C-TNS-15-0500 in 2010. In their initial application LCCS stated they would break ground for new construction of an office building no later than the spring of 2011. This account was examined by Steve Van Sant, State Assessor during an audit of the lands department in August of this year. At that time contact was made with Becky Chapin, Executive Director of LCCS for an update on the plans for construction of the office building. Becky Chapin informed me that the question was timely since the intended use of the vacant lot was on the agenda for their next board meeting scheduled for that very same week. Since that meeting took place, I was informed that LCCS does not foresee a starting date any time in the near future for construction of an office building that would justify tax exempt status for this property.

Steve Van Sant from the Office of the State Assessor has explained that Community Purpose needs to be approved by the governing body. And, *"A "temporary" use for the purpose of holding on to property does not really fill the bill for exempt purposes"*. Mr. Van Sant cautioned further that, *"If the assembly wants to agree to that, they should be prepared to exempt a lot of property around the borough."*

In light of the above information, it is my recommendation that the Haines Borough Assembly continue with the process to revoke tax exempt status for account C-TNS-15-0500, with the legal description: Townsite, Block 15, Lots 5 & 6, under the ownership of Lynn Canal Human Resources, Inc., DBA Lynn Canal Counseling Services.

Sincerely,

Dean Olsen
Assistant Assessor
Haines Borough Land Department



HAINES BOROUGH
Lands Department
P.O. Box 1209
Haines, AK 99827-1209
907-766-2231 Ext. 33
907-766-2716 (fax)

September 17, 2012

Beckie Chapin
Executive Director
Lynn Canal counseling Services
P.O. Box 90
Haines, AK 99827

Beckie,

In July of 2009 Lynn Canal Counseling Services submitted an application for property tax exempt status that is allowable by Alaska Statute as outlined in the following:

Sec. 29.45.050. Optional exemptions and exclusions.

*(b) A municipality may by ordinance
(1) classify and exempt from taxation*

(A) the property of an organization not organized for business or profit-making purposes and used exclusively for community purposes if the income derived from rental of that property does not exceed the actual cost to the owner of the use by the renter;

All of the required documents necessary to validate your exempt status were received by former Haines Borough Assessor, John Wurst, and the formerly taxable account, C-TNS-15-0500, now owned by Lynn Canal Counseling Services has not been taxed since the 2010 Tax year.

Lynn Canal Counseling Services, who provides community mental health, and substance abuse services, was granted exempt status under the adopted ordinance 09-08-213. Land use for this community purpose exemption was identified for new construction of office space on property with the legal description of Townsite Block 15, lots 5 & 6, (Account # C-TNS-15-0500), with the intent to begin construction no later than spring of 2011.

During a recent audit by the State Assessor it was pointed out that new construction of the office space described in your application has not occurred, and just owning vacant land is not a valid reason for the community service exemption. As a result, the Haines Borough Assessor's office was directed by Steve Van Sant, State Assessor for the state of Alaska, to remove the exempt status of the land owned by Lynn Canal Counseling Services, (Townsite Block 15, lots 5 & 6), for the upcoming 2013 tax year.

The current tax exempt status will remain until January 1, 2013, at which time account # C-TNS-15-0500 will again be activated, and the property will be reassessed as outlined by Alaska Statute, and Haines Borough Code. A new notice of valuation and a related tax bill will be mailed to Lynn Canal Counseling Services in the spring of 2013.

When you begin breaking ground for construction of the new building that will help you implement the valuable community service you offer, our office will gladly assist you in reapplying for exempt status.

Sincerely,
Dean Olsen
Assistant Assessor
Haines Borough Land Department



Haines Borough Administration
Mark Earnest, Borough Manager
 (907)766-2231 • Fax(907)766-2716
 mearnest@haines.ak.us

October 9, 2012

Port Development Plan

The draft “Port of Haines: Potential for Development” report prepared by Northern Economics has been distributed to the Port Development Steering Committee for their review and comment. This document represents the first phase of a port master planning effort that was the recipient of a legislative appropriation in the amount of \$120,000. This document presents a comparison of port facilities and related transportation infrastructure in Haines, Skagway, and Valdez in relation to resource developments primarily in the Yukon Territory, a market assessment focusing on Haines, and recommendations. The preliminary recommendations from the draft report are as follows:

Recommendations

At this time the study team believes it would be premature to begin either expansion of existing or construction of new port facilities at Haines. Most of the mines nearing production intend to export via Skagway; proximity and acceptance of industrial development—rather than facilities—seem to be the primary factors driving this decision. The study team instead recommends that Haines begin a process of information gathering and planning in anticipation of future port development. Actions we recommend include:

Improve availability of information

Consolidate information about the Port of Haines and its facilities. Make this information available through the official borough website so that readers know the material is from a reliable source. At present, information about Haines’ port and harbor facilities is limited; the information that is available is conflicting and spread across multiple, unaffiliated websites. Coordinate borough efforts to facilitate clear communication with potential port users.

Provide baseline data where available and initiate steps to fill data gaps in baseline information

Begin gathering baseline data that a company would need to see when considering use of or expansion of a facility. These data include surveyed tidelands, drainage patterns, water quality reports, wave studies, marine mammal and fishery studies, listed environmental concerns such as endangered or protected species, etc. Environmental Impact Statements for similar port facilities may be beneficial for identifying data for the borough to gather. Identify an industrial corridor through Haines to the Lutak Dock and proceed through a public process to designate the corridor as such.

Develop conceptual plans for a deep draft dock and loader to handle ships with 36 feet of draft (Handymax)

Conceptual plans will give potential users an idea of the project that the borough envisions, as well as estimated costs and timelines for development. Should the facility be developed as an extension of the Lutak dock, which would present navigational issues for AMHS unless the AMHS dock were also extended outward, or should the ore transport facility be built in another location?

Decide on ownership and operating options for facility

The borough should give some thought to the operating agreement that it envisions. Would Haines want to own and operate the facility? Would it make more sense for the borough to retain ownership but allow for a private operator? Should the Alaska Industrial Development and Export Authority be involved with ownership of all or part of the facility?

Create a financial model for an ore facility to determine feasibility and rates

Increase understanding of the costs involved with operating the facility in an ore-transporting capacity. Calculate the likely debt repayments that would be required for construction and operation, and assess what revenues would be sufficient to cover these costs. At this time the study team believes it would be premature to begin either expansion of existing or construction of new port facilities at Haines. Most of the mines nearing production intend to export via Skagway; proximity and acceptance of industrial development—rather than facilities—seem to be the primary factors driving this decision.

Additionally, we are recommending a series of facilitated public forums to provide information to the public about this economic development opportunity. It is important that Haines' residents have the opportunity to learn about and discuss modern techniques and systems for transporting and handling ore concentrate, potential economic and job opportunities, and potential environmental and social impacts and concerns. The goal is to establish a factual and informative process for educating the public about this topic.

The first step in this process was the recent Haines Port Development Council's Transboundary Minerals, Natural Gas & Transportation Summit, which was held on September 27-28, 2012. This summit brought together representatives from Canadian mining and energy interests, Yukon and Alaska government representatives, local businesses and Borough officials for a dialog and exchange of ideas and opportunities for future developments. The forum also provided an opportunity to disseminate information directly from industry regarding potential opportunities.

We are inviting representatives from the Alaska Industrial Development and Export Authority (AIDEA) to present an overview of what AIDEA is and what opportunities may exist for Haines. There will be other forums for additional topics in the near future. It should be noted that any production at the Wellgreen property is at a minimum six years away. We do have time to have a factual, thorough, and meaningful community dialog.

Our work in this area is consistent with the recently adopted Comprehensive Plan. One of my overriding concerns for Haines' future is the inevitable loss or major reduction of federal funding through Secure Rural Schools and Payment In-Lieu of Taxes. These two programs provide approximately \$750,000 to the Borough's General Fund annually. At risk is our ability to provide basic services such as police, fire and education without new revenue sources. We must allow ourselves to carefully assess economic opportunities and evaluate risks and benefits with due diligence if we are to maintain programs and services currently available in Haines, not to mention ongoing maintenance of Borough equipment and infrastructure.

One of the tangible benefits of establishing formal relationships with Canadian mining and energy interests is in support of the Borough's efforts to accelerate the reconstruction of the Haines Highway between MP 3.5 to 25.3 and Lutak Dock facility upgrades. One of the big decisions for the Alaska Department of Transportation and Public Facilities (ADOT&PF) is whether to commit \$2.5 to 3.0 million of state general funds on top of the \$13 million in Federal Highway Administration (FHWA) funds to upgrade the Wells Bridge (Chilkat River crossing) to industrial standards. FHWA funds can only be used to bring the bridge up to standard load limits. The Wells Bridge replacement is part of the next highway segment planned for construction in 2014, which includes MP 21 to 25.3. Additionally, the Borough has established Lutak Dock facility upgrades as one of its top legislative priorities in recent years (a copy of the FY 2013 funding request is attached). The proposed upgrades include: site grading and drainage improvements; transfer bridge load capacity upgrades and repairs; and high mast lighting. The security fence and gates and video surveillance upgrades have been funded through the DHS grant. It should be noted that the cost estimates in the FY 2013 CAPSIS submittal were very preliminary; PND is currently defining more detailed scope and cost estimates for the project.

Heliski Management Plan

We have prepared an ordinance for introduction at the October 9, 2012 Assembly meeting amending Title 5 of the Haines Borough Code dealing with heliski regulations. The proposed changes include establishing a user day fee, increasing the maximum fine for heliski violations from \$300 to \$1000 per day, and approving revisions to the 2013 Heliski Map. We have prepared a memorandum outlining suggestions and ideas for possible amendments to the ordinance for Assembly's consideration, which is included as an attachment to the ordinance in the agenda packet.

South Portage Cove Harbor Expansion

Denali Drilling and PND Engineers are working around the clock to complete the drilling program, weather permitting, for the South Portage Cove Harbor Expansion geotechnical investigation. PND is conducting marine and upland surveys in conjunction with the harbor expansion project.

Lutak Dock Maintenance

Borough crews are finishing the Lutak Dock maintenance improvements in preparation for winter operations. These improvements included grading the dock surface and drainage improvements.

Passage Canal Dock Tariff Revisions

We are continuing efforts to prepare a draft Port Tariff ordinance that will go before the Port and Harbor Advisory Committee on October 11, 2012. The non-code ordinance will then be referred to the Assembly, with introduction tentatively scheduled for October 23. Possible revisions include water sales and lightering float fees.

Lutak/Oceanview Slump Update

Mike Hartley from PND Engineers presented information regarding the Lutak/Oceanview slump to the Assembly and took questions from the audience during the September 25, 2012 Assembly meeting. Included for Assembly consideration at the October 9, 2012 meeting is a resolution authorizing the manager to enter into a contract with PND Engineers for design services related to possible mitigations measures for construction in 2013. Borough staff will be meeting with property owners in the affected area to redirect surface water drainage away from the area above the lower Lutak Road cracks, as well as provide a tightpipe connection from one residence along Oceanview directly into a culvert under Lutak Road. I met with the local ADOT&PF Maintenance Chief to discuss these improvements.

Chilkat Center Boilers Replacement

The Chilkat Center Boilers are being installed at this time. This major maintenance project is expected to be completed by the end of September.

Chilkat Center Roof Replacement

The Chilkat Center Roof Replacement materials have arrived the project is underway. The project was delayed due to moose hunting but is still scheduled for substantial completion by October 15, weather permitting.

AMHS Ferry Terminal – Lutak Dock Land Sale

As previously reported, we have provided ADOT&PF with a market-based counter offer to the Alaska Department of Transportation and Public Facilities (ADOT&PF) appraised value of \$302,000 for acquisitions and easements of a portion of the Borough-owned Lutak Dock. We are negotiating with the ADOT&PF on arriving at an agreed value. If those negotiations are successful, we will bring the negotiated value back to the Assembly for approval as part of the proposed land sale agreement. The ADOT&PF expects that their review will be completed within the next few weeks.

Personnel

I am pleased to report that Carlos Jimenez has been hired as Interim Public Facilities Director, effective October 3. Carlos has been working closely with the Brian Lemcke in all aspects of the demanding role. He is familiar with most of the Borough's projects and systems and already moving forward on a number of projects.

I am also pleased to report that Xi Cui "Tracy" arrived in Haines and has been on the job since October 1 as Planning and Zoning Technician III. She is quickly getting up to speed and is familiarizing herself with the Borough's comprehensive plan, files, records, and maps, as well as Title 29, HBC, and various forms, with the assistance of Steve Ritzinger, Julie Cozzi, and Dean Olsen, in particular. Tracy brings a wealth of planning knowledge and skills to her new role.

Other Issues:

Dodov

Nothing new to report at this time. We are continuing with our review. I will keep you apprised of any additional developments.

Williamson vs. Haines Borough, et al

I have been informed by the Borough's attorneys that attorneys representing the plaintiff are scheduled to travel to Haines to take depositions later this month.

Kammerer

The Borough Clerk and Chief of Police have responded to the records requests from Mr. Kammerer.

• ALASKA & YUKON TERRITORY

Haines offers deep-water port of dreams

Seaside community studies ways to attract ocean-going shipments of mineral concentrates, natural gas to and from western Canada

By ROSE RAGSDALE

For Mining News

Haines Borough Manager Mark Earnest is a man on a mission, getting the word out to mining companies in Yukon Territory that the deep-water port in his sleepy Alaska community of 1,811 souls could well be the answer to their prayers.

Unlike the Port of Skagway, its increasingly busy neighbor to the northeast, the Port of Haines is virtually devoid of congestion. The port attracts only one cruise-ship a week along with daily ferry service in summer, has very little road traffic thanks to a designated truck route that bypasses downtown Haines to the north and is situated four miles away from the town's small boat harbor.

Haines also boasts several hundred acres of private, borough and federal

uplands in and around the port area that could be developed, in addition to borough-owned acres along the waterfront where the freight dock could be extended to the north, Earnest told Mining News Sept. 21 and Sept. 26.

"In addition, the grade of the highway up to the summit is not as steep as the Skagway Highway," he said.

The Haines Borough Assembly has commissioned a development plan to better define and assess opportunities for the port to benefit from Yukon's recent mining boom.

With US\$120,000 in funding from the Alaska Legislature, the community engaged consulting firm Northern Economics of Anchorage to prepare a needs evaluation to determine how the Port of Haines might play a role in Yukon development.

Waterfront engineering experts

Peratrovich, Nottingham & Drage of Anchorage is also studying potential enhancements to the freight dock that could improve the port's marketability.

Northern Economics presented a draft of its findings to the Haines assembly Aug. 23 in phase 1 of the study. The 40-page draft report included a comparison of the three ports in Haines, Skagway and Valdez, Alaska.

The Haines port came out on top for shipments of large equipment. However, the outlet currently has the smallest berths of the three ports, with Lutak Dock at 750 feet (1,200 feet in Skagway and in Valdez) and the shallowest depths at 15-23 feet (45-90 feet in Skagway and 50 feet in Valdez), according to the report.

Haines also charges relatively high port fees, though its port could negotiate more competitive rates in contracts with shippers of mineral concentrates, Earnest said.

Yet Haines still has an overall advantage over the other two ports for shipments to and from Yukon mine projects connected by road to the Alaska Highway, the report concluded.

"Distance is a key factor in determining an export port," wrote Northern Economics.

Haines and Skagway, ironically, are located only about 19 miles (30 kilometers) apart as the crow flies, and regular ferry service connects the two communities. But the rugged mountains and ocean inlet that separate them present an enormous logistical challenge for industrial ground transportation. Overland, the distance between Haines and Skagway is significant. By highway, Haines to Whitehorse is 244 miles (394 kilometers), while Skagway to Whitehorse is 109 miles (176 kilometers). Haines to Haines Junction and all points west in the Yukon, however, is 56 miles (90 kilometers) shorter than the distance from Skagway to Haines Junction and beyond.

"We believe we will provide a significant opportunity for mines in western Yukon," Earnest said.

A viable option for some mine projects

Some mining companies are already taking notice of the Port of Haines.

The Haines Assembly is considering signing a memorandum of understanding with Prophecy Platinum regarding potential development of the Wellgreen Ni-Cu-PGM Project near Burwash Landing, Yukon.

The Wellgreen project is expected to produce (in concentrate) 1.959 billion pounds of nickel, 2.058 billion pounds of copper and 7.119 million ounces of platinum + palladium + gold over 37 years of mine life.

Prophecy hopes to begin production and monthly shipments of 30,000 pounds of ore concentrates from Wellgreen to smelters and refineries in Asia in 2019. The MOU, which Haines' leaders generally favor, spells out the company's desire to route the shipments through the Port of Haines.

Western Copper & Gold Corp. also discussed importing large equipment for power generation at its giant Casino copper-gold-molybdenum project through Haines, but the company has indicated that it will follow in the footsteps of Capstone Mining Corp.'s Minto Mine and Alexco Resource Corp.'s Bellekeno Mine and truck concentrates to the Port of Skagway for ocean shipment to smelters in Asia. For Western Copper, the distance from Casino to Skagway would be 347 miles (560 kilometers) one way.

Though both Prophecy Platinum and Western Copper are considering trucking liquefied natural gas for power generation from northern British Columbia to their respective mine sites, Haines could eventually become a contender for this business.

"Haines is being looked at for LNG imports and exports," said Earnest. "The shipments could be containerized for the mines, and a gas pipeline could go through Haines further down the line with potentially an LNG processing plant here."

As for gas exports, Earnest said Haines officials are talking with Northern Cross (Yukon) Ltd., an oil and gas exploration company that is currently focused on developing natural gas resources in Yukon's Eagle Plains Basin. ●

FIREWEED

HELICOPTERS

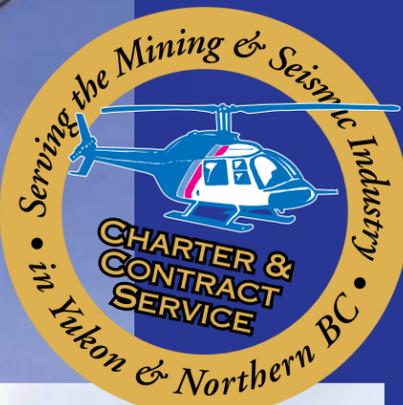
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Port of Haines: Potential for Development

Draft

Prepared for

Haines Borough

October 2012

Prepared by



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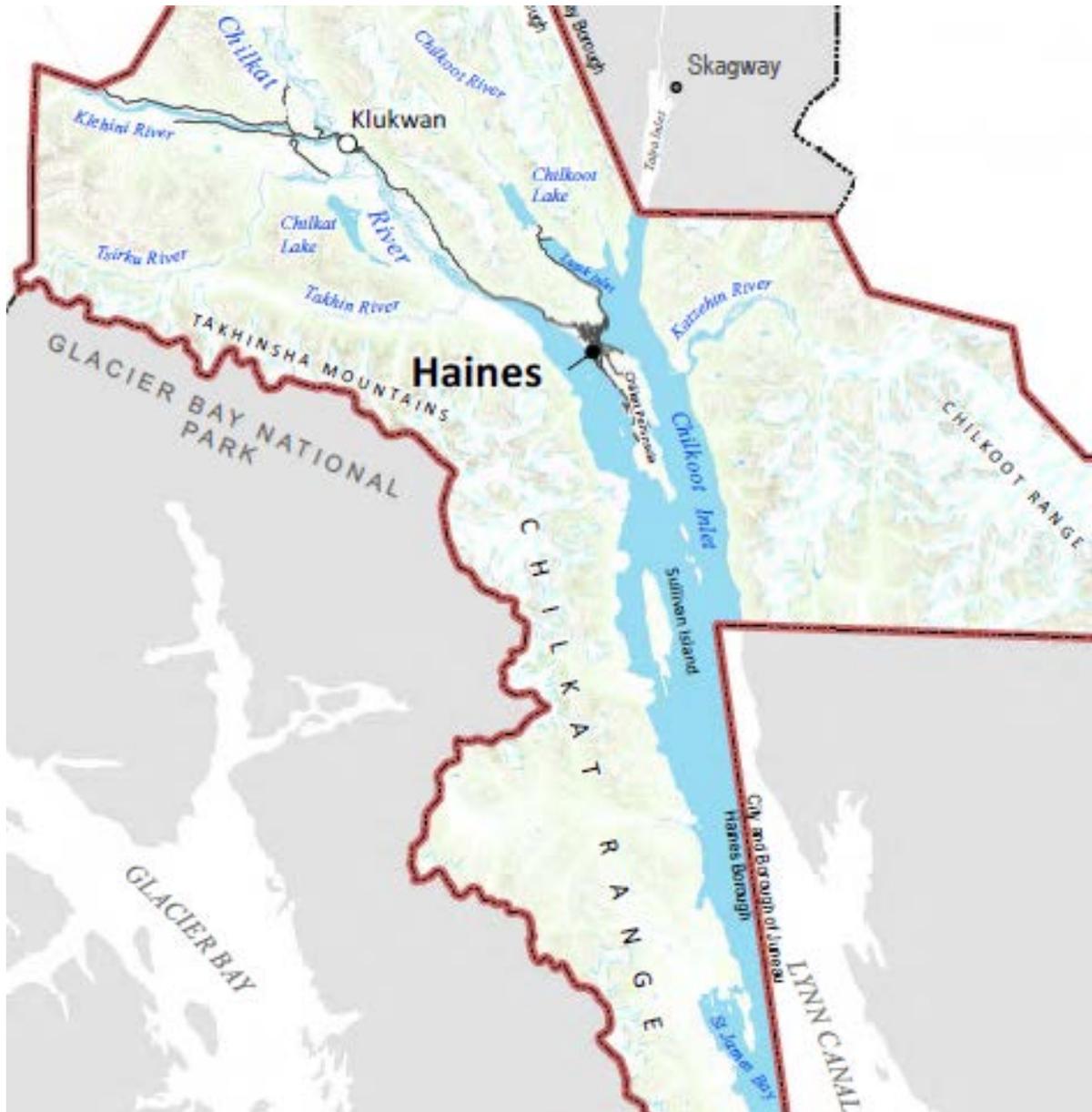
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1 Introduction

The Haines Borough (Haines) is located between the Chilkoot and Chilkat rivers on Chilkoot Inlet, approximately 150 road miles south of Haines Junction and at the end of the Haines Highway (Figure 1). Haines has a maritime climate, with temperatures ranging from 10°F to 70°F, and is accessible by water, road, and air (DCCED 2012). The moderate climate, ice-free deep-water port, and year-round road access are advantageous, and support the borough’s role as a local transportation hub.

Figure 1. Haines Borough General Location Map



Source: Adapted from Haines Borough 2012a

Going forward, the Haines Port Development Plan Steering Committee (the Committee) aims to expand the community's regional transportation role by targeting industries with activities and cargo for which the Port of Haines has a competitive advantage. This report is an overview of potential advantages and cargo volumes at Haines, and is intended to assist the Committee in making an informed decision as to whether they should proceed further in evaluation of port expansion or improvement.

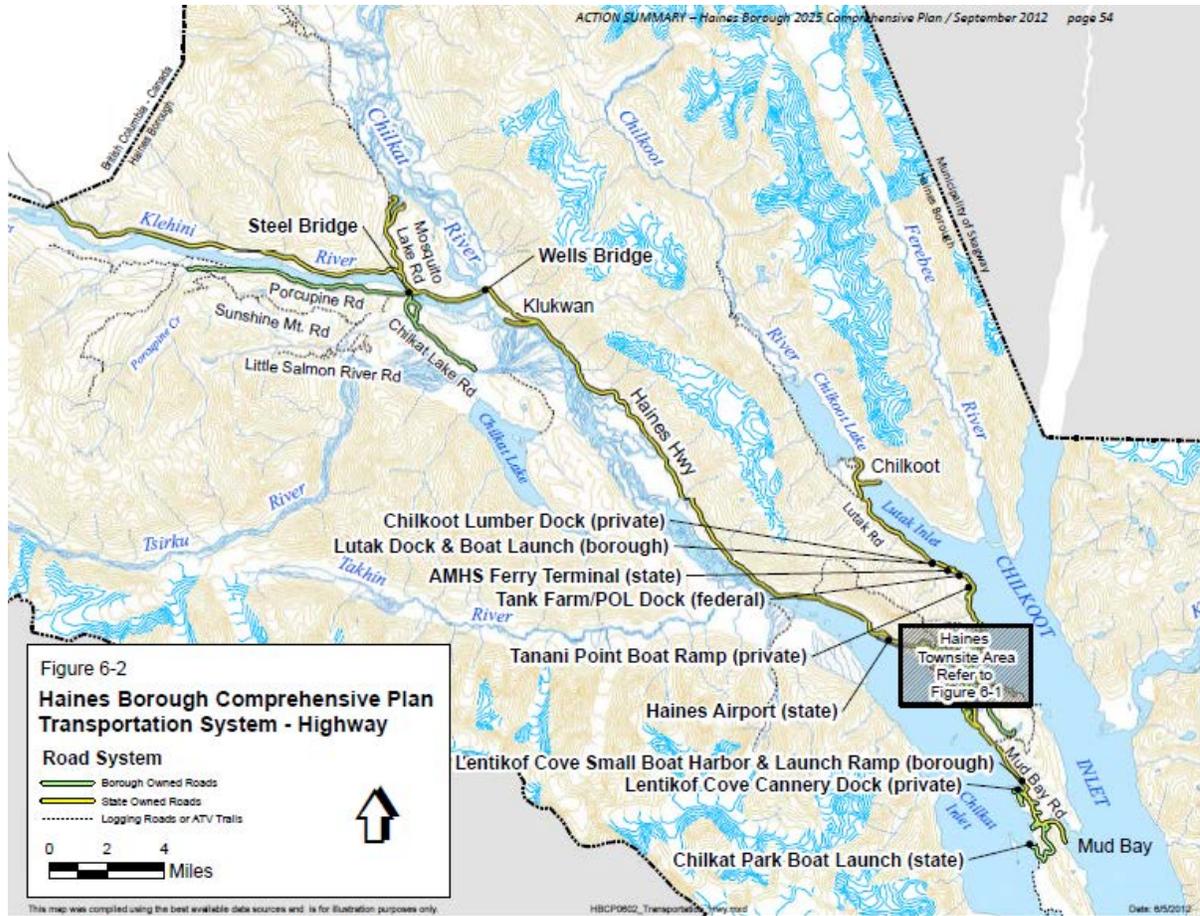
The report is divided into four sections: facility comparison, transportation assessment, market assessment, and recommendations for going forward. The facility comparison describes the features, current uses, and ownership of facilities in Haines, and compares them to facilities in Skagway and Valdez. The transportation assessment also compares Haines to its nearest port competitors, Skagway and Valdez, highlighting cost advantages and disadvantages of each resulting from distance and road restrictions. The market analysis looks at local, regional, and industry specific factors which could generate cargo volumes for the port of Haines. The report concludes with a recommendations section, which suggests a path forward for the Port of Haines.

2 Facility Comparison

2.1 Transportation Facilities in Haines

Haines has a system of transportation facilities that accommodate movement of passengers and freight via land, air, and water. As shown in Figure 2, the borough is connected to the state highway system, has a state-owned airport, and boasts a variety of waterfront facilities.

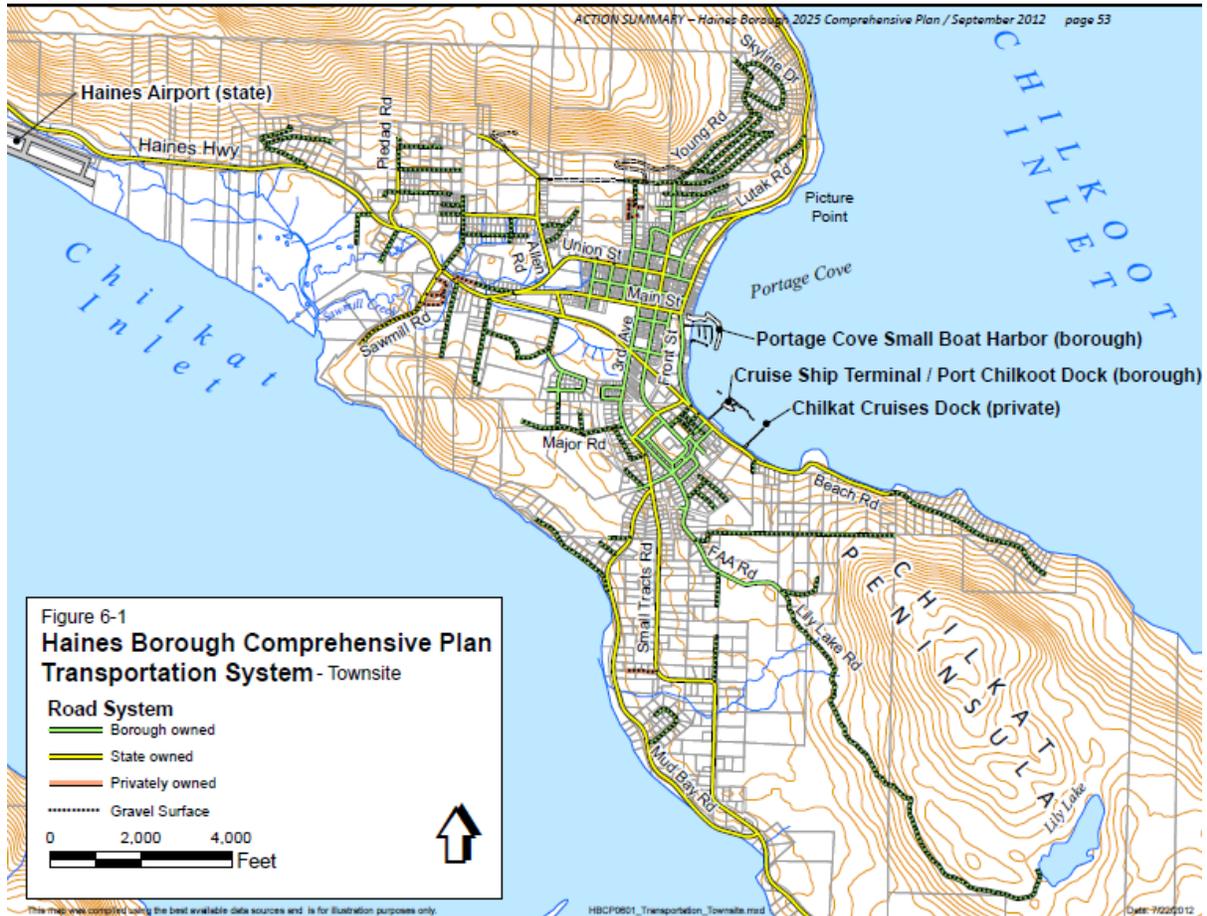
Figure 2. Haines Borough Transportation System



Source: Haines Borough 2012a

Figure 3 is an enhanced view of the facilities near the Haines townsite. The Portage Cove Small Boat Harbor, Chilkat Cruises Dock, and Port Chilkoot Dock¹ (with attached Lightering Dock) are within walking distance of downtown; this is convenient for the recreational and passenger traffic that they accommodate.

Figure 3. Haines Townsite Transportation System



Source: Haines Borough 2012a

2.1.1 Borough-Owned Port and Harbor Facilities

Haines Borough's marine facilities consist of the following:

- Lutak Dock and Boat Launch
- Portage Cove Small Boat Harbor
- Port Chilkoot Dock and its attached Lightering Dock
- Lentikof Cove Small Boat Harbor, launch ramp, and float
- Moorage float at Swanson Harbor

¹ Also referred to as the Cruise Ship Terminal

All facilities with the exception of the Letnikof Cove and Swanson Harbor facilities are located in Portage Cove, on the eastern side of the city. Letnikof Cove is located southwest of town on Chilkat Inlet and is used primarily by commercial and sport fishing boats. Swanson Harbor is near Couverden in Lynn Canal (Haines Borough 2012a).

Three of Haines’ marine assets have potential for handling increased industrial cargo volumes; Lutak Dock, AMHS terminal, and Port Chilkoot Dock can all accommodate vessels with drafts deeper than 23 feet and lengths greater than 500 feet (Table 1).

Table 1. Haines Marine Facilities

Name	Primary Use	Largest Berthing Space (feet)	Depth (feet)
Haines Municipal Dock (Lutak Dock)	Containerized, conventional, & roll-on/roll-off cargo; petroleum products & logs	750	24-33*
AMHS Ferry Terminal	Passenger and vehicular ferries	640	23-25
Port Chilkoot Dock	Petroleum products; mooring cruise vessels.	850	40-46
Portage Cove Harbor	Mooring commercial vessels and recreational craft	30	14
Letnikof Cove Float	Mooring commercial vessels and recreational craft	252	40

Note: * Haines’ Harbormaster has seen these depths reported in surveys.

Source: Marine Exchange of Alaska 2012a; Benner 2012

AMHS Terminal and Lutak Dock

The AMHS Terminal and Lutak Dock (Figure 4 and Figure 5) are located near the mouth of Lutak Inlet, roughly four miles north of Haines. Ownership of the docks shown in Figure 4 and Figure 6 are split; the borough owns 75 percent of the dock and the State of Alaska owns the remaining 25 percent (the portion used as the AMHS ferry terminal).

Figure 4. Aerial Photo of the AMHS and Lutak Dock



Source: PND Engineers 2009

Figure 5. AMHS and Lutak Dock



Source: Northern Economics 2011

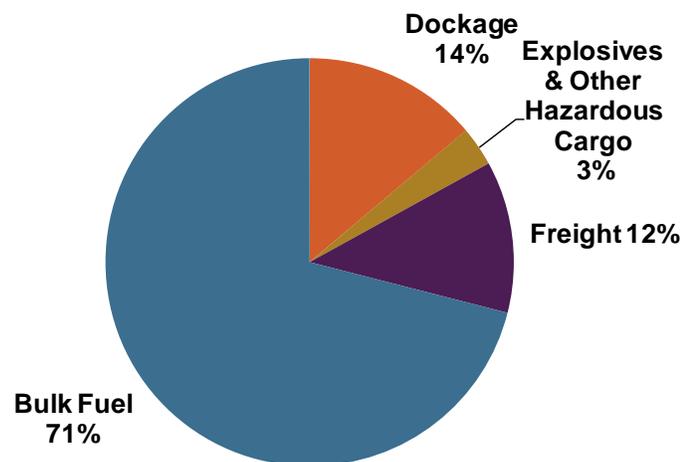
Lutak Dock is Haines' primary industrial facility; it is an ice-free dock that accommodates regularly scheduled shipments of fuel and freight for the borough and surrounding area (Haines Borough Undated).

Originally constructed in 1953 by the U.S. Army Corps of Engineers, Lutak Dock is a closed cell sheet pile dock with a concrete cap along the seaward perimeter of the cells (PND 2010). The dock offers four acres of storage space, 750 feet of berthing space, and has a depth ranging from 24 feet on the north end to 33 feet on the south end (Earnest 2012; Benner 2012). Equipment available at the dock includes one 1-ton and one 1/2-ton electric mast-and-boom, and two 35-ton diesel forklift trucks (Earnest 2012).

According to a marine facilities condition assessment undertaken by PND Engineers in 2010, Lutak Dock is in need of repairs, but the extent and nature of these repairs depend on the intended future use of the facility. Replacement of the exterior concrete cap and enhancement of vertical support features, in addition to regular anode inspections, are recommended if current facility operations are maintained (PND 2010). Operations with an increased load weights would likely require further repairs.

Lutak Dock currently operates year-round and is equipped to handle manual loading and unloading operations for bulk cargo, breakbulk cargo, petroleum products transshipment, and passenger operations (Haines Borough 2012a). The two primary users of Lutak Dock are Alaska Marine Lines (AML) and Delta Western. In 2011, the dock generated approximately \$335,000 in dockage and wharfage revenues (Haines Borough 2012c). Figure 6 shows a breakdown of these revenues.

Figure 6. Lutak Dock Revenues, 2011



Source: Haines Borough 2012c

Fuel shipped through Haines is used locally and sold to Canadian wholesalers (Gray 2012). Fuel shipments accounted for 71 percent of Lutak Dock's revenues in 2011. Non-hazardous freight wharfage revenues generated 12 percent of total revenue in 2011. Most freight that moves over the dock originates in Seattle and is destined for Haines businesses and residents; only a small portion is transported to Anchorage via highway (Ganey 2012). Freight shipment volumes are seasonal; increases in the summer months result from construction projects.

The primary transportation route to and from the facilities utilizes Lutak Road, which runs between the docks and downtown Haines. No bypass road currently exists, and traffic moving between the docks and the Haines Highway must then travel through a residential area via Union Street, which is two blocks north of and parallel to Main Street (Ganey 2012).

A mile or so north of Lutak Dock is the Chilkoot Lumber Company Dock, constructed in 1966. This land is zoned for commercial use, making it a viable option for a Lutak Dock expansion. Federal land begins approximately 1,200 feet south of Lutak Dock and covers the area of Tanani Point (Haines Borough 2012b). The land adjacent to the dock on the west side of Lutak Road is also owned by the borough and houses a tank farm owned by Delta Western Inc. with a capacity of 3.24 million gallons (Haines Borough 2012a).

Port Chilkoot Dock

Port Chilkoot Dock, also referred to as the Cruise Ship Terminal (Figure 7), is located in Portage Cove, northwest of the Chilkat Cruises Dock and south of Portage Cove Small Boat Harbor. It is owned and operated by the Haines Borough and is used primarily for the mooring of cruise vessels. Port Chilkoot Dock is a 900-foot long steel pier dock with berthing space of 850 feet and a depth of 40–46 feet (Alaska Marine Exchange 2012a). A 2010 steel pile inspection by PND Engineers showed that the pilings supporting the dock are in good condition; no significant rust or scale was noted, as well as very little section loss (PND 2010).

Figure 7. Port Chilkoot Dock



Source: Northern Economics 2011

According to the Haines Borough land ownership maps, Port Chilkoot Dock is primarily borough-owned with the northeastern-most tip extending into state-owned territory. As of late, the borough has put forth several efforts to further develop the facility for cruise passenger use. Recent improvements include construction of public restrooms, additional parking, and pedestrian improvements (Haines Borough 2012a).

2.1.2 Available Private Commercial Facilities

Chilkoot Lumber Dock

Located north of Lutak Dock is the Chilkoot Lumber Dock. The dock is privately owned and currently available for sale or lease (Beck 2012). Chilkoot Lumber Dock is a T-shaped facility that extends 180 feet from the shore to the dock face. The dock face is about 560 feet long and 200 feet wide (Figure 8). At Mean Lower Low Water, depth at the eastern end of the dock is approximately 35 feet and more than 60 feet on the western end. While the facility is large enough to accommodate a large ship, the dock's creosote pilings substructure and decking are in need of renovation before a large ship can berth (Beck 2012).

Figure 8. Chilkoot Lumber Dock, Aerial Image



Source: McClane 2007. Used with permission.

In addition to the dock itself, there is approximately 25-acres of uplands available at the former sawmill site (Haines Borough 2012a). The Chilkoot Lumber facility was used for lumber through the 1990s, and has since been used sporadically for log storage, gravel shipments, and fish processing (Beck 2012). Figure 9 shows the dock in its current state; the blue building on the right side of the image is a fish processing facility.

Figure 9. Chilkoot Lumber Dock



Source: Northern Economics 2011

Due to past industrial use of the uplands, facility owners have had to work with the Department of Environmental Conservation to manage soil that was contaminated with hydrocarbons from old machinery. According to property representatives, the clean-up is nearly complete and there is a tentative work plan to finish the environmental work by encapsulating the remaining contaminants so that no institutional controls are left on the property (Beck 2012).

The Chilkoot Lumber Dock site has been cited by Yukon studies as being a potential location of ore short-term transshipment (KPMG 2005). In the past, plans for construction of port facilities and a rail line to Chilkoot Lumber Dock had an estimated a cost of approximately \$6.7 billion (KPMG 2005).

Chilkat Cruises Dock

Chilkat Cruises Dock, formerly referred to as Klukwan Forest Products Dock (Figure 10), is a privately-owned facility located on the southwest shore of Portage Cove. The facility has been for sale for several years and an offer is currently pending. At this time no further details regarding the potential sale are available (Strong 2012).

According to publicly-available information obtained through the Marine Exchange of Alaska, the Chilkat Cruises Dock offers approximately 220 feet of berthing space and approximately 30 feet of water depth (Marine Exchange of Alaska 2012a).

Figure 10. Chilkat Cruises Dock



Source: Northern Economics 2011

2.1.3 Other Transportation Facilities

Airport

Haines Airport, a state-owned facility, has a 4,000-foot runway and accommodates regularly-scheduled air service for Juneau and other Southeast hubs (Haines Borough 2012a). While the airport currently services an annual volume of 12,000 operations per year, it has the capacity to handle up to 230,000 aircraft landings or takeoffs per year. Its full-length parallel taxiway and system of exit and entrance taxiways allow for simultaneous operation (ADOT&PF Undated).

The airport's apron and taxiways are in need of repair due to drainage failures and frost heaving. According to the Alaska Department of Transportation and Public Facilities (ADOT&PF), a major apron reconstruction project is expected to go to bid in fiscal year 2014 (ADOT&PF Undated).

Petroleum-Oil-Lubricant Dock and Tank Farm

To the south of the AMHS ferry terminal is the Petroleum-Oil-Lubricant dock and former Army Fuel Tank Farm (Figure 11). The dock and tank farm are remnants of the Haines-Fairbanks Pipeline which the U.S. Army owned and operated from 1955 to 1973. During this time tankers would deliver refined fuel to Haines, which would then be pumped via an eight-inch diameter pipeline to military bases in Fairbanks (Hollinger 2003).

Figure 11. Petroleum-Oil-Lubricant Dock



Source: Northern Economics 2011

The Haines-Fairbanks pipeline was decommissioned in the 1970s, but the dock and tank farm associated with the pipeline still remain (Hollinger 2003). Neither the dock nor the tank farm is currently in use (Culbeck 2012).

The tank farm has been suggested as a site for bulk shipments of coal or iron ore (KPMG 2005). In 2009, Congress authorized conveyance of the tank farm to the Chilkoot Indian Association for the purpose of developing a Deep Sea Port and for other industrial and commercial development purposes (Haines Borough 2012a).

2.2 Ports of Haines, Skagway, and Valdez

The Port of Skagway is a combination of well-developed industrial facilities which cater to cruise vessels, fuel and freight shipments, and ore and concentrates from regional mines. Table 2 summarizes the facilities available at the Port of Skagway.

Table 2. Port of Skagway Facility Description

Name	Primary Use	Berthing Space (ft.)	Depth (ft.)	Mechanical Handling	Storage (sq ft)
White Pass Railroad Dock	Receipt and shipment of petroleum products; mooring cruise vessels.	1,850	36-70	Stevedore rental equipment is available as required.	80,000
Broadway Dock	Mooring Cruise Vessels	800	35	None	--
Ore Dock and Skagway Ore Terminal	Receipt and shipment of petroleum products; mooring cruise vessels.	1,200	45-50	64,000 lb. GVW vehicle ramp, 1,000 ton/hour loading spout	120,000
AML Barge Dock	Receipt and shipment of conventional, containerized, and roll-on/roll-off general cargo.	411	40	100 ton GVW pass-pass capabilities with two large forklifts of 30 and 45 ton lifting capacity	102,000
Ferry/City Dock	Containerized & roll-on/roll-off cargo; landing for passenger & vehicular ferry; fueling vessels	385	25	2 ton harbor crane	120,000
Small Boat Harbor	Stalls for pleasure craft, fishing vessels and tugs	40	15	None	--

Source: Municipality of Skagway & Marine Exchange of Alaska, & U.S. Army Corps of Engineers

In contrast to the Port of Skagway, the Port of Valdez has only three major facilities (not including the privately-operated crude and fuel facilities at Alyeska). As shown in Table 3, the Valdez Container Terminal is the largest of the three.

Table 3. Port of Valdez Facility Description

Name	Primary Use	Largest Berthing Space (ft.)	Depth (ft.)	Mechanical Handling	Storage:
Valdez Container Terminal	General and Containerized Cargo	1,200	50	One 150-ton crane, three 100-ton cranes, and forklifts	525,000-bushel-capacity grain elevator with nine concrete silos
Municipal Dock	mooring of vessels	600	26	One 1 1/2-ton electric-hydraulic derrick; five 2-ton forklift trucks	
Petroleum Dock	Shipment of petroleum products	275	30-36	None	Storage Tanks: 176,225 bbl

Source: City of Valdez and Marine Exchange of Alaska, & U.S. Army Corps of Engineers

Table 4 summarizes the facilities and equipment at the docks most likely to accommodate mining shipments at the Port of Haines, Skagway, and Valdez. As shown in the table, Lutak and Port Chilkoot Docks have the least berthing space and shallowest depths when compared to facilities at the other two ports.

Table 4. Haines, Skagway and Valdez Facility Comparison

Facility Name	Dock Name	Primary Use	Total Berthing Space (feet)	Depth (feet)
Port of Haines	Lutak Dock	Containerized, conventional, and roll-on/roll-off cargo; petroleum products; and logs	750	24-33
	Chilkoot Lumber Dock	Log storage, gravel shipments, and fish processing	560	35-60
	Port Chilkoot Dock	Mooring cruise vessels	850	40-46
Port of Skagway	Ore Dock	Receipt and shipment of petroleum products and mined materials; mooring cruise vessels.	1,200	40-50
Port of Valdez	Valdez Container Terminal	General and Containerized Cargo	1,200	50

Source: Marine Exchange of Alaska 2012a & U.S. Army Corps of Engineers

Lutak Dock, used for petroleum and freight transfer, has pipelines which extend to inland storage tanks, as well as four acres of open storage (Marine Exchange of Alaska 2012a). Chilkoot Lumber Dock, used for log storage, gravel shipments, and fish processing, has 25-acres of uplands available at the former sawmill site (Haines Borough 2012a and Beck 2012).

At Skagway, the Ore Dock has a 64,000-pound (29,000 kg) GVW vehicle ramp, 1,000-ton (907 tonnes)-per-hour loading spout, and dockside fuel headers. The terminal also offers 120,000 square feet of open storage adjacent to the Ore Dock (Skagway Development Corporation 2012). According to a Prolog Canada report (undated), the Ore Dock currently exports 85,000 tonnes per year, though it has historically exported 600,000 tonnes annually and could potentially be expanded to handle in excess of 1 million tonnes annually. While the facility could conceivably handle more than 12 times the current quantity of ore exports, if several large Yukon mines were to open it could reach capacity, which would lead to increased demand for facilities in Haines as the next nearest port.

The Valdez Container Terminal offers 21 acres of open storage, as well as cranes (100–150 ton) and grain silos (Marine Exchange of Alaska 2012b).

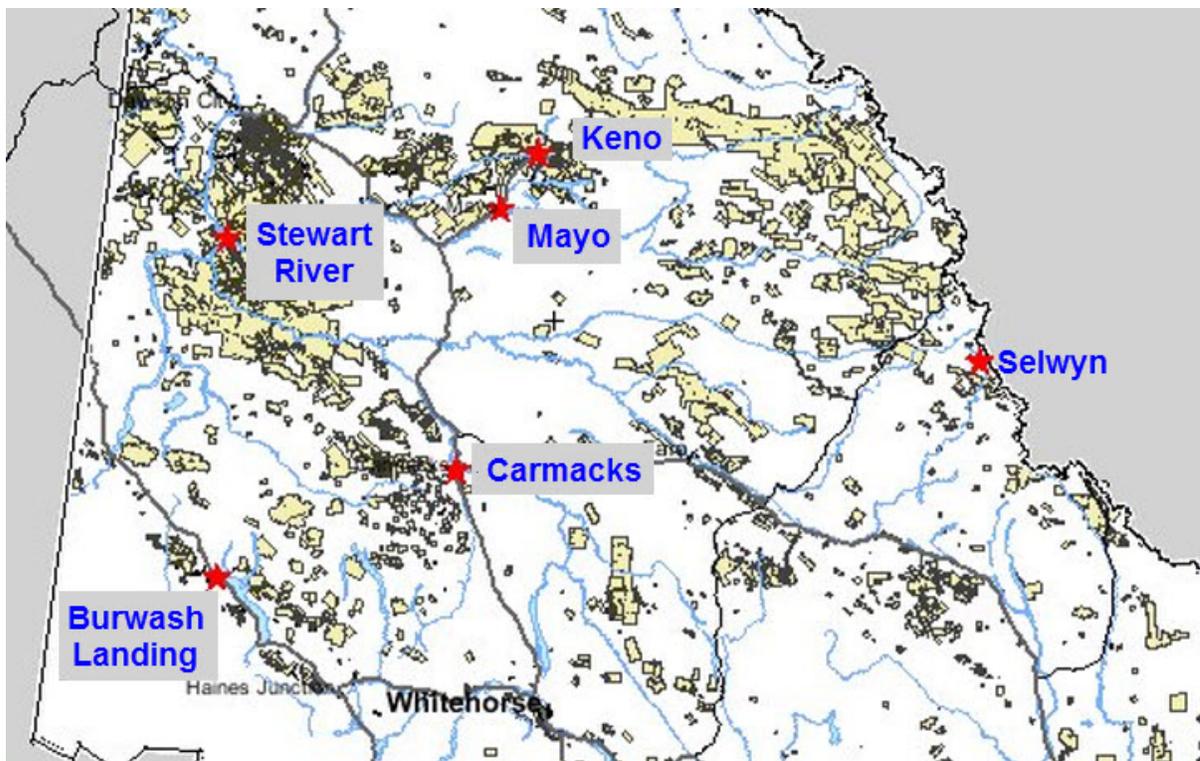
3 Transportation Assessment

In this section, we assess Haines’s transportation advantages and disadvantages relative to its geographic competitors, the Port of Valdez and the Port of Skagway. Estimates of surface transportation costs resulting from the use of the Port of Haines relative to its competitors are made using distance and per-unit cost estimates sourced from both publicly-available resources and quotes from local service providers. Additionally, the study team provides a description of each port and a comparison of major attributes, furthering the assessment of Haines’ perceived strengths and weaknesses relative to its regional competitors.

3.1 Highway Distance Advantage

Yukon is home to several mining prospects in various stages of development. Figure 12 illustrates those mines which the Canadian government believes will be developed within the next five to ten years (Stephens 2012). Each of the mines is located in Yukon and is within driving distance to Haines via seasonal or year-round access roads.

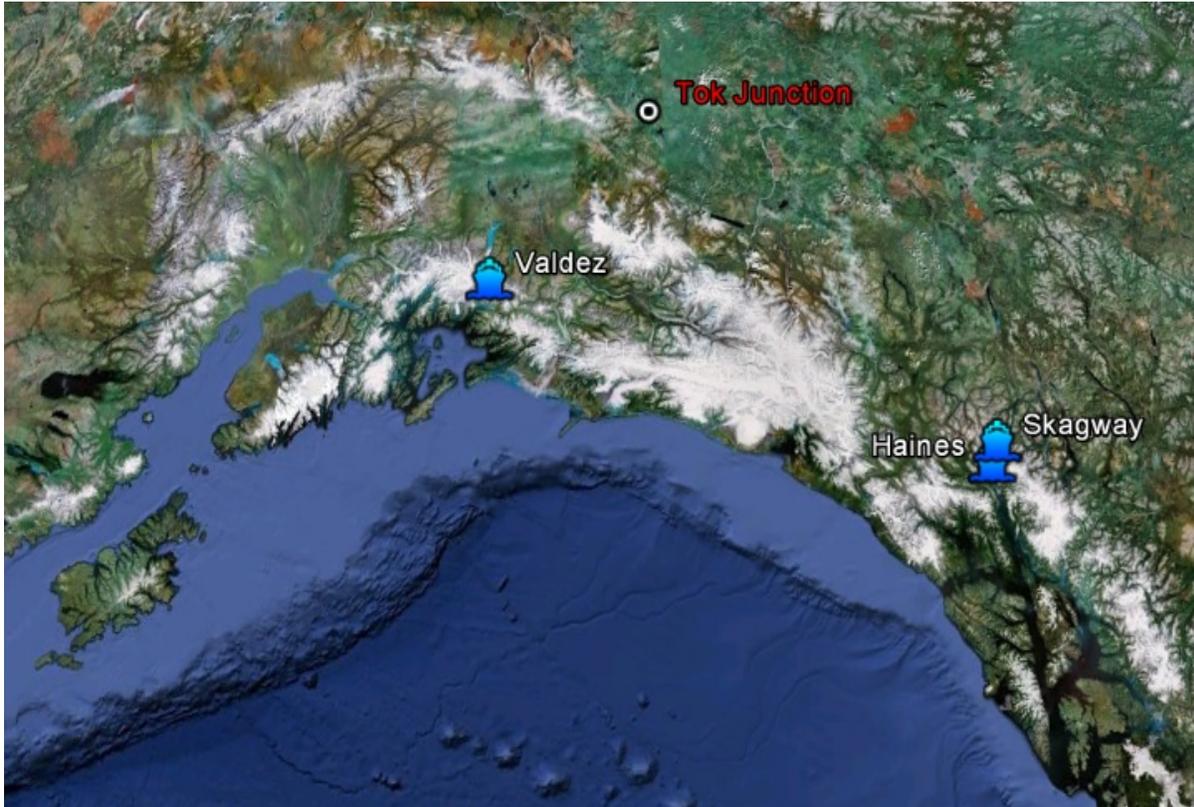
Figure 12. Mining Development Prospects in Relation to Known Mineral Deposits



Source: Northern Economics, Inc. adapted from Government of Yukon, 2012

Haines, Valdez, and Skagway are the only Alaskan ports accessible by road that are within a reasonable driving distance of Yukon. Haines is located between Valdez to the east and Skagway to the west. The Port of Haines competes for transportation advantage with both (Figure 13).

Figure 13. Map of Haines Relative to Skagway and Valdez



Source: Google Earth 2012

Beginning at the community of Tok, the study team compared distances between various origin points along the Alaska Highway and both Haines and Valdez. Table 5 summarizes the results, with shaded cells indicating the shorter of the two distances. The last column shows the travel cost savings (or expenses) incurred by using Haines rather than Valdez.

Table 5. Transportation Distance in Miles for Communities on the Alaska Highway, Haines versus Valdez

Origin	Distance to Destination (Miles)		Difference in Miles	Travel Cost Savings (\$)
	Haines	Valdez		
Tok	442	255	187	-765
Tetlin Junction	426	267	159	-650
Northway Junction	400	310	90	-367
Beaver Creek	340	364	23	95

Note: Assumes operating cost of \$4.08 per mile

Source: Microsoft Trips and Streets (2011), Freight Metrics 2012 and Northern Economics, Inc. analysis

The point along the Alaska Highway where Haines has a transportation cost advantage over Valdez is at Beaver Creek. Cargo (such as mining material) which begins traveling along the Alaska Highway at Beaver Creek and south will likely access tidewater in Haines. Cargo which comes onto the highway north of Beaver Creek is likely to access tidewater in Valdez. This transition point is reinforced by the U.S.-Canadian border, which is located just north of Beaver Creek. In addition to the mileage

calculation, shipments originating in Alaska are less likely to cross the border due to additional administrative burden of moving between countries when a suitable export port is available entirely within the state.

Table 6 is similar to Table 5, but shows the relative distances between Haines and Skagway for communities along the Alaska Highway and the Klondike Highway. The transportation savings between Haines and Skagway is more apparent based on route. For all points along the Klondike Highway, Skagway has the cost advantage. For all points along the Alaska Highway west of Whitehorse, Haines has the cost advantage.

Table 6. Transportation Distance in Miles, Haines vs. Skagway

Origin	Distance to Destination (Miles)		Difference in Miles	Travel Cost Savings (\$)
	Haines	Skagway		
Klondike Highway				
Keno	513	395	118	-483
Mayo	476	358	118	-483
Carmacks	337	219	118	-483
Whitehorse	244	109	135	-552
Alaska Highway				
Koidern	295	351	56	229
Burwash Landing	224	280	56	229
Destruction Bay	213	269	56	229
Haines Junction	148	204	56	229

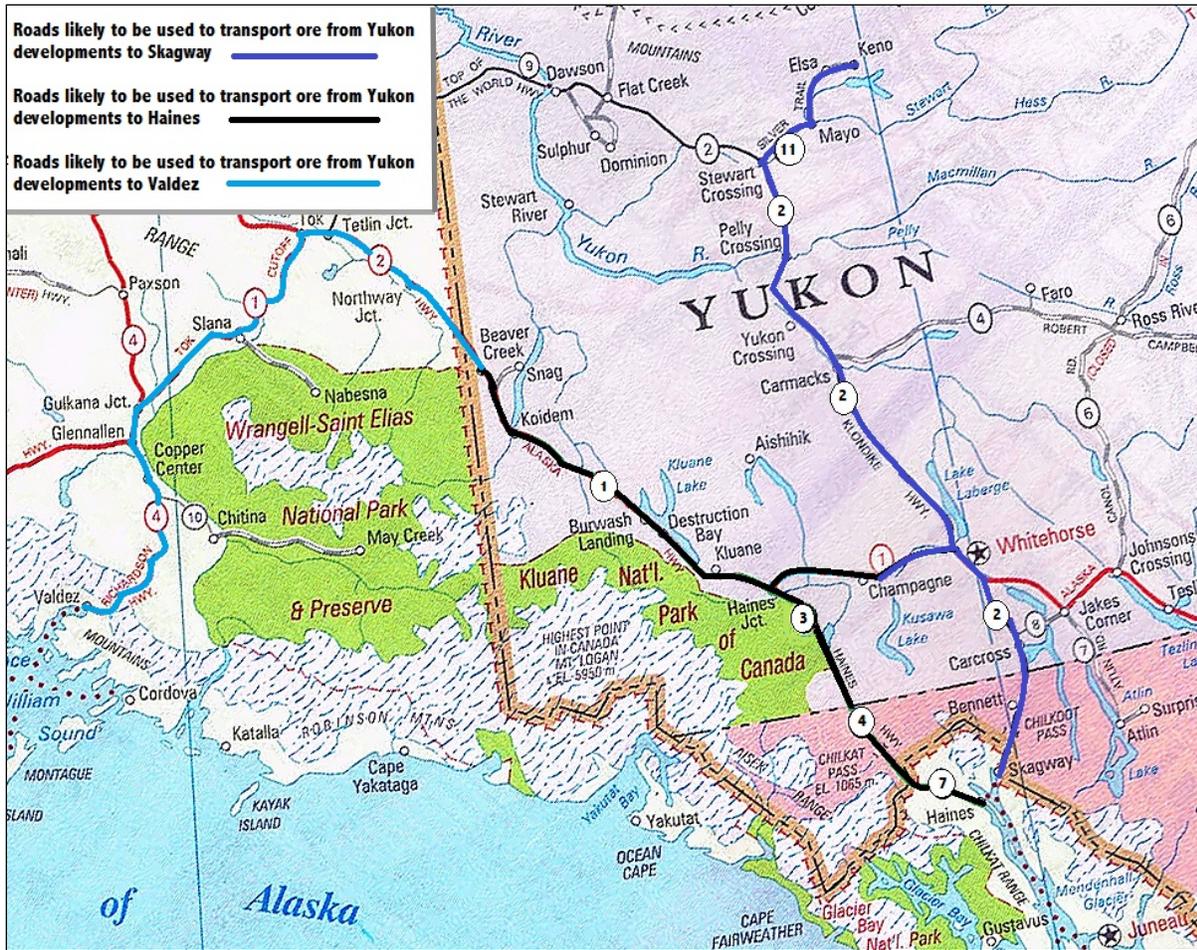
Note: Assumes operating cost of \$4.08 per mile

Source: Microsoft Trips and Streets (2011), Freight Metrics 2012 and Northern Economics, Inc. analysis

With regard to ore shipments, the difference in relative cost means that mining developments occurring in Yukon which have access roads connecting to the Klondike Highway are likely to make Skagway their port of choice as the distance of travel is significantly shorter than it would be to travel to Haines. Conversely, mining developments with access roads connecting to the Alaska Highway north of Haines Junction are more likely to make Haines their port of choice.

The results shown in both Table 5 and Table 6 are summarized in Figure 14 below. The black line marks the Alaska Highway and illustrates the route and locations which have a transportation cost advantage by using Haines.

Figure 14. Transportation Routes from Selected Points to Valdez, Haines, and Skagway²



Source: Northern Economics, Inc. adapted from AAA 2012

3.2 Load Limits

In addition to distance, road load-bearing capacity could influence a mine developer’s decision of whether to export ore and concentrates through Skagway or Haines. According to a recent draft of a forthcoming ADOT&PF report on mine-related traffic to ports in Southeast Alaska, “In 1986, Alaska upgraded its portion of the Klondike Highway to accommodate the year-round movement of mineral concentrates from mines in Yukon and British Columbia” (Dye Management Group 2012). The road accommodates oversize and overweight loads up to 170,000 lbs gross vehicle weight (GVW), the maximum allowed on the Canadian portions of the highway (Dye Management Group 2012).

Vehicles with overweight permits on Alaska roads are not limited to a specific GVW, however, they must comply with ADOT&PF permitting and bridge formula limit requirements (Cargo Agents Network 2012). ADOT&PF is currently designing a highway reconstruction project which will impact the Haines Highway and regional bridges. Construction is tentatively planned to begin in 2014,

² Please note that this analysis takes into account road distance only. When this study team compares routes, it traditionally takes into account the speed of travel on particular roads. However, in this instance, the limited road network shown in Figure 2 does not offer road users reasonable alternatives, making travel time an insignificant variable when making a port choice.

though delays due to environmental permitting are expected. Improvements include bridge expansions and enlargement of paved shoulders from two feet to six feet in width (ADOT&PF 2012). The improvements are not expected to increase legal load limits. While Haines might benefit from an increased weight limit on its roads, it should be noted that the state or borough would need to identify funds available for the upgrade. As noted by ADOT&PF, “The Federal Highway Administration funds highway construction to meet legal load requirements; any cost for construction in excess of legal load requirements must be borne by the state and/or the user” (ADOT&PF 2012). In Skagway, the additional road construction costs were funded through permit surcharges levied on overweight and oversize cargos. At this time the study team is not aware of sources of consistent and frequent demand for cargo transportation through the Port of Haines that cannot comply with current ADOT&PF road restrictions. With few permits issued, the state would need to seek other sources of funding for the upgrades.

3.3 Bridge Restrictions

During interviews with local businesses and mining representatives, the study team was told that while Skagway’s road has a weight-bearing advantage relative to the Haines Highway, Haines is preferable for moving large pieces of equipment. It was implied that the bridges outside of Haines are capable of handling equipment larger than those out of Skagway. As shown in Table 7, however, the available data regarding bridges outside of both communities show otherwise. The Chilkat River Bridge is the current³ chokepoint on the Haines Highway as its width is only 24 feet. While the Skagway Ferry Terminal Bridge is narrower, at 17 feet, most cargo shipments in and out of Skagway do not need to cross this bridge. It is likely that the Haines Highway is preferable for moving equipment not because it has larger bridges, but rather because it has a lower highway grade (Dischner Undated).

Table 7. Bridge Comparison, Haines and Skagway

Route	Bridge Name	CDS Mile Point	Historic Mile Post	Bridge Number	Length (ft)	Width (ft)
Route to Haines: Canadian Boarder to Haines Highway	Chilkat River	23.2	23.8	0742	504	24.0
	Muncaster Creek	28.3	28.9	0743	60	36.0
	Little Boulder Creek	31.0	31.6	0744	80	36.4
	Big Boulder Creek	33.2	33.8	0745	120	36.1
Route to Skagway: Canadian Boarder to (U.S.) Klondike Highway	Skagway Ferry Terminal	0.0	0.0	0805	175	17.0
	Skagway River	1.8	1.2	0308	482	28.0
	Captain Wm Moore Creek	11.2	10.4	1304	300	28.0

Source: ADOT&PF 2009

Preference for Haines may increase with upcoming bridge improvements. ADOT&PF is currently designing an expansion of the Chilkat River Bridge; the improvements will increase load capacity by 1/3, and will expand the bridge width from 24 feet to 36 feet (ADOT&PF 2012).

³ The bridge is expected to be enlarged as part of the 2010-2013 State Transportation Improvement Program.

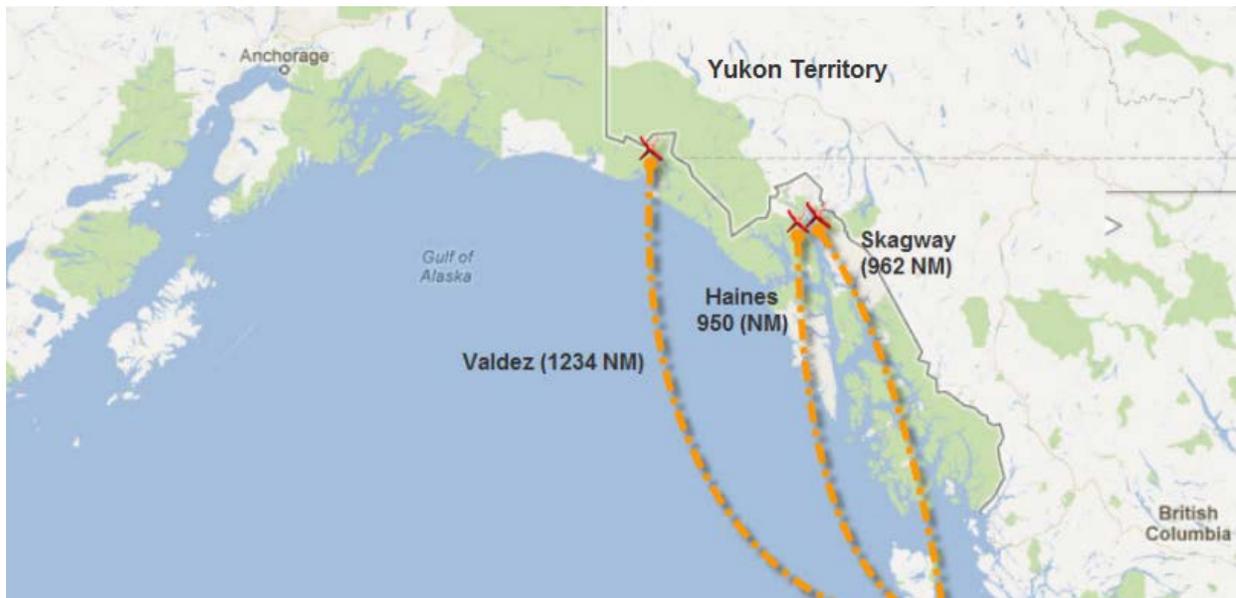
3.4 Marine Cost Advantage

Haines and Skagway are both located on Chilkoot Inlet, approximately 80 and 90 miles northeast of Juneau, respectively. Valdez is located on the north shore of Port Valdez in the Prince William Sound, approximately 305 road miles east of Anchorage. All three ports are ice-free, deep-water ports that are accessible by land, sea, and air year-round (DCCED 2012).

Puget Sound has always been the primary gateway to Alaska, and the Port of Seattle is a frequent origin and destination for cargo moving through Haines, Skagway, and Valdez. Seattle is a major transshipment point for Alaska goods such as fish, petroleum products, and other cargo, which then continue to other domestic and international markets. Likewise, many goods moved to Alaska via barge originate in Seattle. By dollar value, about three-fifths of goods reach Alaska by water and two-fifths by air or truck via the Alcan Highway. By weight, 97 percent of the goods go by water (Chase 2004).

Figure 15 illustrates the nautical distances between Seattle and the three ports of focus within the study area.

Figure 15 Distances of Valdez, Haines, and Skagway to Seattle, Washington



Source: Google Maps 2012. NOAA 2009. Distances between United States Ports.

Haines’s nautical proximity to Seattle relative to Valdez and Haines is shown in Table 7. Based on mileage, the Port of Haines has an advantage over both the Ports of Skagway and Valdez. Assuming a flat per-mile cost per container rate to each destination, Haines has the lowest cost among its competitors for freight moving to or from Seattle.

Based on current rates for shipping goods from Seattle to Southeast Alaska, shippers yield a savings of \$0.08 per pound-mile by shipping to Haines rather than Skagway, and \$0.07 per pound-mile for shipping to Haines rather than Valdez (Table 7).

Table 7. Cost Savings among Haines, Skagway, and Valdez for Barge Cargo Originating in Seattle

Category	Community		
	Haines	Skagway	Valdez
Distance to Seattle (NM)	950	962	1,234
Shipping Cost from Seattle (\$/per lb)	0.49	0.57	0.56
Shipping Cost from Seattle (\$/per lb per NM)	0.00052	0.00060	0.00045
Cost Savings of Shipping to Haines (\$ per lb/NM)	N/A	0.08	0.07

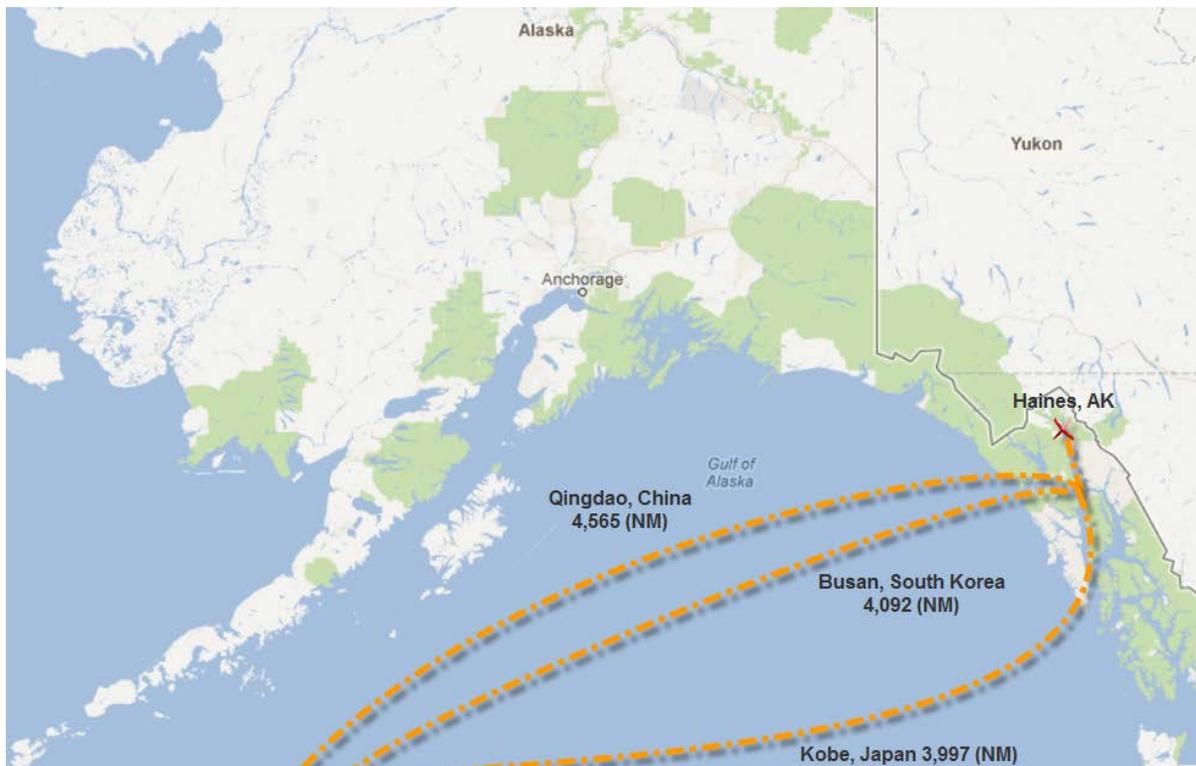
Note: NM: Nautical Mile

Source: NOAA 2012; Lynden Transport 2012

3.4.1 Cost of Transporting Ore to Asian Ports of Call

Asian markets are another export destination for goods transported through Haines, Skagway, and Valdez. Goods such as fish and other seafood products, as well as petroleum products and non-ferrous metals, are transported to Asia for use in other intermediate goods and manufactured products. Figure 16 below shows the distance from Haines to selected ports in Asia.

Figure 16 Distances of Haines to Select Asian Ports



Source: Google Maps 2012. National Geospatial Intelligence Agency, World Ports 2012.

Based on mileage, the Port of Haines maintains a slight cost advantage over Skagway when moving cargo westbound, toward Asian markets.

Assuming a flat transportation rate of \$0.12 per container-mile, a shipper could save almost \$38.40 per container shipped from Valdez, rather than Skagway, destined for the Chinese Coast. Table 8 illustrates the potential cost savings between Haines, Skagway, and Valdez for selected ports in the Asian market. In this scenario Valdez is always the port of preference as it is the westernmost of the three ports.

Table 8. Cost Savings between Haines, Skagway, and Valdez and Selected Asian Ports

Export Destination	Distance to Destination (Nautical Miles)		
	Haines	Skagway	Valdez
Qingdao, China	4,565	4,577	4,245
Kobe, Japan	3,997	4,009	3,677
Busan, Korea (South)	4,092	4,104	3,772
Cost Savings (\$/container)	N/A	1.44	-38.40

Note: Assumes operating cost of \$0.12 per container-mile.
Source: National Geospatial Intelligence Agency, World Ports 2012.

Operation of Panamax (4,000 TEU⁴), Post-Panamax (6,000 TEU) and Post-Panamax Plus (10,000 TEU) is estimated to be between \$9 million and \$15 million dollars a year (Rodrigue 2012). Savings of using Haines over Skagway for a fully loaded Post-Panamax Plus would be approximately \$14,400, or less than 1 percent of total annual operating costs, assuming a vessel loaded all 10,000 TEUs in Haines.

Savings of using Valdez over either Skagway or Haines are more significant.

3.5 Port Fees

In addition to cost differences generated by distance, each of the ports within the study region levy unique charges and fees. Table 9 compares the common charges at each of the facilities: dockage, wharfage, and water. While dockage and water rates in Haines are comparable to rates charged in Skagway and Valdez, wharfage rates in Haines are much higher due to rate increases made as a result of a life cycle cost analysis conducted by Northern Economics in late 2010.

Table 9. Haines, Skagway and Valdez Rate Comparison

Current Rates	Skagway	Haines	Valdez
Dockage (per ft.)	\$2.80 - \$4.00	\$2.75	\$0.66 - \$3.14
Freight Wharfage (per 2,000 lbs)	\$2.00	\$3.85	\$3.50
Fuel Wharfage (per bbl)	\$0.26	\$0.84	\$0.10
Water	\$4.84 per 1,000 gal	\$50 + \$4 per 1,000 gal	\$45 + \$3 per 1,000 gal

Source: Port of Haines, Port of Valdez, White Pass & Yukon Route, & Maritime Exchange of Alaska

⁴ TEU=Twenty-foot equivalent unit

If a mining company were to begin transporting large volumes of equipment, fuel, or ore concentrates through Haines, the study team expects that a preferential rate agreement would be negotiated with the borough and other changes could be made to port fees as a result of increased use and any necessary upgrades. In anticipation of this possibility, the borough may want to undertake a preliminary assessment of the operational and administrative costs that it would incur for providing such service, and how the fees derived from these costs would compare to facilities in Skagway. It would be advantageous for the borough to know the levels of fees that would be required to recover costs at various output volumes when speaking with industry representatives.

4 Market Assessment

This analysis looks at three separate markets in which growth of services and cargo for the Port of Haines could be generated: the local market, the hinterlands, and the mining industry. For the purpose of this analysis, the local market consists of the borough population and local businesses; growth in this market would stem from population growth and economic activity within the borough. Similarly, the hinterland is comprised of communities inland of Haines whose populations could influence port volumes through growth in demand.

The mining industry stands apart as a third market; unlike the local and hinterland markets, demand for transportation services by mining companies will not be tied to local economic conditions or population growth. Development within the mining industry depends on factors such as world market values of mined materials, the economic feasibility of accessing individual deposits, and permitting restrictions. This analysis looks at potential increases in cargo generated by both required materials and equipment for development (incoming cargo) and volumes of ores and concentrates (export cargo volumes).

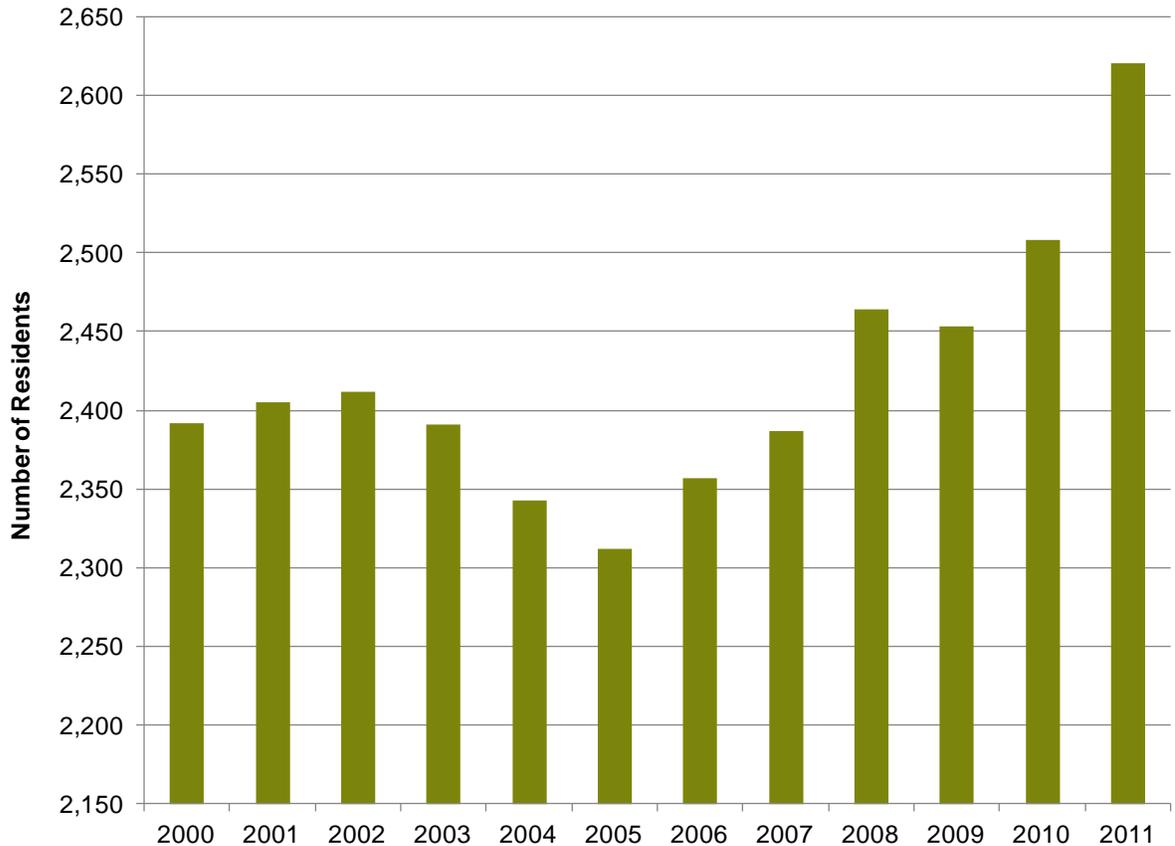
4.1 Local Market

Through interviews with port users in Haines, the study team concludes that the three major sources of port activity are demand by the local population (fuel and freight), activity generated by local businesses (bulk fuel sales, movement of construction equipment, etc.) and visitor volumes (ferry and cruise vessel passengers). In this section, we discuss each of these factors, and assess expectations for growth.

4.1.1 Population

The population of Haines increased over the last decade, rising by thirteen percent from a low of 2,300 in 2005 (Figure 17). According to the Alaska Department of Labor & Workforce Development (ADOLWD), 2011 estimates place the borough's resident population at 2,620. The population fluctuates seasonally, however, and can increase by several hundred residents during the tourism season (Haines Alaska Community Website 2012).

Figure 17. Population of Haines Borough, 2000–2011

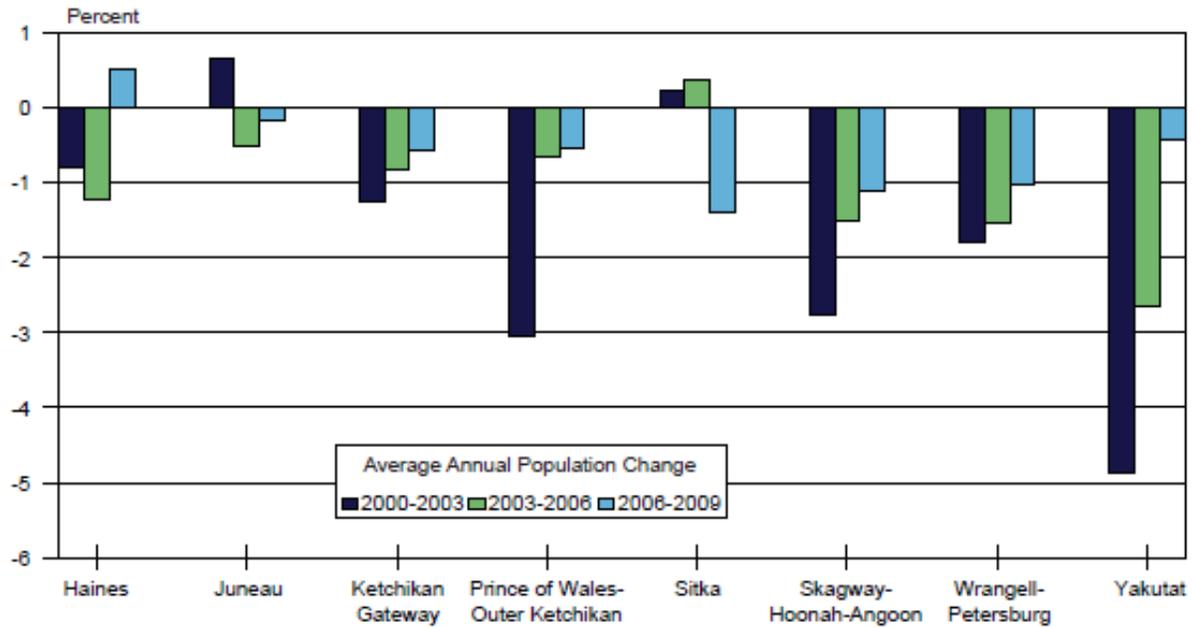


Source: ADOLWD 2012b

At first glance, it would seem that an increase in cargo volumes could have been expected given the strong trend in population growth over the last five years. The study team believes that the national recession and lack of job opportunities in the Lower 48 has resulted in more persons staying in the Southeast rather than migrating to the Lower 48. However, the growth in population in Haines contrasts with trends seen in the rest of Southeast Alaska (Figure 18) and, according to ADOLWD population forecasts, is not expected to continue.

Haines Borough accounting staff provided cargo invoices for 2011 and 2012. Due to the limited data available, the study team analyzed cargo volume changes versus population using Alaska Marine Highway System cargo activity as a proxy for Haines. The results were inconclusive in tying population changes to cargo volume changes. Additional cargo volume data has been requested from Haines Borough accounting staff. When that information is available, the study team will conduct this analysis using Haines Borough data in an attempt to quantify the relationship between population and cargo volumes.

Figure 18. Population Change in Southeast Alaska



Source: Mercer and Abrahamson 2011

Losses from out-migration are expected for Haines, and over the state’s population projection period (which extends to 2034) the borough’s population is expected to decline by nearly 38 percent due to particularly low birth rates and the highest median age in the state (Table 10). ADOLWD concludes that growth in population for the region would require a sharp rise in in-migration (Mercer and Abrahamson 2011).

Table 10. Southeast Alaska Forecasted Populations

Area	2009	2014*	2019*	2024*	2029*	2034 ¹	Percentage Change (%) 2009-2034	Average Annual Growth Rate 2009-2034
Southeast Region ²	69,338	67,948	66,480	64,692	62,244	59,472	-14.2	-0.5
Haines Borough	2,286	2,133	1,974	1,802	1,619	1,422	-37.8	-1.5
City and Borough of Juneau	30,661	30,884	31,051	31,040	30,710	30,191	-1.5	-0.1
Ketchikan Gateway Borough	12,984	12,464	11,934	11,339	10,633	9,878	-23.9	-0.9
Prince of Wales-Outer Ketchikan C.A.	5,392	5,052	4,721	4,368	3,966	3,566	-33.9	-1.3
City and Borough of Sitka	8,627	8,578	8,505	8,400	8,215	8,000	-7.3	-0.3
Skagway-Hoonah-Angoon C.A.	2,908	2,785	2,642	2,483	2,297	2,100	-27.8	-1.1
Wrangell-Petersburg C.A.	5,852	5,445	5,070	4,701	4,276	3,828	-34.6	-1.3
City and Borough of Yakutat	628	607	583	559	528	487	-22.5	-0.9

Notes: ¹ Projected

² Middle Projection Series

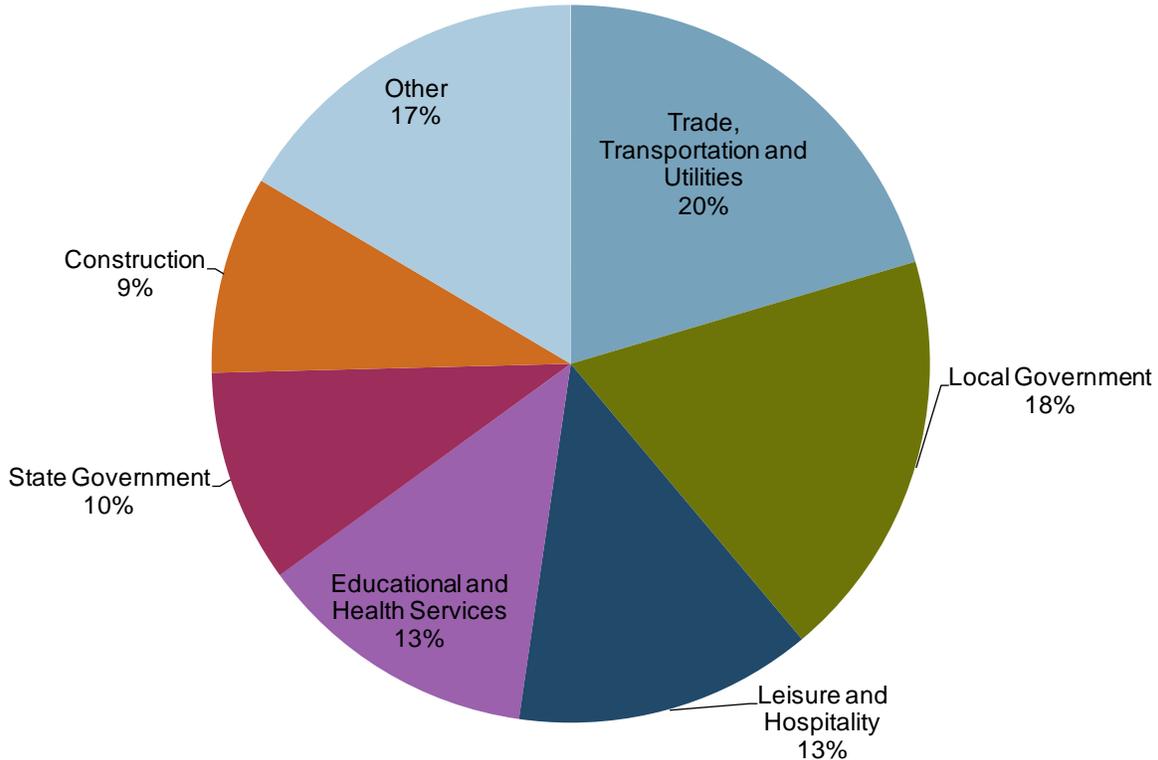
Source: Mercer and Abrahamson 2011

Based on these findings, the study team does not anticipate cargo increases as a result of population growth in and around Haines.

4.1.2 Local Industry

Despite its relatively small size, Haines has a diverse economy. Most employment revolves around trade, transportation and utilities, government, leisure and hospitality, and health care, which collectively accounted for 75 percent of local wage and salary employment in 2011 (ADOLWD 2012). Figure 19 shows the relative share of the local workforce in the major industries of the area. Many of the local jobs in Haines are seasonal and the unemployment rate can vary greatly throughout the year, especially in the tourism and construction industries.

Figure 19. Resident Workers by Industry, 2011



Note: Federal government, military, self-employed, and “non-resident” seafood processing workers are not included.

Source: ADOLWD, 2012b

Of the economic sectors outlined above, few are expected to lead to significant increases in cargo volumes. Education and Health Services, for example, is a growing sector in the borough, and currently represents 12.7 percent of the local workforce, nearly a 2 percent increase over the last five years (ADOLWD 2012). Haines has an older population relative to the median age in Alaska; as the population continues to age, demand for health services will likely continue to grow, increasing opportunities in the industry (Wilkenson 2010). However, this industry is service-based and, despite rapid growth, is unlikely to generate port cargo volumes.

During interviews with the port’s current customers, the study team was informed that regional fuel sales and construction volumes in Southeast Alaska in part determine the volume of cargo moved through Haines. Delta Western supplies both local users and Canadian wholesalers with a variety of petroleum products. Assuming no unforeseen shifts take place in the current market, Delta Western does not expect to see significant changes in its fuel transportation volumes through Haines (Gray 2012).

AML’s representatives’ expectations were similar to those of Delta Western—they expect cargo volumes to remain at the status quo barring any significant market shifts. Three-fourths of the cargo AML transports through Haines is incoming; local customers include grocers, lumber yards, and construction companies (Ganey 2012). AML could see an increase in cargo if any local construction projects begin, or if construction firms based in Haines take on new construction projects in Southeast Alaska. Increases in mining volumes in Yukon will have a more direct impact in Skagway; AML is

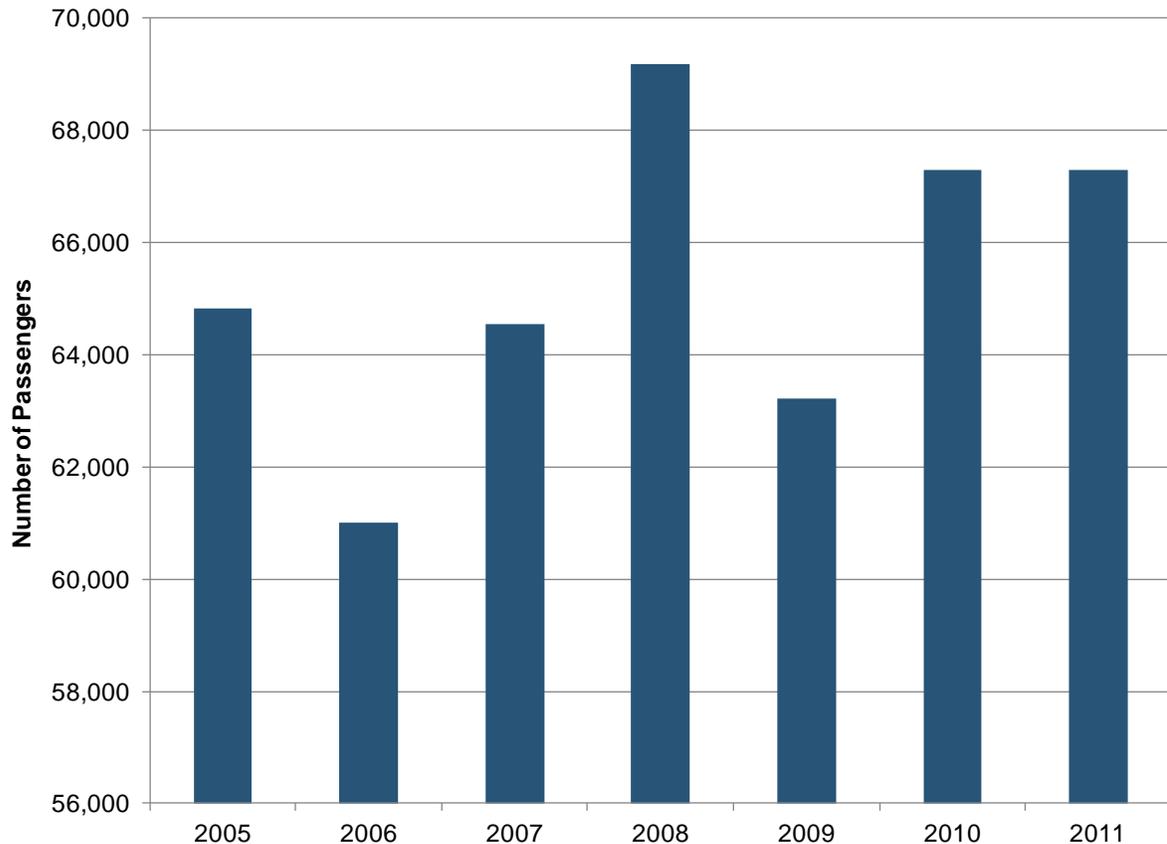
currently moving cargo for Yukon mines via their sister company, Canadian Lynden Transport, based in Skagway (Ganey 2012).

4.1.3 Cruise Vessel and Ferry Passenger Volumes

Haines is a popular Southeast Alaska tourist destination, as evidenced by the 13 percent of residents employed in leisure and hospitality. Each year tourists arrive by ferry, cruise vessel, and automobile, entering town through the Port Chilkoot Dock, AMHS dock or the Haines Highway. The volume of tourists is so large that the number of visitors can sometimes exceed the number of residents during the summer months (Cemany 2005). Though highly seasonal, the large influx of visitors each year brings wages and jobs that help bolster the local economy.

Figure 20 summarizes the number of ferry passengers that both embarked from and disembarked at Haines between 2005 and 2011. For all seven of the years shown, passenger volumes were between 60,000 and 70,000 people a year.

Figure 20. Alaska Marine Highway Ferry Passengers to and from Haines, 2006-2011

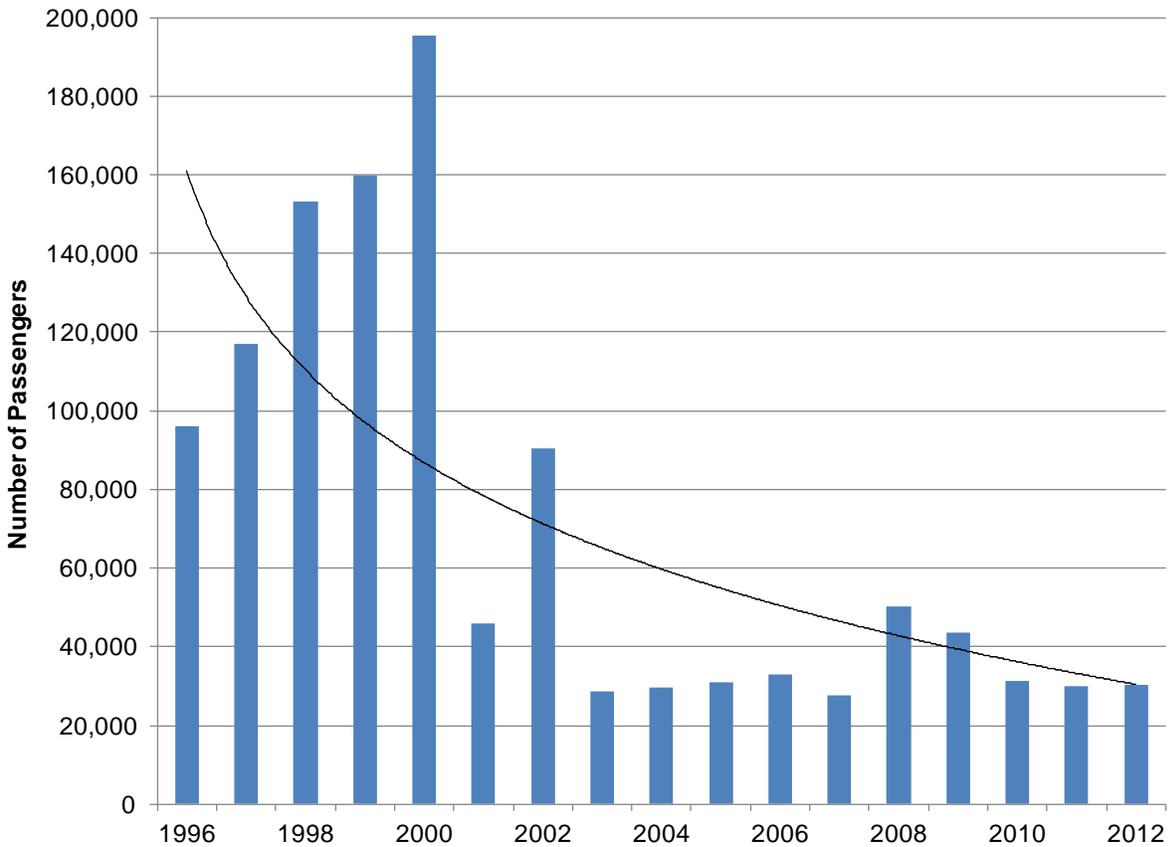


Source: Alaska Marine Highway System 2012

Figure 21 summarizes the historic volumes of cruise vessel visitors to Haines. Assuming that all cruise vessels have moored at the Port Chilkoot Dock, the level and frequency of use of the facility has declined sharply since the mid-1990s. As shown in Figure 21, the number of cruise vessel passengers visiting Haines dropped significantly in the early 2000s. Passenger visits were at a high of almost

200,000 passengers in 2000, and now average less than 50,000 annually. The drop in 2001 was a result of several factors, including the introduction of new sales and bed taxes in Haines, as well as a proposed measure to cap cruise ship arrivals (Cervený 2005).

Figure 21. Cruise Vessel Passengers to Haines, 1996-2011



Note: 2011 and 2012 are estimated using cruise vessel schedules and vessel passenger capacity.
Source: Bales 2010; State of Alaska Department of Commerce and Community Development 2010; Cruise Line Association of Alaska 2012

As noted previously, in 2012 the Alaska Legislature approved a grant of \$2.3 million to continue upgrades at the dock which will replace the deteriorating pile-supported timbers (Alaska Legislature 2012). To the study team's knowledge, the upgrades are not expected to increase the number of cruise vessel calls in Haines.

4.2 Hinterlands

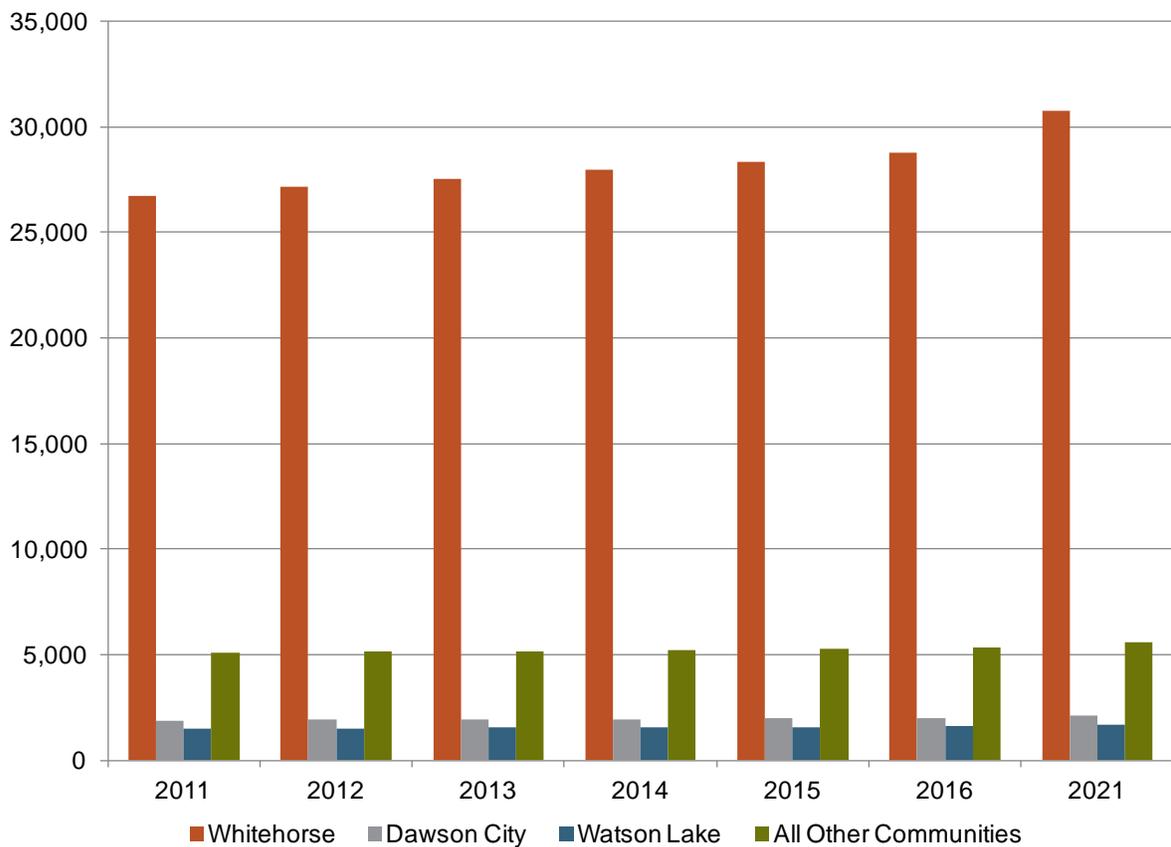
Population growth in communities inland of Haines has the potential to drive demand for transportation services through the Port of Haines. In order to gauge the growth in regional demand, the study team looked at population forecasts for Yukon and its largest cities. Relevant population forecasts are summarized in Table 11 and Figure 22.

Table 11. Population Forecasts, Yukon (2011-2016 and 2021)

Area	2011	2012	2013	2014	2015	2016	2021	Change (%) 2011-2021
Yukon	35,175	35,691	36,204	36,716	37,225	37,729	40,130	14.1
Whitehorse	26,711	27,125	27,536	27,947	28,357	28,764	30,721	15.0
Dawson City	1,880	1,908	1,936	1,963	1,990	2,016	2,133	13.5
Watson Lake	1,514	1,531	1,548	1,565	1,582	1,598	1,675	10.6
All Other Communities	5,068	5,127	5,182	5,241	5,297	5,352	5,600	10.5

Source: Yukon Bureau of Statistics 2012

Figure 22. Population Forecasts, Yukon (2011–2016 and 2021)

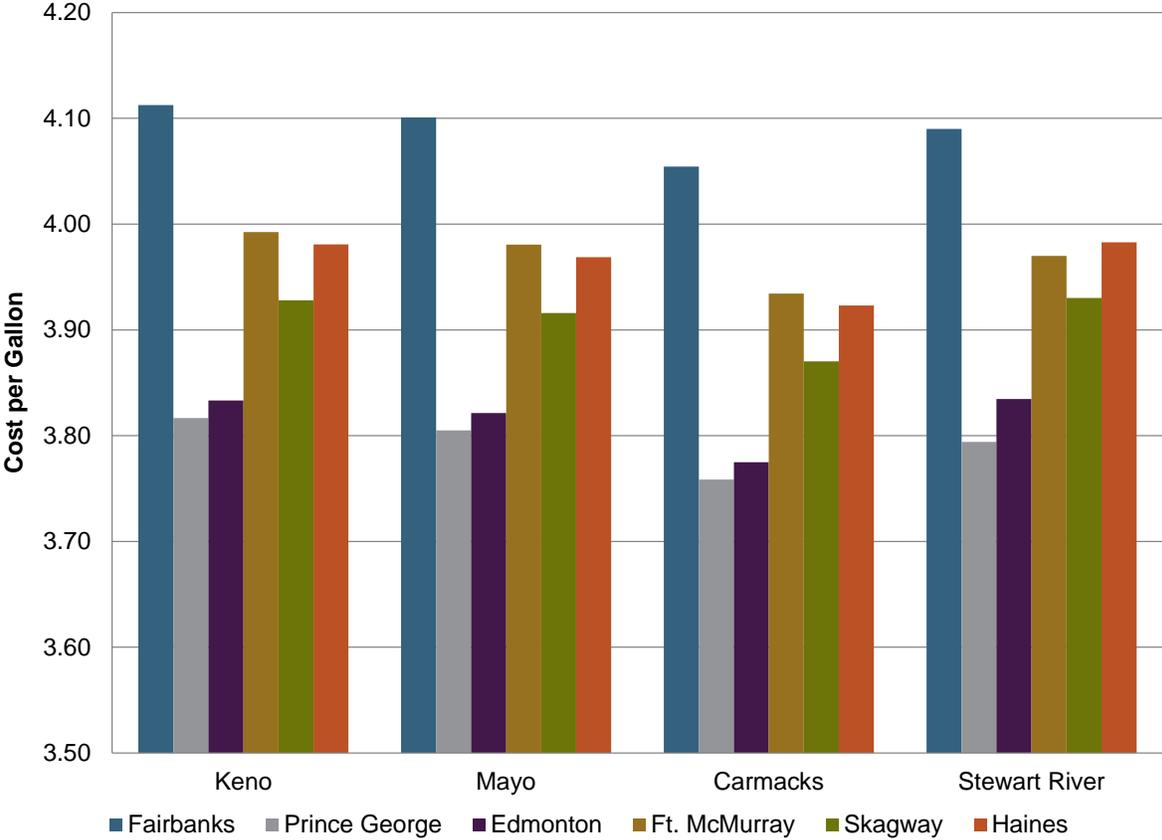


Source: Yukon Bureau of Statistics 2012

The study team believes that Haines could see increases in cargo volumes to Yukon destinations stemming from future population growth. This conclusion supports the suggestion heard during interviews that Haines concentrate on becoming a general cargo port for the region rather than focusing on mining development (Brown, et al 2012). However, in order to capture this market, the port would need to establish a role for itself as a preferred transshipment point. Goods such as fuel are currently moved to many Hinterland destinations at a lower cost via road from Edmonton or Fort Nelson (Gray 2012).

Figure 23 illustrates the study team’s estimates for delivered fuel costs at various mining locations; lower prices are yielded by trucking from inland supply points. The fuel costs shown for Haines and Skagway are estimated using fuel prices in Seattle, the additional costs of barging (including wharfage), tank farm operating costs, and trucking to final destinations. In contrast, the inland locations’ fuel costs are estimated using only local prices and the additional trucking costs associated with transportation to mines.

Figure 23. Ultra Low Sulfur Distillate Transportation Costs to Select Mining Locations via the Alaska Highway



Note: Seattle price based on ULSD #2; ULSD #1 prices used for Canadian origins as information for ULSD #2 was unavailable. Analysis assumes truck operating cost of \$4.08 per mile and barge transportation costs of \$0.20 per mile based on industry interviews.

Source: OPIS 2012; Petro-Canada 2012; Freight Calculator 2012

4.3 Mining Industry

2011 proved to be one of the most successful years for Yukon mining as a record 114,587 new claims were staked, 38 percent more than the high of 83,161 recorded in the previous year (Government of Yukon 2012). According to the 2012 Yukon Economic Outlook, there were over 100 mining companies doing exploration work in Yukon in 2011, and more than 50 of these companies are estimated to have spent in excess of \$1 million each on exploration-related work (Government of Yukon 2012).

With three producing mines and a number of other projects advancing towards development decisions, the future of Yukon’s mining sector looks promising. Currently, six projects have gone

through permitting or are in the process of obtaining the appropriate permits. Another 10 projects are doing advanced exploration or completing feasibility-related work. A few of the project proponents have noted development timelines that could see development and production within five years. The value of mineral production is estimated at \$600 million in 2012, up from \$402 million in 2011. Growth in 2012 is expected to stem primarily from a significant increase in production from the Wolverine mine, which declared commercial production in March 2012 (Government of Yukon 2012).

Table 12 summarizes information about each of the Yukon mines near Haines. The projects on this list came from a mining policy analyst in the Government of Yukon (Stephens 2012). Several of the potential projects listed are still in the pre-feasibility or exploration stage, so the projected timelines, reserves, and ore/concentrate volumes are considered estimates and will likely change as development progresses.

Table 12. Yukon Prospective Mining Development Summary

Characteristic Type	Atac Resources	Copper North	Kaminak Resources	Prophecy Platinum	Selwyn Resources	Victoria Gold	Western Copper & Gold	Constantine Metal Resources
Property	Rackla-Osiris	Carmacks Property	Coffee Gold Project	Wellgreen Property	Selwyn District	Dublin Gulch	Casino Property	Palmer VMS Project
Approximate Location	Keno City, Yukon	Carmacks, Yukon	Stewart Lake	Burwash Landing	North of Watson Lake	Mayo, Yukon	Carmacks, Yukon	Haines, AK
Type of Resource	Gold	Copper	Gold	Platinum Group Metals	Lead, Zinc	Gold	Gold, Copper, Silver, Molybdenum	Silver, Copper, Zinc, Lead
Indicated Mineral Reserve (000' of tonnes/yr)	N/A	*3,200	None	14,000	180,690	91,600	*90,970	N/A
Anticipated Ore Throughput Volume (tonnes/day)	N/A	5,000	TBD	32,000	20,000	29,500	25,000	TBD
Expected Mine Life (Years)	N/A	6	TBD	37	TBD	10	23	TBD
Current Status	Pending Sale	Permitted for Construction	Exploration	Exploration for Expansion	Permitting	2nd Screening	Pre-feasibility	Exploration
Road Infrastructure	Unknown	Unpaved Exploration Road	Unpaved Exploration Road	Seasonal Gravel Road	TBD	Paved All-Weather Roads	Paved All-Weather Roads	Paved All-Weather Roads
Timeline (Full Production est.)	N/A	TBD	TBD	2019	2015	2015	2020	TBD
Available Feasibility Study?	No	Yes	No	No	No	Yes	Yes	No
Est. Distance to Haines (mi)	479	338	No Direct Route	250	No Direct Route	380	338	33

Source: Publicly available materials from individual company websites and publications. Please refer to references for a comprehensive list.

Note: *Proven

In an effort to ground truth the material shown in Table 12, and gather insight as to how these mining developments will decide on a preferred port for ore exports, the study team interviewed representatives from Prophecy Platinum, Selwyn Resources, Copper North Mining, Atac Resources, and Western Copper and Gold. In these interviews, the team learned the following:

- Many mining companies who will likely use Skagway as an export port first considered Haines. Most of these companies ended up building access roads that connect to the Klondike Highway, making Skagway the closest—and thus preferred—port of export. Hauling is the key economic variable for most decision-making between Haines and Skagway.
- The cost of moving ore plays a large part in deciding which port of call is the best fit.
- Moving additional cargo through a port that already sees industrial use by mining companies is viewed as less likely to receive public scrutiny.
- Mining companies are risk averse. The more information that is available regarding potential permitting issues, the better.
- Haines does not have a handling facility designed specifically for ore; this could be a liability for a company that decides to move non-containerized concentrates through Haines.
- Haines’s port is outside of the community’s view, which may limit frustration with high industrial usage. However, access to the port requires industrial traffic to travel through downtown, which may be disliked by residents.
- Atac Resources intends to sell the Rackla-Osiris property to a new developer in the near future. Reasons for the sale were not given.
- Prophecy Platinum is interested in using the Port of Haines as its export facility. They are still in the exploration phase and plan to release a feasibility study in the first quarter of 2013, which will indicate their likely preference for the port facilities they intend to use for exporting ore concentrate.
- Selwyn Resources, while not intending to use Haines as an export facility, did express the possibility of using Haines as an import facility for moving materials required for construction or extraction in the Selwyn District.

In addition to outbound freight, the study team considered potential volumes of incoming materials destined for Yukon mine sites. Mining developments require incredible amounts of energy; for example, “Energy costs are estimated to represent more than 15 percent of the total cost of production in the mining industry in the US.” (McIvor 2010) Table 13 summarizes the energy sources expected to be used at each of the mine sites reviewed in this analysis.

Table 13. Anticipated Energy Sources for Yukon Mining Projects

Local Electric Utility	Not Yet Determined	Diesel trucked from Edmonton	LNG trucked from British Columbia
Copper North	Kaminak Resources Victoria Gold Constantine Metal Resources Atac Resources	Selwyn Resources	Western Copper & Gold Prophecy Platinum*

*May truck diesel

Source: Individual Mining Company Documents and Interviews, 2012

As noted in Table 13, Copper North and Prophecy Platinum plan to obtain their electrical energy from local utilities. Currently Yukon Energy Corporation and Yukon Electrical Company provide power to the southwest region of Yukon. Yukon Electrical operates 25 kV lines and, given that certain requirements are met, offers financial assistance for transmission line construction to potential customers (Sharma 2012). Yukon Energy does not offer any kind of capital recovery programs to potential users, but does seek opportunities where shared costs and/or grant funding may be available (Campbell 2012).

Several ongoing projects are intended to increase the availability of power to existing and potential mines in Yukon. The West Creek Hydro project could potentially provide an intertie between West Creek, AK and Whitehorse, YT. The project would provide onshore power to seasonal cruise vessels in the summer months and any excess energy in the winter months could be available to the Upper Lynn Canal and/or Yukon. Another project that is currently being evaluated is the development of Eagle Plains oil and gas resources located near the Dempster Highway, between Dawson City and Inuvik. The Eagle Plains region is expected to contain six trillion cubic feet of natural gas and more than 400 million barrels of oil (CBC 2011). Energy sector professionals believe that a natural gas pipeline could be constructed from Eagle Plains to a central Yukon location for conversion to LNG. Haines would then be the likely location to ship the LNG to export markets due to available space in the vicinity of the Lutak Dock. In addition, the Lutak Dock does not have the issues as does Skagway with potential LNG terminals in proximity to cruise ships and residences. Along the pipeline would be spurs to area mines, providing access to natural gas, an affordable and more sustainable form of energy than other liquid fuels such as diesel.

5 Recommendations

At this time the study team believes it would be premature to begin either expansion of existing or construction of new port facilities at Haines. Most of the mines nearing production intend to export via Skagway; proximity and acceptance of industrial development—rather than facilities—seem to be the primary factors driving this decision.

The study team instead recommends that Haines begin a process of information gathering and planning in anticipation of future port development. Actions we recommend include:

Improve availability of information

Consolidate information about the Port of Haines and its facilities. Make this information available through the official borough website so that readers know the material is from a reliable source. At present, information about Haines' port and harbor facilities is limited; the information that is available is conflicting and spread across multiple, unaffiliated websites. Coordinate borough efforts to facilitate clear communication with potential port users.

Provide baseline data where available and initiate steps to fill data gaps in baseline information

Begin gathering baseline data that a company would need to see when considering use of or expansion of a facility. These data include surveyed tidelands, drainage patterns, water quality reports, wave studies, marine mammal and fishery studies, listed environmental concerns such as endangered or protected species, etc. Environmental Impact Statements for similar port facilities may be beneficial for identifying data for the borough to gather. Identify an industrial corridor through Haines to the Lutak Dock and proceed through a public process to designate the corridor as such.

Develop conceptual plans for a deep draft dock and loader to handle ships with 36 feet of draft (Handymax)

Conceptual plans will give potential users an idea of the project that the borough envisions, as well as estimated costs and timelines for development. Should the facility be developed as an extension of the Lutak dock, which would present navigational issues for AMHS unless the AMHS dock were also extended outward, or should the ore transport facility be built in another location?

Decide on ownership and operating options for facility

The borough should give some thought to the operating agreement that it envisions. Would Haines want to own and operate the facility? Would it make more sense for the borough to retain ownership but allow for a private operator? Should the Alaska Industrial Development and Export Authority be involved with ownership of all or part of the facility?

Create a financial model for an ore facility to determine feasibility and rates

Increase understanding of the costs involved with operating the facility in an ore-transporting capacity. Calculate the likely debt repayments that would be required for construction and operation, and assess what revenues would be sufficient to cover these costs.

In addition to these preparations, Haines should continue to market its advantages and build relationships with industry players. More specifically:

Proactively identify potential mining activity located in the western Yukon

A Yukon mine with an access road leading to the Klondike Highway is much less likely to move cargo through the Port of Haines. Once one company has built an access road, other developers will prefer to use the same access route so that costs of the road can be shared, rather than incurred independently. Haines will benefit from mining access road construction that extends west, to the Alaska Highway.

Advertise Haines' advantages

Haines has available storage space, low traffic volumes, and open roads. The borough should advertise these advantages to potential port users. Marketing material available electronically via the borough website and in hard-copy form at regional mining seminars and conferences could prove influential.

Involve private industry where appropriate

Marine facilities do not appear to be a significant obstacle if capital costs and permitting for expansion are reasonable and predictable. If Haines is prepared with the materials outlined above, it will be prepared to move forward with design and construction when user contracts are signed. The study team suggests working with potential users to finance upgrades and expansions as this will ensure that both parties are invested in the project's success. If Haines can demonstrate to the State of Alaska that the borough has a sustainable plan for the facility the state is more likely to be receptive to requests for grant funding.

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Project Title: Haines Borough - Lutak Port Improvements

TPS Number: 55853

Priority: 2

Agency: Commerce, Community and Economic Development
Grants to Municipalities (AS 37.05.315)

Grant Recipient: Haines Borough

FY2013 State Funding Request: \$2,702,700

Future Funding May Be Requested

Brief Project Description:

Repair and upgrade existing Haines Borough deep water port facility at Lutak Inlet.

Funding Plan:

Total Project Cost:	\$2,872,700
Funding Already Secured:	(\$170,000)
FY2013 State Funding Request:	<u>(\$2,702,700)</u>
Project Deficit:	\$0

Explanation of Other Funds:

FY11 - Lutak Port Development Plan: Haines Borough appropriation - \$50,000

FY12 - Lutak Port Development Plan: State of Alaska appropriation - \$120,000

Detailed Project Description and Justification:

Metal and energy demand is driving massive industrial developments in the Yukon Territory and Interior Alaska. The Lutak deep water port in Haines is strategically located to aid in this development. The port offers tremendous upland potential for development and the Haines Highway provides a year round low elevation route to the interior that includes a truck route that bypasses downtown Haines. ADOT&PF is currently upgrading the Haines Highway to improve commercial viability and safety. This port has played a strategic role in Alaska's development for 60 years. The strategic importance of this facility for the Borough, State of Alaska, and the Nation will continue for the near- and long-term future.

The basic elements of the existing facility are sixty years old, although improvements have been made over the years by the Borough and private users. Currently, the port supports the handling of bulk fuels, and bulk cargo including: sand and gravel, timber, container shipments and shore-based fisheries processing. These activities are limited by the size of the port facility and condition of the existing infrastructure. Due to recent developments in the Yukon and Alaska, there is considerable growth potential for handling transshipment of ore, equipment, building supplies, and possible Liquefied Natural Gas to power these developments. Development of this port will provide significant economic benefits to Haines in particular and Alaska in general.

The funds will be used for the following:

1. Site Grading and Drainage Improvements: \$490,000
2. Transfer Bridge Load Capacity Upgrades and Repairs: \$600,000
3. High Mast Lighting: \$400,000
4. Video Surveillance System: \$100,000
5. Security Fence and Gates: \$140,000
6. Mob and Construction Surveying: \$200,500
7. Contingency, final design, CA/CI, permitting: \$772,200

Total project cost: \$2,702,700

Project Timeline:

FY12 \$170,000 Master Plan completion
FY13 \$2,702,700 Design, permitting and construction of repairs and upgrades.

Entity Responsible for the Ongoing Operation and Maintenance of this Project:

Haines Borough

Grant Recipient Contact Information:

Name: mearnest@haines.ak.us
Address: 103 Third Avenue South
Haines, AK 99827
Phone Number: (907)766-2231
Email: mearnest@haines.ak.us

This project has been through a public review process at the local level and it is a community priority.

**A RESOLUTION OF THE HAINES BOROUGH ASSEMBLY ADOPTING THE BOROUGH'S
2012 STATE LEGISLATIVE PRIORITIES.**

WHEREAS, the Haines Borough Assembly met to discuss and prioritize the Borough's 2012 legislative priorities; and

WHEREAS, it is the intent of the Assembly to provide the Alaska Governor, Legislature, and state officials adequate information to represent the needs of the Borough concerning legislative requests including necessary funding requirements,

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

Section 1. The following Capital Budget priorities are identified as the Haines Borough priorities for the State of Alaska for 2012:

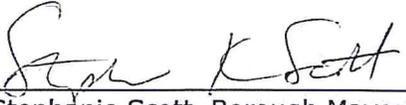
1. Haines - Boat Harbor Improvements
2. Haines - Lutak Dock Improvements
3. Haines - Community Facility Master Plan
4. Haines - Barnett Water Tank Replacement (DEC)
5. Haines - Municipal Water Treatment Plant Replacement (DEC)
6. Haines - Wastewater/Sewer Treatment Plant Replacement (DEC)
7. Haines School Pool / Locker Upgrades (DOE)

Section 2. The following Operating Budget priorities are identified as the Haines Borough priorities for the State of Alaska for Fiscal Year 2012:

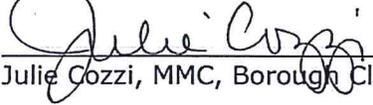
1. Municipal Revenue Sharing

Section 3. The Borough Manager is hereby instructed to advise the Governor, Legislature, and appropriate State agencies of the Borough's legislative priorities and take all appropriate steps to provide background information and testimony in representing the Borough's best interests.

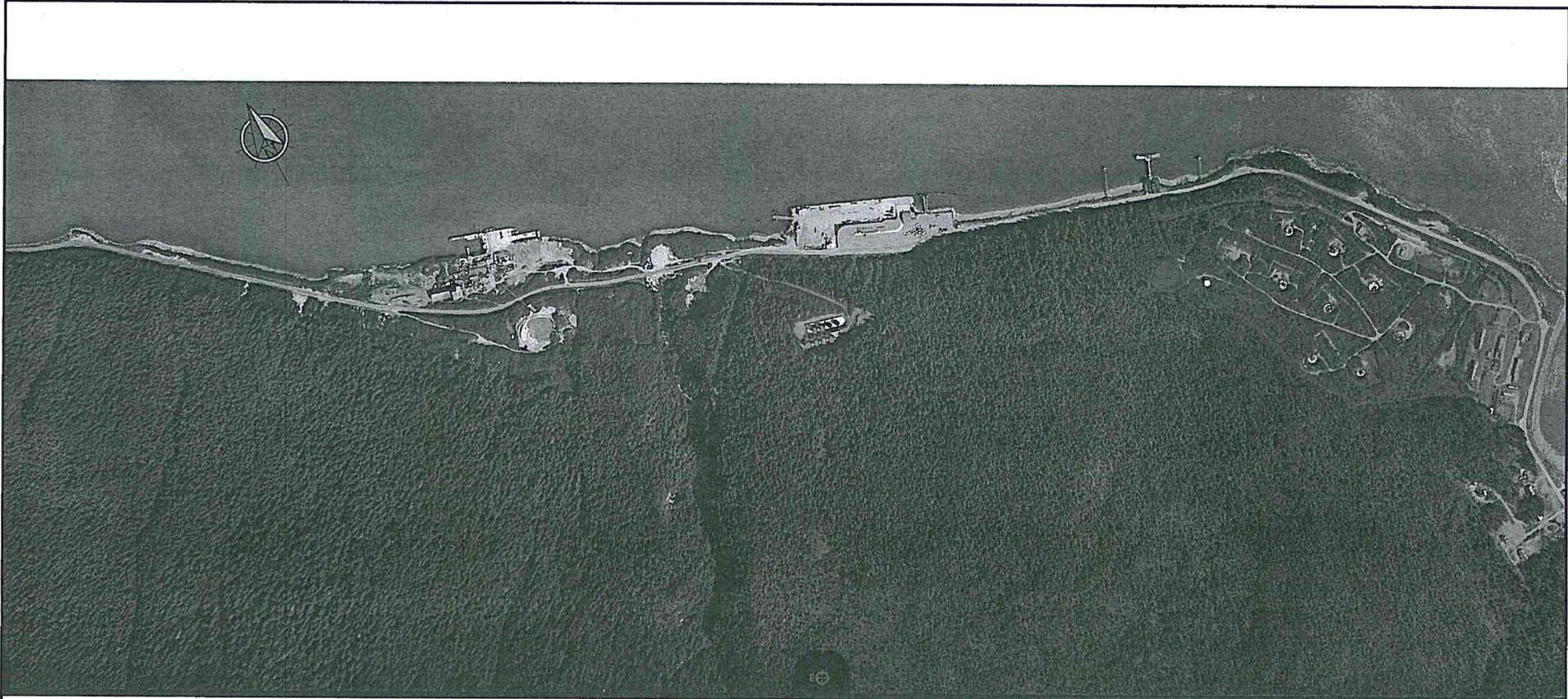
Adopted by a duly-constituted quorum of the Haines Borough Assembly on the 13th day of December, 2011.


Stephanie Scott, Borough Mayor

Attest:


Julie Cozzi, MMC, Borough Clerk





REVISIONS

REV.	DATE	DESCRIPTION	DWN.	CKD.	APP.

P N D
ENGINEERS, INC.

9360 Glacier Highway Ste 100
Juneau, Alaska 99801
Phone: 907-586-2093
Fax: 907-586-2099
www.pndengineers.com



**HAINES BOROUGH
LUTAK DOCK EXPANSION**

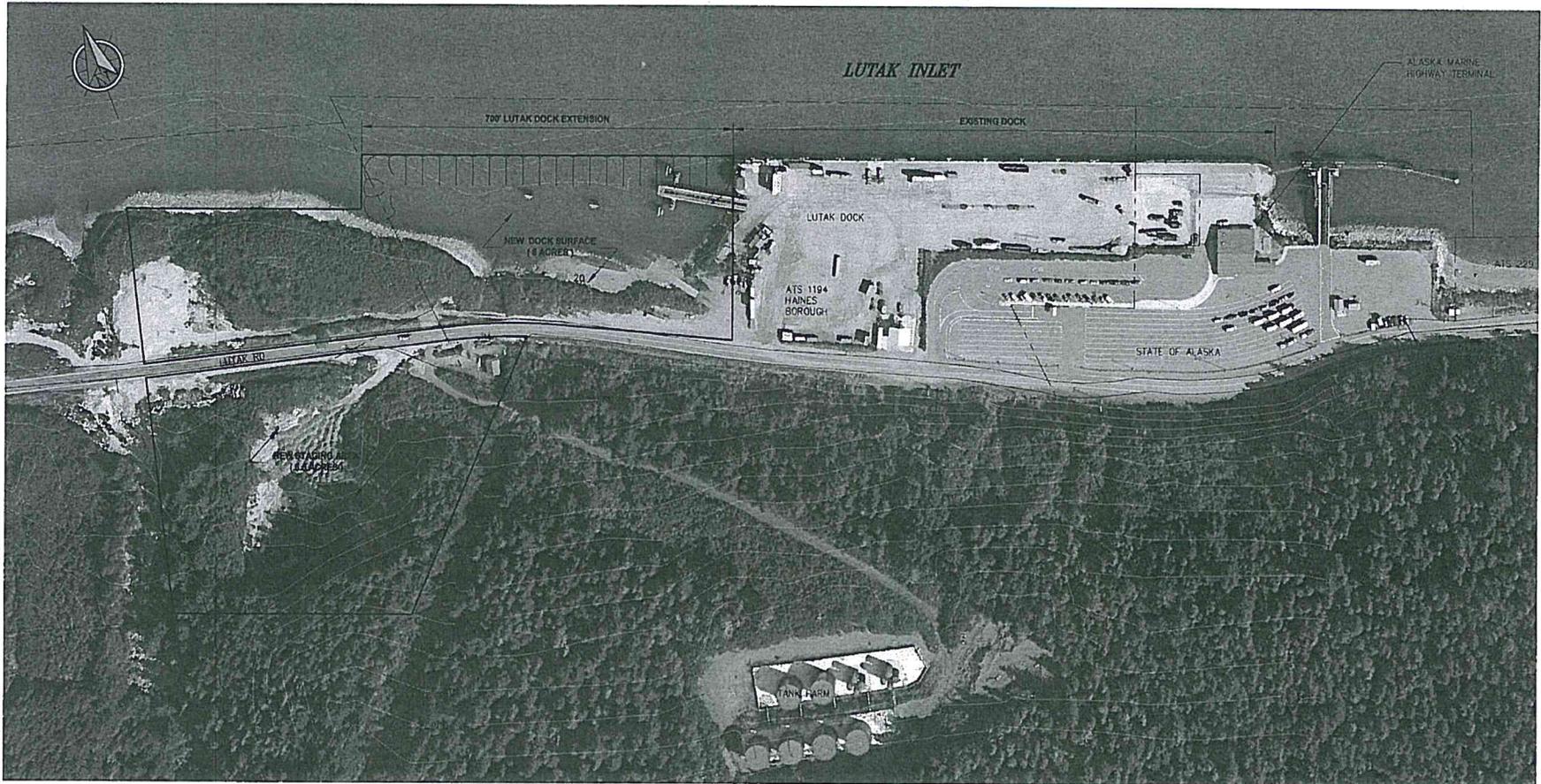
DESIGN: _____ CHECKED: _____ SCALE: SCALE IN FEET
DRAWN: AWS APPROVED: _____ 0 400 800 FT.

SHEET TITLE:
LUTAK DOCK SITE AERIAL

1

PSAD PROJECT NO. 092066.0 DWG. FILE: LUTAK.DWG

1 OF 1



SITE PLAN

PRELIMINARY

REVISIONS					
REV.	DATE	DESCRIPTION	DWN.	CKD.	APP.

P | N | D
ENGINEERS, INC.
 9360 Glacier Highway Ste 100
 Juneau, Alaska 99801
 Phone: 907-586-2293
 Fax: 907-586-2099
 www.podengineers.com

DESIGN: CRS CHECKED: CRS SCALE: SCALE IN FEET
 DRAWN: P.J.O. APPROVED: CRS 0 100 200 FT.



**HAINES BOROUGH
 LUTAK DOCK EXPANSION**

SHEET TITLE: **SITE PLAN**

PMS PROJECT NO. 092066.01 DWG. FILE: LUTAK.DWG

**LUTAK DOCK DEFERRED MAINTENANCE
PND PROJECT 112092.01
ROM BUDGETARY COST ESTIMATE**

**PREPARED BY: PND ENGINEERS, INC.
Prepared on: February, 2012**

Item	Item Description	Units	Quantity	Unit Cost	Amount
BASE BID					
1	Mobilization	LS	All Reqd	10%	\$175,500
2	Construction Surveying	LS	All Reqd	\$25,000	\$25,000
3	Site Grading & Drainage Improvements	AC	3.5	\$140,000	\$490,000
4	Transfer Bridge Load Capacity Upgrades & Repairs	LS	All Reqd	\$600,000	\$600,000
5	High Mast Lighting	LS	All Reqd	\$400,000	\$400,000
6	Video Surveillance System	LS	All Reqd	\$100,000	\$100,000
7	Security Fencing & Gates	LS	All Reqd	\$140,000	\$140,000
BASE BID ESTIMATED CONSTRUCTION BID PRICE					\$1,930,500
CONTINGENCY (20%)					\$386,100
ENVIRONMENTAL PERMITTING, FINAL DESIGN, CONTRACT ADMINISTRATION, CONSTRUCTION INSPECTION & OTHER INDIRECT COSTS (20%)					\$386,100
TOTAL RECOMMENDED PROJECT BUDGET					\$2,702,700

CONSTRUCTION COST ESTIMATE

**Lutak Dock
Security Lighting, Surveillance Cameras, & Gate Controls**

**Haight & Associates, Inc
Juneau, Alaska**

28 January 2010

Labor Rate = \$110

Item Description	Quantity	Unit	Material		Labor		Total (\$)
			Unit Rate (\$)	Total (\$)	Unit Rate (hrs)	Total (\$)	
Power							
Trenching	240	LF	0.60	144	0.16	4,224	4,368
1 inch PVC w/ fittings	270	LF	5.00	1,350	0.80	23,760	25,110
No. 10 AWG XHHW	600	LF	0.50	300	0.01	660	960
Receptacles	3	Each	20.00	60	0.70	231	291
							<u>\$30,729</u>
Lighting							
Type A Luminaires (extg poles)	5	Each	1,000.00	5,000	6.00	3,300	8,300
Type B Luminaires (new poles)	4	Each	1,500.00	6,000	10.00	4,400	10,400
							<u>\$18,700</u>
Security							
Wireless Surveillance Cameras	3	Each	2,000.00	6,000	12.00	3,960	9,960
DVR/Receiver/Modem	1	Each	3,000.00	3,000	8.00	880	3,880
Software	1	Each	1,000.00	1,000	12.00	1,320	2,320
Gate Controls	1	Each	4,000.00	4,000	40.00	4,400	8,400
Commissioning	1	Each	3,000.00	3,000	24.00	2,640	5,640
							<u>\$30,200</u>
Total							
Direct Costs							\$79,629
Admin & Profit (10%)							7,963
Contingency (10%)							8,759
Total							<u>\$96,351</u>

Chilkat Center for the Arts

A Community Facility Operated by the Haines Borough

(907) 766-3573

facsimile (907) 766-3574

E-mail business@khns.org

Facility Administration Report

September 2012

Usage

Ongoing Classes currently include Seibukan Jujitsu three times a week, Morning Muscles twice a week and Yoga three times a week.

Lynn Canal Players has been auditioning for their new production, Oklahoma and will be performing the weekend of October 4th 5th and 6th.

Haines Arts Council hosted Singer songwriter, John Lilly of West Virginia in the lobby where despite no heat, we got a great attendance and an appreciative crowd. At the end of the month, Tracy Spring gave a concert and recorded a cd for distribution in the auditorium, again courtesy of the Haines Arts Council.

The Chilkat Valley News and KHNS hosted a candidate forum in the lobby for the Haines Assembly seats that are open and Sarah Jaymot has been working in the kitchen as summer winds down.

Maintenance

The Center has been without heat for over two months now and it has gotten chilly – KHNS offices generate some heat through the electronic equipment but other rooms in the building are arctic. Dance teachers are bringing their own heaters in an effort to take the chill off and we are fielding plenty of complaints from teachers and the cast of Oklahoma. As of October 1, the boiler is still not ready to go online and there is no definitive date other than “soon”. When reminded that there is a major production coming up this weekend in addition to a funeral, they can only say, “we’re trying”.

The roof has been going pretty quickly but pulling the shingles off in the rainstorm allowed all the leaks to go crazy at once. They worked hard to cover that area of the building as quickly as possible and it has abated. The borough was called in to see the level of flow that was happening and have plans to send in someone to open up the ceiling and let it dry out now that the roof is covered. Gables and new windows we have yet to see. They assure us that plans are in the works and the roofing crew is headed in that direction now – right over the radio station.

Brian Lemcke brought Interim Facilities Manager, Carlos Jimenez to meet us and to see and assess building issues for himself. We salute the appointment of Carlos as Interim Facilities Manager and hope that he is chosen to continue in that position for the Borough. We know him to be conscientious, skilled, focused with an aesthetic eye and a can-do attitude and someone with a young family who would be an incredible asset to the Borough and the Community for many years. Stability in this position would be such a benefit to all of our public buildings.

*Submitted by Facilities Manager, Kay Clements
October, 2012*

RECEIVED Haines Borough

OCT 02 2012

Clerk's Office

Chilkat Center for the Arts			
Sep-12			
Contact	Function	Participants	Amount
	Dance Studio		
SEARHC	Yoga Tuesday and Thursday 5:15-6:30, Sun 9:30am	125	150
Chorus Bishop	Seibukan Jujitsu	101	240
	Lobby		
SEARHC	Morning Muscles	73	105
St Michael's	Sunday Services	80	375
Haines Arts Council	John Lilly Concert 9/15/12	60	75
CVN and KHNS	Candidate Forum for Assmby elections	35	In kind
	Auditorium		
Haines Arts Council	Tracy Spring Concert 9/28/12	200	325
LCCP	Practice and Auditions throughout September		
	Conference Room		
CCA Advisory Board	meeting	8	n/c
KHNS Board	meeting and audit conference	8	n/c
Sarah Jaymot	Kitchen	1	250
	September Totals	691	\$1,520

Chilkat Center for the Arts

A Community Facility Operated by the Haines Borough

(907) 766-3573

facsimile (907) 766-3574

E-mail business@khns.org

Facility Administration Report

August 2012

Usage

Classes of Circuit Training slowed down and the teacher took it back to a smaller space, hoping to resume at the Chilkat Center in the fall when more people have time and inclination to come inside. Meredith Pochardt, the Borough employee who was working with Community Youth Development has resigned to take a full time job with another organization in town and the office which KHNS made available is currently empty.

The Salvation Army completed their renovations at their building and are now hosting the food bank out of their building instead of using the scene shop in the CCA. August was their last use. The Seibukan Jujutsu class had their Sensei come to town and hosted special classes in August which was exciting for the students.

Lynn Canal Players has been auditioning for their new production, Oklahoma and will be performing in October. The auditorium hosted the Haines Arts Council for a double bill of Bluegrass in August that drew a good crowd.

Maintenance

The boiler has been ordered and we are awaiting the delivery and installation at the CCA. The area has been prepped by Borough Maintenance and they were able to rig hot water in the mean time to the kitchen and radio station. The rest of the building has been very cold but KHNS is fortunate to have enough equipment in the offices to keep the edge off.

We have been anticipating borough maintenance begin the repairs to gables, windows and roof that were proposed for May and the temporary roof that was approved by the Borough and awarded to Stickler Construction. The word is that Stickler is moose hunting and not available to begin roof until they return from that.

Chilkat Advisory Board

The Next meeting of the advisory board has been set for September 21, 4pm in the Chilkat Center cofnerence room.

*Submitted by Facilities Manager, Kay Clements
September, 2012*



Chilkat Center for the Arts			
Aug-12			
Contact	Function	Participants	Amount
	Dance Studio		
SEARHC	Yoga Tuesday and Thursday 5:15-6:30, Sun 9:30am	133	180
Private	Holly Davis - 8/18 and 8/25	4	30
Chorus Bishop	Seibukan Jujitsu	148	300
	Lobby		
SEARHC	Morning Muscles	102	195
St Michael's	Sunday Services	65	300
	Auditorium		
Haines Arts Council	Alaska Family Band and Triple Band from TX	150	325
LCCP	Practice and Auditions 8/21-22		
	Back Office		
Haines Borough	Community Youth Development Office	1	in kind
	Last Month - employee resigned		
Sarah Jaymot	Kitchen	1	250
	Basement		
Haines Food Bank	Last Thursday of the month - Last Month		in kind
	August Totals	604	\$1,580

**Sheldon Museum
Monthly Staff Report
August 2012**

AUGUST VISITOR NUMBERS

Local Walk-in	298
Paying Walk-in	1,269
Non-paying Walk-in	132
Children local and non-local	93
With School Group	0
Special Events at Museum	196
Off-site Activity	0
In tours	9
Web Site Hits:	601

YEAR THROUGH AUGUST

Local Walk-in	1,280
Paying Walk-in	3,773
Non-paying Walk-in	353
Children local and non-local	197
With School Group	234
Special Events at Museum	1,465
Off-site Activity	126
In tours	136
Web Site Hits:	3,508

AUGUST VOLUNTEERS

Number:	38		
Total Hours:	438.5	Hours Year Total	1,499.28

USE OF MUSEUM

- There was an error in last month's total for volunteer hours. This is the correct amount.
- Dan Henry spoke about the 1869 solar eclipse, Aug. 7.
- Elena Horner, Brook Cinocco, Jackie St. Clair did a slide show and talked about their experience at Kilimanjaro Orphanage, Aug. 9.

UPCOMING EVENTS/PROJECTS

- Girl Scouts 100th Anniversary program Oct. 3. Former Scouts are invited to come and reminisce.
- Opening for Nature photographer Amy Gulick's exhibition Oct. 20.

ADMINISTRATION and OPERATIONS

- It was a good and very busy summer. Though we had fewer local and paying visitors than last year, it seemed that people stayed longer. The archive had more visits this summer than the totals for each of the last 2 full years. They included Ripinsky relatives and the grand niece of the head Sami reindeer herder who, at the request of Sheldon Jackson, brought a herd from Lapland. Research done in response to an e-mail from a man seeking information from about his great uncle who came as a gold rusher and disappeared solved a 115-year family mystery when the uncle's name was found on a list of graves in the Arctic Brotherhood's cemetery record.
- Former Education Coordinator Susannah Dowds is planning a traveling exhibit for her thesis project for her Masters at UAF. Her topic is sourdough, people and starter. She has asked the Sheldon Museum to be the hosting museum. This means some staff time and some income. There will be more information later.

ARCHIVE

- The archive had 19 research requests. As well as those mentioned above, they included:
 - a Skagway history researcher and author
 - 2 visits by a local archaeologist's assistant
 - a friend of a Chisel descendant doing research for the descendant with a visit followed by e-mail for more information
 - representative of Haines Junction's new Aishihik 1st Nations cultural center wanting photographs for display
 - a cruise ship passenger looking for information on Major Hezekiah McClellan who mapped the 1st air routes in Alaska
 - UAA historian and author Steve Langdon researching early fishing in Chilkat Valley.
 - KTOO TV seeking more information on early ferry days for documentary
 - Library seeking information and photographs for story board project
 - "Gold Rush" production crew seeking historical photographs

COLLECTIONS

- Three pieces of art were purchased this year with funds granted by the Rasmuson Foundation Art Acquisitions Initiative: "Soul Bowl," a glass sculptured by Sarah Cohen; "Fault Line," a fiberglass mosaic by Sharon Svenson; and "Eclipse," a wood carving by Jim Heaton. The first two are on exhibit in the Lower Gallery. "Eclipse" will be delivered soon.

EXHIBITS

- The exhibition of art by instructors and students of the Klukwan traditional art came down on Aug. 26th. It proved to be very popular and another exhibit is in the planning for next year.
- The opening for Tresham Gregg's 6-Week Spotlight solo exhibition was on Aug. 31st. It will be up through Oct. 13th.
- Local former Girl Scouts Edie Granger, Tammy Jobbins and CJ Jones installed an exhibit celebrating the 100th Anniversary of Girl Scouting, using photographs and memorabilia loaned by several other former Scouts as well as their own and some from the Sheldon Museum collection.
- Nature Photographer Amy Gulick's photographs will be on display October 18 through November 20. Other events are planned during the week of the 18th at other venues.

SHELDON MUSEUM AND CULTURAL CENTER, INC
Board of Trustees Meeting Minutes
Thursday, August 23, 2012, 1:15 p.m. at the Sheldon Museum

CALL TO ORDER: 1:18 p.m. by Board President Frankie Perry

ATTENDANCE: BOARD – Frankie Perry, Diana Pyle, Pam Randles, Dave Pahl, Anastasia Wiley and Michael Marks
 STAFF - Jerrie Clarke and Blythe Carter VISITORS – None
 BOROUGH LIAISON - Debra Schnabel

ADDITIONS TO THE AGENDA:

Old Business: Railings and Steps
 New Business: Museum Governance

APPROVAL OF AGENDA: M/S Pam & Diana - approved

APPROVAL OF MINUTES: M/S Diana & Pam – approved
 With the correction that Diana's name was misspelled in the minutes.

CORRESPONDENCE:

None

STAFF REPORT:

July 2012:

After review of Staff Report, Anastasia asked if the Museum has a way of counting Archive Researchers. She suggested that the Museum begin counting researchers and count them as individual researchers. Review of monthly visitors count for 2011-2012. Frankie asked staff to prepare a detailed Store Sales Report.

COMMITTEE REPORTS:

Personnel position description edits:

Frankie asked Dave about the review of position responsibilities. Dave shared that the New Director should have a thorough knowledge of tax and financial documents, and that the Museum should move away from having a volunteer handle these responsibilities. Debra stated that this fundamental duty, performed by a volunteer, does not give an accurate financial picture of the Museum's staff time. Jerrie informed the Board that Henriette performed these duties in the past as a paid Museum Office Manager and now completes these as a volunteer. Frankie shared that volunteers donate their time and expenses on certain projects and this can be calculated and accounted for. Anastasia asked if Jerrie had previous training in financial responsibilities as part of her education. Jerrie replied that her training was in Curator Duties not financial. Jerrie shared that under the previous Director, Addison, the financial reports were prepared by him, and he hired another person to perform the Collection duties. Under CJ Henriette was the office manager and there was no collections staff. Debra asked if there were staffing structures from some other comparable museums for comparisons. She also recommended an assessment of staff needs and suggested designing a new staff structure. Jerrie mentioned that, since the loss of the collection staff position, all the staff is doing a variety of duties. Debra commented that the museum needs a clear mission and needs to attach job duties to it. Pam added that the museum is in the middle of a staff reorganization. Anastasia also suggested a look at comparable museums and a review of their mission statement's relation to museum positions. Dave commented that the Alaska State Museum is completing a

survey of the 88 museums in Alaska, and that the museums offer a wide range of structures - from an all volunteer staff to well staffed museums. Frankie concluded that we move the staff descriptions for another meeting in order for further review of the staff positions. She said that these descriptions are for our staff as it is structured right now, not necessarily for the future. It was then discussed that management of volunteers was shifted from the Operation Coordinator position to the Museum Assistant position. Debra questioned Kris' promotion from Museum Aide to Museum Assistant was approved by the union and Jerrie replied that, yes, it was approved by the union. It was stated that employees need to work within their job descriptions, and that is why the job descriptions are important to have available for staff.

OLD BUSINESS:

Slogan Discussion: Blythe shared assorted Museum logo's and their formats and sizes in relation to possible new slogans and how difficult it is to fit any slogan to all logo applications. Michael mentioned that a slogan does not necessarily have to be attached to every museum logo application and that to kick off the process we can just pick one or two logo applications and give a slogan a try out. It is easy to print limited quantities of the slogan and a logo to get the program going and evaluate it along the way as opposed to waiting. Blythe felt we have "too many cooks in the kitchen" and maybe should have a smaller group work on the slogan and present it to the Board at a future meeting. Michael suggested a slogan committee which would include Blythe, Janine and Michael. A date will be determined for the meeting when Janine was contacted about a suitable date.

Fair Booth Evaluation: Blythe reported that a total of \$2686.25 was collected this year from the 2012 Fair Booth Store Sales as compared to \$560.95 in 2011. It was mentioned that in 2011 there were two revenue sources, the Store Sales and Auction Sales. Debra mentioned that to get a true evaluation of sales, labor and the cost of the products sold need to be part of the financial review. This would give a clearer indication of the success of the endeavor. Anastasia added that sometimes these functions provide a community presence and get the word out for the Museum, even if it doesn't make lots of money.

Eldred Rock Information: Pam shared that the Museum received the "Notice of Availability" from the Coast Guard and the Museum has prepared a letter of response that the Museum is a capable party. The Coast Guard would then assess the letter and then possibly ask the Museum to apply for the lease. This would require the Museum to respond within 120 days with a business and architectural refurbishing plan. Pam requested we wait until we receive the invitation to apply for the lease before we begin this monumental task.

Museum railings and steps: Dave discussed the steps and railing with the Borough and the Mayor and was asked to submit a plan. He said the easiest idea is new concrete stairs with railings that have removable ends. These can be removed in the Winter. There are lots of options with wrought iron, stone, flower boxes, etc. It was suggested that a committee be formed to bring the plan to the Board. The committee will be comprised of Dave, Michael and Jerrie, and the first meeting of the committee will be on September 4th at 11:00 a.m..

NEW BUSINESS:

Approve New Position Descriptions: Move to accept new job descriptions, except Director, as written. M/S Diana & Pam - approved

Jerrie's Resignation/Director Job Announcement: All Board members stated that Jerrie has served the museum to the highest standards and will be missed by the Board, the Borough, and the Community. Anastasia recommended that we form a committee for the review of the job description for the new Director. Debra shared that the Museum really needs an Administrator, and then, when the financial activities are in order, it could seek a curator.

Lee Jacob's Totem Pole: It was shared that the selling price of the totem pole was \$10,000 and the Board determined to postpone any decision about purchasing the pole until further information can be presented to the Board.

Use of Ripin restricted fund for work in archive: Jerrie shared that she would like to use a portion of the \$5,000 donated by the Ripin Charitable Gift Fund. Nancy had suggested to Jerrie that because it is restricted for Sol Ripinsky projects that scanning and indexing the Pioneer Express would work. Using the donation will provide time for Stacie to scan the research documents. She estimated that the cost would be approximately \$2,500. M/S Pam & Diana - approved

Museum Governance: Dave informed the Board that he has had issues over the governance of the Sheldon Museum. He stated the Museum has used assorted information about budgets and staff depending on the tax 990 form, grants or other filing information documents. As a result the governance of the Museum is in question. He mentioned that the Museum needs to know who governs the functions of the Museum and have someone claim responsibility for all parts and services. Is the Museum a public charity or a Borough facility? In the meantime, the Museum is getting the benefits of both a public charity and a Borough facility. Records show money from the Borough is a contribution, but employees are subject to the Borough and the Union regulations. Frankie said that it is time to clarify the Museum's relationship with the Borough. Jerrie suggested that it is time for a meeting with the Mayor, Manager, Jerrie, and Frankie to sort this issue out. Anastasia recommended that we review the relationship between the Library and the Borough which might shed light on the Museum's relationship. Debra shared that the Borough is seeking cost cutting decisions, and the Museum is always on the agenda for elimination. Michael shared that this is important information and could have an impact on the hiring process for the new Director. Debra requested a meeting with the Borough to determine the relationship with the Sheldon Museum. It was recommended to develop a Governance Committee to include Frankie, Dave, Pam, Debra and Jerrie. Debra wants to work with the committee to develop a presentation to the Borough. It was determined the Governance Committee would meet on August 27, at 10:30 a.m.

COMMITTEE MEETINGS:

Governance Committee will meet on August 27, at 10:30 a.m.

Slogan Committee will meet once they speak to Janine upon her return from vacation, which is August 31. Proposed meeting dates are September 11, 13 or 14.

Staircase and Railing Committee will meet on September 4th at 11:00 a.m.

BOARD COMMENTS/DISCUSSION:

Docent Tour postponed until Spring 2013

Art Acquisition Funds were approved by Rasmuson Foundation.

NEXT BOARD MEETING: Thursday September 20, 2012, at 1:15 p.m.

MEETING ADJOURNED at 3:00 p.m.

Respectfully submitted,
Michael Marks



**Haines Borough
Assembly Agenda Bill**

Agenda Bill No.: 12-171

Assembly Meeting Date: 10/9/2012

Business Item Description:	Attachments:
Subject: Authorize a contract with Southeast Road Builders, Inc. for construction of the Chilkat Lake Roads project	1. Resolution 12-10-406 2. Bid Solicitation 3. Bid Results 4. Contractor Bids
Originator: Director of Public Facilities (Agenda Bill by Clerk's Office)	
Originating Department: Public Facilities	
Date Submitted: 9/25/12	

Full Title/Motion:
 Motion: Adopt Resolution 12-10-406.

Administrative Recommendation:
 The resolution is recommended by the Borough Manager

Fiscal Impact:

Expenditure Required	Amount Budgeted	Appropriation Required
\$ 691,418.50	\$ Grant funded, see below	\$

Comprehensive Plan Consistency Review:

Comp Plan Policy Nos. : Objective 8A, Page 23	Consistent: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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Summary Statement:

The borough has solicited bids for improvements to Chilkat Lake Roads. Southeast Road Builders, Inc. was the lowest responsive and sole bidder with a bid amount of 691,418.50. The total amount of \$750,000 would be set aside for this project, with the remaining funds of \$58,581.50 to be used, if needed for change orders. This project will be funded with a FY-2012 Designated Legislative Grant for the purpose of Road Rehabilitation and Maintenance in the amount of \$4,500,000

Referral:

Sent to:	Date:
Recommendation:	Meeting Date:
Refer to:	

Assembly Action:

Workshop Date(s):	Public Hearing Date(s):
Meeting Date(s): 10/09/12	Tabled to Date:

A Resolution of the Haines Borough Assembly authorizing the Borough Manager to enter into a construction contract with Southeast Road Builders for the Chilkat Lake Roads project for an amount not-to-exceed \$691,418.50.

WHEREAS, there are areas of the Chilkat Lake Roads that need improvements including subbase, grading, and drainage; and

WHEREAS, the Haines Borough (borough) recently issued a request for sealed bids from qualified, licensed contractors for the Chilkat Lake Roads project; and

WHEREAS, the borough received one responsive bid from Southeast Road Builders in the amount of \$691,418.50; and

WHEREAS, the Borough Manager recommends contract award to the sole bidder; and

WHEREAS, \$750,000 was reserved for this project from the \$4,500,000 FY2012 Designated Legislative Grant from the State of Alaska for Road Rehabilitation and Maintenance Phase III,

NOW, THEREFORE, BE IT RESOLVED BY THE HAINES BOROUGH ASSEMBLY:

Section 1. Construction Contract. The borough manager is hereby authorized to enter into a construction contract with Southeast Road Builders for the Chilkat Lake Roads project for an amount not-to-exceed \$691,418.50; and

Section 2. Contract Change Orders. Should additional work be necessary and to prevent undue delays to the completion of this project, the borough manager is hereby authorized to negotiate and execute change orders up to a total of \$58,581.50, which amount shall be reserved as contingency for this purpose.

Adopted by a duly-constituted quorum of the Haines Borough Assembly on this ___th day of _____, 2012.

Stephanie Scott, Mayor

Attest:

Julie Cozzi, MMC, Borough Clerk

HAINES BOROUGH, ALASKA

PUBLIC NOTICE

REQUEST FOR SEALED BIDS

CHILKAT LAKE ROADS



Notice is hereby given that the HAINES BOROUGH, Alaska, will receive sealed competitive BIDS from qualified contractors for Haines Borough **Chilkat Lake Roads**, until **2:00 p.m. Local Time, Tuesday, September 25, 2012**, at the Office of the Borough Clerk, Borough Administration Building, 103 Third Ave. S, P.O. Box 1209, Haines, Alaska 99827 at which time the BIDS will be publicly opened and read aloud in the Borough Assembly Chambers, 213 Haines Highway. Bids will not be accepted by email or fax.

Project Description: This project includes subbase, grading and drainage improvements and is divided into a base bid and 1 additive alternate. The Engineer's Estimate for base bid work is approximately \$600,000. The Engineer's Estimate for all work under the additive alternate is approximately \$100,000.

Mandatory Pre-Bid Conference: Prospective Bidders shall attend a mandatory Pre-Bid Conference of the proposed WORK, which will be conducted by the OWNER, at 11:00 a.m. on Tuesday, September 18, 2012 in the Assembly Chambers, Public Safety Building 213 Haines Highway, Haines, Alaska.

Project Questions: Questions regarding this project shall be directed to Brian Lemcke, Director of Public Facilities (907) 766-2257.

Contract Documents may be obtained from the Borough Clerk's Office, 103 Third Ave., Haines, Alaska 99827, upon payment of a non-refundable **\$75.00** fee for each set. Checks should be made payable to the Haines Borough.

Each bid shall be accompanied by a certified or cashier's check or Bid Bond, in the amount of 5 percent of the Total Bid Price payable to the Haines Borough, as a guarantee that the Bidder, if its Bid is accepted, will promptly execute the Agreement. A Bid shall not be considered unless one of the forms of Bidder's security is enclosed with it. All contractors are required to have current Alaska and Haines Borough Business Licenses and a current Alaska Contractor's License prior to submitting a bid.



Haines Borough

Bid Opening Record

Project: Chilkat Lake Roads
 Project No: 12-07-04
 Bid Deadline: 2:00pm ADT, 9/25/12

Location: Borough Assembly Chambers
 Date/Time: 2:15pm, 9/25/12

Bidder	Bid Rcvd by Deadline	Bid on Req. Form & Signed	Proof of Business Licensing	Proof of Contractor's Certificate of Registration	Bid Bond or certified check of at least 5% of bid	Addenda Noted	Base BID	Additive Alternate #1	Combined Bid (Base + Alt #1)	Comments
Southeast Road Builders	✓	✓	✓	✓	✓	✓	597,761	93,657.50	691,418.50	Sole Bidder; Responsive; Apparent Low

Present: Brian Lemcke, Director of Public Facilities
Carlos Jiminez, Public Facilities
Krista Kielsmeier, Public Facilities

Julie Cozzi, Borough Clerk
Michelle Webb, Deputy Clerk

Brenda Jones (representing Southeast Road Builders)

SECTION 00310 - BID SCHEDULE

BASE BID

Pay Item No.	Pay Item Description	Pay Unit	Approximate Quantity	Unit Price		Amount	
				Dollars	Cents	Dollars	Cents
201(3B)	Clearing and Grubbing	LS	ALL REQ'D	30,000	00	30,000	00
201(7)	Selective Tree Removal	LS	ALL REQ'D	1,900	00	1,900	00
202(2)	Removal of Pavement	SY	2,400	1	85	4,440	00
202(4)	Removal of Culvert Pipe	LS	ALL REQ'D	1,100	00	1,100	00
203(3)	Unclassified Excavation	CY	3,600	3	00	10,800	00
301(5)	Aggregate Base Course, Grading C-1	CYVM	4,000	50	50	202,000	00
303(3)	Ditch Reconditioning	LF	3,000	10	45	31,350	00
304(3)	Subbase	CYVM	7,000	28	00	196,000	00
304(4)	Subbase, Salvage 12" Thick	SY	1,500	9	00	13,500	00
603(1-18)	18-Inch CPP	LF	400	70	00	28,000	00
603(1-24)	24-Inch CPP	LF	80	126	00	10,080	00
603(1-36)	36-Inch CPP	LF	60	163	00	9,780	00
618(4)	Seeding	LS	ALL REQ'D	5,300	00	5,300	00
630(1)	Geotextile Separation	SY	1,200	1	73	2,076	00
633(1)	Silt Fence	LF	1000	5	20	5,200	00
640(1)	Mobilization and Demobilization	LS	ALL REQ'D	26,800	00	26,800	00
641(1)	Erosion & Pollution Control Administration	LS	ALL REQ'D	3,050	00	3,050	00
641(2)	Erosion and Pollution Control	LS	ALL REQ'D	875	00	875	00
641(3)	Temporary Erosion and Pollution Control Amendments	CS	ALL REQ'D	10	00	10	00
642(1)	Construction Surveying	LS	ALL REQ'D	7,000	00	7,000	00
643(2)	Traffic Maintenance	LS	ALL REQ'D	8,500	00	8,500	00

TOTAL BASE BID AMOUNT IN FIGURES: \$ 597,761.00

TOTAL BASE BID AMOUNT

IN WORDS: FIVE HUNDRED NINETY-SEVEN THOUSAND SEVEN HUNDRED SIXTY-ONE DOLLARS

COMPANY NAME: Southeast Road Builders, Inc.

SECTION 00310 - BID SCHEDULE

ADDITIVE ALTERNATE NO. 1

Pay Item No.	Pay Item Description	Pay Unit	Approximate Quantity	Unit Price		Amount	
				Dollars	Cents	Dollars	Cents
201(3B)	Clearing and Grubbing	LS	ALL REQ'D	14,900	00	14,900	00
202(2)	Removal of Pavement	SY	850	1	85	1,572	50
203(3)	Unclassified Excavation	CY	800	3	00	2,400	00
301(5)	Aggregate Base Course, Grading C-1	CYVM	300	50	50	15,150	00
303(3)	Ditch Reconditioning	LF	1,800	10	45	18,810	00
304(3)	Subbase	CYVM	300	28	00	8,400	00
304(4)	Subbase, Salvage 12" Thick	SY	800	9	00	7,200	00
603(1-18)	18-Inch CPP	LF	110	70	00	7,700	00
618(4)	Seeding	LS	ALL REQ'D	2,650	00	2,650	00
633(1)	Silt Fence	LF	200	5	20	1,040	00
640(1)	Mobilization and Demobilization	LS	ALL REQ'D	7,250	00	7,250	00
641(1)	Erosion and Pollution Control Administration	LS	ALL REQ'D	600	00	600	00
641(2)	Erosion and Pollution Control	LS	ALL REQ'D	875	00	875	00
641(3)	Temporary Erosion and Pollution Control Amendments	CS	ALL REQ'D	10	00	10	00
642(1)	Construction Surveying	LS	ALL REQ'D	4,100	00	4,100	00
643(2)	Traffic Maintenance	LS	ALL REQ'D	1,000	00	1,000	00

TOTAL ADDITIVE ALTERNATE NO.1 BID AMOUNT IN FIGURES: \$ 93,657.50

TOTAL ADDITIVE ALTERNATE NO.1 BID AMOUNT IN WORDS:
NINETY-THREE THOUSAND SIX HUNDRED FIFTY-SEVEN DOLLARS AND FIFTY CENTS

COMPANY NAME: Southeast Road Builders, Inc.

END OF SECTION



Agenda Bill No.: 12-174

Assembly Meeting Date: 10/9/12

Business Item Description:	Attachments:
Subject: Authorize a contract with PND Engineers, Inc. to provide design services for slope movement mitigation	1. Resolution 12-10-407 2. PND Proposal
Originator: Borough Manager	
Originating Department: Administration	
Date Submitted: 10/1/12	

Full Title/Motion:
Motion: Adopt Resolution 12-10-407

Administrative Recommendation:
The resolution is recommended by the Borough Manager.

Fiscal Impact:		
Expenditure Required	Amount Budgeted	Appropriation Required
\$ \$52,234	\$	\$ 52,234 (see below)

Comprehensive Plan Consistency Review:	
Comp Plan Policy Nos. : Objective 4D, Page 17	Consistent: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Summary Statement:
<p>Starting in January 2012, public and private property in the borough sustained significant losses and threats from slope movement in and around the Oceanview and Lutak Roads associated with severe winter weather including record snowfall and prolonged periods of heavy rainfall. Pursuant to the geotechnical report recommendations, PND Engineers was asked to submit a proposal for design services, including additional survey, site data gathering, and engineering assessment to refine cost estimates and recommendations for the project with a goal of implementing mitigative measures in 2013.</p> <p>Due to time considerations to perform the survey work prior to snowfall, these services will be paid for out of the Borough's existing CIP Fund – Advanced Engineering, for which available monies are available, with a FY 2013 budget amendment to follow.</p>

Referral:			
Sent to:		Date:	
Recommendation:	Refer to:	Meeting Date:	

Assembly Action:	
Workshop Date(s):	Public Hearing Date(s):
Meeting Date(s): 10/09/12	Tabled to Date:

A Resolution of the Haines Borough Assembly authorizing the Borough Manager to contract with PND Engineers, Inc. for design services related to Oceanview / Lutak Slope Movement mitigation measures in the amount of \$52,234.

WHEREAS, commencing in January 2012, public and private property in the Haines Borough sustained significant losses and threats from mass wasting in and around the Oceanview and Lutak Roads associated with severe winter weather including record snowfall and prolonged periods of heavy rainfall; and

WHEREAS, in response to the slump activity, the Borough took the following measures: established an emergency command center; hired an emergency coordinator; established a daily ground movement monitoring program; performed emergency temporary repairs to the sewer utility main; retained PND Engineers to perform a geotechnical report with preliminary recommendations; and

WHEREAS, pursuant to the geotechnical report recommendations, PND Engineers was asked to submit a proposal for design services, including additional survey, site data gathering, and engineering assessment to refine cost estimates and recommendations for the project with a goal of implementing mitigative measures in 2013; and

WHEREAS, upon completion of the final base map, PND will review drainage patterns; assess whether any changes to the recommendations are appropriate; prepare cost estimates for each alternative; and present their findings in a final report along with recommendations for design and construction; and

WHEREAS, due to time considerations to perform the survey work prior to snowfall, these services will be paid for out of the Borough's existing CIP Fund – Advanced Engineering, for which available monies are available, with a FY 2013 budget amendment to follow,

NOW, THEREFORE, BE IT RESOLVED that the Haines Borough Assembly authorizes the Borough Manager to contract with PND Engineers, Inc. for design services related to Oceanview / Lutak Slope Movement mitigation measures in the amount of \$52,234.

Adopted by a duly-constituted quorum of the Haines Borough Assembly on this 28th day of August, 2012.

Stephanie Scott, Mayor

Attest:

Julie Cozzi, MMC, Borough Clerk



October 1, 2012

PND 122012.02

Mr. Mark Earnest, Borough Manager
Haines Borough
P.O. Box 1209
Haines, Alaska 99827

Re: Ocean View/Lutak Road Slope Movement Investigation
Additional Survey, Site Data Gathering, and Engineering Assessment

Dear Mr. Earnest:

PND Engineers, Inc. (PND) appreciates the opportunity to provide this proposal for surveying and engineering services on the referenced project. We understand the Haines Borough desires to refine cost estimates and recommendations for the project with a goal of possibly implementing mitigative measures in 2013.

PND proposes to perform the following work activities to supplement previous work:

1. Purchase Aerometrics and Kodiak Mapping (Aerometrics) imagery flown September 2011 providing more up-to-date images of development in the project area (Cost \$500). The data will provide improved imagery to evaluate more recent development activities in the project area.
2. We will contract with Aerometrics to obtain Lidar data. Lidar will be gathered for the area shown in Figure 1. It will provide sufficient data to analyze drainage patterns and evaluate options to re-route drainage where appropriate. The Lidar data may be used in combination with previous surveys to analyze slide zones; evaluate drainage patterns and possible re-routes of surficial drainage to minimize surface and groundwater issues in the problem area. It will also be used to finalize recommendations in greater detail with more accurate surveys covering a much larger area.

The Lidar data collection will be performed sometime between October 2 and 16 prior to snowfall and when the majority of leaves have fallen from trees. Data will be post-processed and filtered to provide ground elevations. Aerometrics will use PND set control points and “ground truthing” as part of the final deliverable to provide a more accurate data set.

3. PND will mobilize a 2-person survey crew to Haines to establish points for use in horizontal control of the Lidar data; gather survey points within the survey area for “ground truthing” and gather points at drainage locations. The information will then be used to create a final base map that will be used to finalize recommendations.
4. Upon completion of the final base map PND will review drainage patterns. We will assess whether any changes to the recommendations are appropriate; prepare cost estimates for each alternative; and present our findings in a final report along with recommendations for design and construction.



Figure 1. Limits of Lidar Coverage for project area.

PND proposes to complete this work on a Time and Expenses (T&E) basis using our standard billing rates, attached. We suggest a budget as outlined in the attached spreadsheet.

It should be noted Aerometrics has agreed to collect the Lidar data regardless of whether the Borough decides to proceed with this work. Their crew is currently in Sitka waiting on weather for other projects in Southeast Alaska. PND has arranged with Aerometrics Operations Manager to collect the Lidar data. They will be gathering the Lidar data “on Speculation” that the Borough will proceed with this work with no obligation on PND or the Borough’s part should you decide not to proceed with the work. The work would normally require another \$20,000 in mobilization/demobilization, however, since they are in the project area they have agreed to no mobilization/demobilization charges for this work.

Following completion of the purchase of air photos; gathering of Lidar data; ground truthing; and preparation of a final combined base map PND will begin the detailed review of surface drainage, review of existing options and any other appropriate options. We will then prepare a final report with options to mitigate future slope movement, costs estimates for each alternative; discussion of each alternative; and finalization of a memorandum with our recommendations.

Feel free to call me at any time if you have any questions or desire any changes to the proposed scope of services to better serve your needs. We look forward to hearing from you and to the successful completion of this assessment work.

Sincerely,
PND Engineers, Inc. | Seattle Office

A handwritten signature in blue ink that reads 'Mike Hartley'. The signature is stylized and cursive.

Mike Hartley, P.E.
Vice President

Ocean View/Lutak Slope Movement Investigation

COST PROPOSAL

CLIENT: Haines Borough
 LOCATION: Haines, Alaska
 DATE: October 1, 2012

LABOR:		Hourly Rates for PND Staff for Project									Total Hours	Labor Cost	
		Senior Eng. VII \$180	Senior Eng. I \$110	Technician VI \$125	Technician V \$105	Sr. Land Surveyor \$105	Sr. Envir. Scientist \$100	Land Surveyor I \$95	Cad Des. IV \$95	Technician IV \$105			
1	Project and Contract Management		3							3	6	\$855	
2	Mob/Demob- Field Survey Crew										45	\$4,275	
3	Field Surveys and Office Support										60	\$5,700	
4	Office Engineering and Report		40		20					4	64	\$9,680	
Labor Subtotal			43	0	0	20	0	0	105	4	3	175	\$20,510
											Subtotal	\$20,510	

EXPENSES:

Item	Quantity	Unit	Cost per Unit	Mark-up	Expenses Cost
Travel - Airfares	2	Estimate	\$1,000.00	1.10	\$2,200
Travel - Taxi	2	Estimate	\$30.00	1.10	\$66
Vehicle Rental (assume use of Borough Truck)	3	Day	\$0.00	1.10	\$0
Room Costs	6	Day	\$120.00	1.10	\$792
Board Costs	6	Day	\$110.00	1.10	\$726
Survey Equipment Transport	1	All	\$500.00	1.10	\$550
Printing and General Expense	1	All	\$400.00	1.10	\$440

TOTAL EXPENSES **Subtotal \$4,774**

SUBCONSULTANTS:

Aeromech (Air Photo Imagery- Sept. 2011)	1	LS	\$500.00	1.10	\$550
Aeromech (Lidar Data Collection & Processing)	1	LS ⁽²⁾	\$24,000.00	1.10	\$26,400

Sub-total \$26,950

Total -PND Labor (T&M Estimate)	\$20,510
Total - PND Expenses (T&M Estimate)	\$4,774
Total - Subconsultants (Fixed Fee Estimate, See note 2 and Assumptions in Scope of Work)	\$26,950
TOTAL ESTIMATED COST	\$52,234

Assumptions:

- Weather delays due to flight delays for the field survey crew are not included in the cost estimate
- Aeromech will perform the data collection regardless of whether the Borough decides to proceed with this proposal at no cost to the Borough unless the work scope is approved
- PND will add field control and perform spot checks for the lidar data as part of post processing.
- Lidar, air photos, and survey work will be used to perform more detailed cost estimates and finalize recommendations to the Borough for stability improvements. PND will use the data to prepare finalize cost estimates and recommendations.
- PND has not included costs for Borough Assembly presentations or design. Should the Borough wish to perform these activities they may be added by amendment

**PND ENGINEERS, INC.
STANDARD RATE SCHEDULE
EFFECTIVE MAY 2012**

		<i>Regular Rate</i>
<u>Professional:</u>	Senior Engineer VII	\$180.00
	Senior Engineer VI	\$165.00
	Senior Engineer V	\$150.00
	Senior Engineer IV	\$140.00
	Senior Engineer III	\$130.00
	Senior Engineer II	\$120.00
	Senior Engineer I	\$110.00
	Staff Engineer V	\$100.00
	Staff Engineer IV	\$95.00
	Staff Engineer III	\$90.00
	Staff Engineer II	\$85.00
	Staff Engineer I	\$80.00
	Senior Environmental Scientist	\$100.00
	Environmental Scientist	\$90.00
	GIS Specialist	\$90.00
<u>Surveyors:</u>	Senior Land Surveyor	\$105.00
	Land Surveyor I	\$95.00
<u>Technicians:</u>	Technician VI	\$125.00
	Technician V	\$105.00
	Technician IV	\$90.00
	Technician III	\$80.00
	Technician II	\$70.00
	Technician I	\$45.00
	CAD Designer V	\$95.00
	CAD Designer IV	\$85.00
	CAD Designer III	\$70.00



**Haines Borough
Assembly Agenda Bill**

Agenda Bill No.: 12-172
Assembly Meeting Date: 10/9/12

Business Item Description:	Attachments:
Subject: Authorize a contract with PND Engineers, Inc. for inspection of the Chilkat Lake Roads project	1. Resolution 12-10-408 2. PND Proposal
Originator: Director of Public Facilities	
Originating Department: Public Facilities	
Date Submitted: 10/3/12	

Full Title/Motion:
 Motion: Adopt Resolution 12-10-408

Administrative Recommendation:
 The resolution is recommended by the Borough Manager.

Fiscal Impact:

Expenditure Required	Amount Budgeted	Appropriation Required
\$ \$52,640.00	\$ Grant funded, see below	\$ 0

Comprehensive Plan Consistency Review:

Comp Plan Policy Nos. : Objective 8A, Page 23	Consistent: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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Summary Statement:

The borough has requested a bid from PND Engineers, Inc. for the inspection of the recently proposed to award Chilkat Lake Roads project. The PND Engineers, Inc. bid \$52,640.00 is recommended by the Borough Manager and the Interim Director of Public Facilities. This project will be funded with a FY-2012 Designated Legislative Grant for the purpose of Road Rehabilitation and Maintenance in the amount of \$4,500,000.

Referral:

Sent to:	Date:
Recommendation:	Meeting Date:
Refer to:	

Assembly Action:

Workshop Date(s):	Public Hearing Date(s):
Meeting Date(s): 10/09/12	Tabled to Date:

HAINES BOROUGH
RESOLUTION No. 12-10-408

Draft

A Resolution of the Haines Borough Assembly authorizing the Borough Manager to enter into an agreement with PND Engineers, Inc. to provide contract administration and inspection services for the Chilkat Lake Roads project for a not-to-exceed amount of \$52,640.00.

WHEREAS, the Chilkat Lake Roads project is proposed for award on October 9, 2012 to Southeast Road Builders Inc. by the Borough Assembly through Resolution 12-10-406, and that work is scheduled to begin soon; and

WHEREAS, the Borough Manager and Director of Public Facilities strongly recommend third-party construction inspection services for the Chilkat Lake Roads project; and

WHEREAS, PND Engineers, Inc. has submitted a proposal to provide construction inspection services and limited contract administration, including civil submittal reviews and field design assistance, for a not to exceed amount of \$52,640.00; and

WHEREAS, these services will be funded by a \$4,500,000 designated legislative grant from the State of Alaska for road rehabilitation,

NOW, THEREFORE, BE IT RESOLVED BY THE HAINES BOROUGH ASSEMBLY:

Section 1. The Borough Manager is hereby authorized to enter into a professional services agreement with PND Engineers, Inc. to provide contract administration and inspection services for the Chilkat Lake Roads project in the amount of \$52,640.00; and

Section 2. Effective Date. This Resolution shall become effective immediately upon adoption and contingent upon the adoption of Resolution 12-10-406.

Adopted by a duly-constituted quorum of the Haines Borough Assembly on the ____th day of _____, 2012.

Stephanie Scott, Mayor

Attest:

Julie Cozzi, MMC, Borough Clerk



**AMENDMENT To
PROFESSIONAL SERVICES AGREEMENT
Between
HAINES BOROUGH
and
PND ENGINEERS, INC.
For Task Order
CHILKAT LAKE ROADS
LIMITED SERVICES DURING CONSTRUCTION**

All provisions of the Basic Agreement not specifically changed by this Amendment remain in full force and effect. This Amendment makes the following changes:

Article II. The Work. Add the following to the end of this section: Provide limited contract administration and construction inspection services in accordance with PND proposal dated October 4, 2012, attached.

Article III. Time of Commencement and Contract Term. PND has assumed 6 weeks of onsite service under this proposal. Services under this amendment shall commence in accordance with Contractor progress schedule.

Article IV. Cost of the Work. Compensation for services under this Amendment shall be in accordance with PND proposal dated October 4, 2012. Services under this amendment shall be provided on a Time and Expenses basis using January 2012 Standard Billing rates, not to exceed a limit of \$52,640 without prior written authorization. All invoices shall be submitted to the Haines Borough under **PND Project Number 122044.02**. All third party and other reimbursable expenses shall include a 10% administrative fee.

IN WITNESS WHEREOF, the parties have executed this Amendment:

Approved for Haines Borough:

Approved for CONSULTANT:

By: _____
Title: Mark Earnest, Borough Manager


By: _____
Title: Dick Somerville, P.E., PND Vice President

Date: _____

Date: October 4, 2012

PND Engineers, Inc.
Professional Engineering Services Fee Proposal - October 4, 2012
Chilkat Lake Roads - Services During Construction (SDC)
PND Project No. 122044.02

Scope of Services

PND Senior Engineer VII	PND Senior Engineer I	PND Staff Engineer V	PND Staff Engineer IV	PND Staff Engineer III	CAD Designer V	PND Land Surveyor I	PND Tech IV	Line Item Costs	Task Subtotal Costs
\$175.00	\$110.00	\$100.00	\$95.00	\$90.00	\$90.00	\$95.00	\$90.00		

ANTICIPATED TASKS										
1. Contract administration - CA/CI file system, prepare and/or review contract correspondence, DCVR's, RFI's, pay applications & change orders. Assume 6 weeks part time.	8		16					4	\$3,360	
2. Attend Preconstruction Conference via Teleconference & Prepare Minutes			2	2					\$390	
3. Civil Submittal Reviews			8					2	\$980	
4. Field design assistance for scope changes during construction, unanticipated site conditions & proposed substitutions	4		16			4			\$2,660	
5. Attend (2) each progress meetings on site with HB & Contractor & prepare progress reports			16						\$1,600	
6. Daily onsite inspections and material sampling w/ daily reports & photos - assume 1 inspector on site 60 hours/week for 6 weeks.				360				6	\$34,740	\$43,730
Total Estimated Manhours	12		58	362		4		12		
Estimated Third Party Expenses										
Lodging & Utilities	Assume 6 weeks @ \$400/each								\$2,400	
Perdiem	Assume 45 days @ \$60/day								\$2,700	
Vehicle	To be provided by HB									
Travel	Airfares & ferry travel allowance								\$1,500	
Materials Testing	Lab testing allowance - soil & aggregate gradations & freight								\$1,000	
Misc. Expenses	Job consumables, fuel, freight, small tools, office supplies, etc.								\$500	
Admin. Fees	10% of Third Party Invoices								\$810	\$8,910
Total Estimated T&M Fee										\$52,640

Note: Time duration for inspection services are assumed at 6 weeks under this proposal by PND. The Haines Borough will be responsible for providing daily inspection services when PND is not on site. All other service shall be provided on a T&M basis utilizing PND standard billing rates. Other personnel may utilized by PND to perform services on this project depending upon availability of staff and variable scheduling requirements around the Contractor at time of service.



**Haines Borough
Assembly Agenda Bill**

Agenda Bill No.: 12-173
Assembly Meeting Date: 10/9/12

Business Item Description:		Attachments:
Subject: Clarify Purpose of the Medical Services Fund	Originator: Assembly Member Waterman (agenda bill by clerk)	1. Ordinance 12-10-305 2. 1996 Election Results - Proposition A - former third class borough 3. An adopted ordinance the former third class borough assembly introduced only 3 months after the 1996 election that clarified the purpose of the funds 4. Former third class borough code at the time of consolidation.
Originating Department: Borough Assembly	Date Submitted: 10/3/12	

Full Title/Motion:
 Motion: Introduce Ordinance 12-10-305 and set a first public hearing for 10/23/12.

Administrative Recommendation:
 Ordinance introduction is recommended by the borough manager.

Fiscal Impact:

Expenditure Required	Amount Budgeted	Appropriation Required
\$	\$	\$

Comprehensive Plan Consistency Review:

Comp Plan Policy Nos.: Objective 17C, Page 39	Consistent: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
--	---

Summary Statement:

A code amendment may be needed to allow for the funding the borough already provides to Lynn Canal Counseling from the Medical Services Fund monies. The existing code references Proposition A from the 1996 former third class borough election & those election results are attached to this agenda bill along with other documents that show what the intent of that fund is. The former City of Haines code had an "Ambulance Service Area Fund," and the former Third Class Borough had a "Medical Service Area Fund."

While researching the matter, the clerk found no evidence the post-consolidation assembly intended to limit the medical services funds to ambulance service. It is suspected the language just got missed when the two codes were joined.

Referral:

Sent to:	Date:
Recommendation:	Meeting Date:
Refer to:	

Assembly Action:

Workshop Date(s):	Public Hearing Date(s):
Meeting Date(s): 10/09/12	Tabled to Date:

An Ordinance of the Haines Borough Assembly amending Haines Borough Code Title 3, Chapter 3.25 to clarify the purpose of the Medical Services Fund.

BE IT ENACTED BY THE HAINES BOROUGH ASSEMBLY:

Section 1. Classification. Section 4 of 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 Chapter 3.25: Chapter 3.25 of the Haines Borough Code is hereby amended to read as follows:

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

**Chapter 3.25
MEDICAL SERVICES FUND**

Sections:

- [3.25.010](#) Policy and intent.
- [3.25.020](#) Purpose.
- [3.25.030](#) Management.
- [3.25.040](#) Investment policy.

3.25.010 Policy and intent.

The intent of this chapter is to provide for the proper accounting and management of public funds derived from the passage by the people of Haines Borough Proposition A, ratified by borough voters October 1, 1996.

3.25.020 Purpose.

There is established a separate fund entitled the "medical services fund." Proceeds derived from the one-half percent sales tax levied and collected pursuant to Haines Borough Proposition A (1996) shall be used to provide ambulance service **and financial support for local medical services** within the authorized area of service, including all areas within the borough except the area south of the southern boundary line of Township 34 south.

3.25.030 Management.

The borough chief fiscal officer is designated as the official with the responsibility for managing the moneys received and disbursed within the medical service fund and as directed by the assembly. **Recipients must be public or private nonprofit organizations providing medical equipment or services to the Haines community at large.**

3.25.040 Investment policy.

Investment policy is set forth in Chapter [3.08](#) HBC.

Haines Borough
Ordinance No. 12-10-305
Page 2 of 2

ADOPTED BY A DULY CONSTITUTED QUORUM OF THE HAINES BOROUGH ASSEMBLY THIS ____
DAY OF _____, 2012.

ATTEST:

Stephanie Scott, Mayor

Julie Cozzi, MMC, Borough Clerk

Date Introduced: 10/09/12
Date of First Public Hearing: __/__/__
Date of Second Public Hearing: __/__/__

OCTOBER 1, 1996
MUNICIPAL ELECTION RESULTS

	Chilkat #135	Highway #165	Peninsula #220	City #170	ABS/ ?'D	TOTAL
<u>BOROUGH ASSEMBLY/ SCHOOL BOARD SEAT A:</u> DEBRA SCHNABEL				<u>245</u>	26	<u>271</u>
DARRELL MAPLE				<u>168</u>	15	<u>183</u>

BOROUGH ASSEMBLY/
SCHOOL BOARD SEAT D:

GARY KOENIG	<u>45</u>	<u>52</u>	<u>70</u>		37	<u>204</u>
TIM JUNE	<u>39</u>	<u>29</u>	<u>94</u>		34	<u>196</u>
SEAN MCLAUGHLIN	<u>9</u>	<u>36</u>	<u>9</u>		11	<u>65</u>

BOROUGH ASSEMBLY/
SCHOOL BOARD SEAT E:

KAREN HESS	<u>40</u>	<u>69</u>	<u>62</u>		33	<u>204</u>
DWIGHT HALES	<u>27</u>	<u>30</u>	<u>91</u>		37	<u>185</u>
ED FABECK	<u>25</u>	<u>9</u>	<u>17</u>		10	<u>61</u>

	ABS/ ?'D	#135	#165	#220	#170	Total
PROPOSITION A 72-48	Y <u>46</u> N <u>49</u>	Y <u>81</u> N <u>35</u>	Y <u>97</u> N <u>71</u>	Y <u>207</u> N <u>208</u>	Y <u>503</u> N <u>411</u>	
PROPOSITION B 68-56	Y <u>58</u> N <u>36</u>	Y <u>62</u> N <u>51</u>	Y <u>89</u> N <u>79</u>	Y <u>266</u> N <u>140</u>	Y <u>543</u> N <u>362</u>	
PROPOSITION C 14-68	Y <u>23</u> N <u>64</u>	Y <u>12</u> N <u>99</u>	Y <u>22</u> N <u>133</u>	Y <u>206</u> N <u>205</u>	Y <u>71</u> N <u>364</u>	w/c- 277 - 569
*INITIATIVE 1 69-60	Y <u>55</u> N <u>41</u>	Y <u>55</u> N <u>62</u>	Y <u>126</u> N <u>48</u>	Y <u>216</u> N <u>205</u>	Y <u>521</u> N <u>416</u>	
REFERENDUM 1 69-60	Y <u>37</u> N <u>59</u>	Y <u>44</u> N <u>71</u>	Y <u>69</u> N <u>106</u>	Y <u>204</u> N <u>212</u>	Y <u>423</u> N <u>508</u>	

VOTER TURNOUT PERCENTAGES

CITY PRECINCT #170	<u>483/1028</u>	=	<u>47 %</u>
CHILKAT PRECINCT #135	<u>125/202</u>	=	<u>62 %</u>
HIGHWAY PRECINCT #165	<u>137/236</u>	=	<u>58 %</u>
PENINSULA PRECINCT #220	<u>227/365</u>	=	<u>62 %</u>
TOTAL ALL PRECINCTS TURNOUT	<u>972/1831</u>	=	<u>57 %</u>

	#135	#165	#170	#220	UNRETURNED	
ABSENTEE BALLOTS	<u>121</u>	18	12	43	40	8
QUESTIONED BALLOTS	<u>27</u>	5	7	6	9	
ABSENTEE BY PERS. REP.	<u>1</u>			1		

SAMPLE BALLOT
TUESDAY, OCTOBER 1, 1996
GENERAL MUNICIPAL ELECTION

TO BE REMOVED
BY ELECTION BOARD

FOLD BALLOT TO THIS LINE

Mark your ballot only by the use of cross marks, "X" marks, diagonal, horizontal or vertical marks, solid marks, stars, circles, asterisks, checks or plus signs that are clearly spaced in the square desired.

Marks must be inside or touching the square so as to indicate the intent of the voter. Erasures and corrections will invalidate only that part of the ballot in which it appears.

If you spoil or mar your ballot, you may return it to the election judge and receive another ballot. Your spoiled ballot will be destroyed immediately in your presence.

HAINES BOROUGH MUNICIPAL ELECTION

PROPOSITION A

Shall the property tax of 1.13 mill currently levied to support the medical service area be eliminated in favor of a 1/2 percent sales tax?

YES

NO

PROPOSITION B

Currently it is the Haines Borough policy to place borough lands in private hands by landsale, lease or temporary use permit as soon as is practical after receiving title to the property from the State. Should this continue or should we review policy to allow for other procedures?

YES

NO

INITIATIVE 1

Shall the Haines Borough Assembly communicate to all commercial booking agents and tour operators, within the Haines Borough, that it is the wish of the residents of the community that there be no regularly scheduled helicopter tours within the Haines Borough?

YES

NO

REFERENDUM 1

Do you wish to abolish the powers of planning, platting and zoning via service areas in the Haines Borough?

YES

NO

HAINES BOROUGH
ORDINANCE #97-02

AN ORDINANCE OF THE HAINES BOROUGH AMENDING TITLE 07.60.010 AND 07.60.015 BY ADDING GUIDELINES FOR FUNDING REQUESTS AND ADDING SECTION .020 PROVIDING ACCOUNTABILITY.

BE IT ENACTED:

Section 1. Classification. This ordinance is of a general and permanent nature, and code sections hereby adopted 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 invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

Section 3. Effective. This ordinance becomes effective upon adoption by the Haines Borough Assembly.

Section 4. Purpose. This ordinance amends Sections 07.60.010 and 07.60.015 adding guidelines for funding requests.

Section 5. Adoption of Code Sections. The following sections amended hereto bearing Haines Borough Code 07.60.010 and 07.60.015 (C) and Section 07.60.020 are hereby adopted as part of Title 7 of the Haines Borough Code:

Note: Underlined items are to be added.

Section 07.60.010. Services Provided. The Haines Borough may provide financial support for local medical services. (HB Ord #90-01 ratified by voters in special election 6/28/90).

An applicant must be a public or a private non-profit organization providing medical service to the Haines community at large.

Applications should be submitted to the Haines Borough after other avenues of funding have been explored. The Borough shall refer applications to the Medical Service Area Board. The Board shall review applications at public meetings and make funding recommendations to the Assembly. If the Medical Service Area Board denies a request, the applicant has the right to appeal to the Assembly.

Section 07.60.015. Board of Directors.

(C) The Board shall serve to make recommendations to the Assembly concerning services in the service area as permitted by statute.

(D) The Medical Service Area Board shall function as an advisory body for the Haines Borough Assembly to review ambulance budget requests and requests from other organizations for medical equipment or services. The board will gather any or all information including financial information and make a recommendation to the assembly based on financial need and community-wide merit.

Section 07.60.020. Accountability.

A final report must be submitted to the Borough within 30 days of the end of the Borough's fiscal year. Any unused funds must be returned to the Borough. A report must be submitted before money is disbursed for the following fiscal year.

INTRODUCED: 1/28/97

ADOPTED: 3/18/97

ATTEST: Jacki Martin
Jacki Martin, Clerk/Treasurer
Haines Borough

Jerry L. Lapp
Jerry L. Lapp, Mayor
Haines Borough

Former Third Class Haines Borough Code at the Time of Consolidation

6.08.130 Medical service area.

A. Establishment of Medical Service Area. The Haines Borough medical service area is established with area and boundaries as set forth in a plat appended to the ordinance codified in this section as Appendix A and whose boundaries are as follows:

Beginning at Eldred Rock light at latitude 58 degrees 58.3' north and longitude 135 degrees 13.2' west; thence south paralleling the boundary of the City and Borough of Juneau to the southern boundary line of township 34 South; thence due west to the western boundary of the Haines Borough; thence northwesterly to Mt. Harris on the Alaska-Canada boundary; thence in a meandering easterly line following the Alaska-Canada boundary to Monument No. 124 at latitude 59 degrees 44' north and longitude 135 degrees 43' west; thence southeasterly to a point in the center of Lynn Canal on Taiya Inlet at approximately latitude 59 degrees 21' north and longitude 135 degrees 22.5' west; thence due east to the mean high tide line on the east side of Taiya Inlet; thence in a meandering southerly direction to its intersection with the Haines Borough boundary; thence due west to the Eldred Rock light, the point of beginning. (All of Haines Borough north of the southern tip of Sullivan Island with the exception of the east side of Lynn Canal.)

B. Services Provided. The Haines Borough may provide financial support for local medical services.

An applicant must be a public or a private nonprofit organization providing medical service to the Haines community at large.

Applications should be submitted to the Medical Service Area Board (the Haines Borough assembly) after other avenues of funding have been explored. The board shall review applications at public meetings.

C. Board of Directors.

1. The Haines Borough assembly shall be the medical service area board.

2. The medical service area board shall review ambulance budget requests and requests from other organizations for medical equipment or services. The board will gather any or all information including financial information in order to make decisions based on financial need and community-wide merit.

3. All meetings shall follow public notice guidelines as set forth in Section 2.04.100(B) and (C) of this code.

D. Accountability. A final report must be submitted to the borough within thirty (30) days of the end of the borough's fiscal year. Any unused funds must be returned to the borough. A report must be submitted before money is disbursed for the following fiscal year. (Ord. 99-02 § 5, 1999; Ord. 97-02 § 5, 1997; prior code §§ 07.60.005 -- 07.60.020)



**Haines Borough
Assembly Agenda Bill**

Agenda Bill No.: 12-163
Assembly Meeting Date: 10/9/12

Business Item Description:		Attachments:
Subject:	Recommendations for the 2013 Heliskiing Season	1. Ordinance 12-10-306 2. 10/3/12 Memo from the Manager 3. Maps 4. 9/5/12 Memo from the Manager - Recommendations "approved" by the assembly on 9/11/12
Originator:	Borough Manager (Agenda Bill by the Clerk's Office)	
Originating Department:	Administration	
Date Submitted:	9/4/12	

Full Title/Motion:
 Motion: Introduce Ordinance 12-10-306 and set a first public hearing for 10/23/12.

Administrative Recommendation:
 The borough manager recommends introduction of this ordinance.

Fiscal Impact:

Expenditure Required	Amount Budgeted	Appropriation Required
\$	\$	\$

Comprehensive Plan Consistency Review:

Comp Plan Policy Nos. :	Consistent: <input type="checkbox"/> Yes <input type="checkbox"/> No
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Summary Statement:
 The Borough Manager recommends a combination of policy and code changes for the 2013 heliskiing season, and his recommendations were "approved" by the assembly on 9/11/12. Some of those recommendations involve code amendments so this ordinance has been drafted for introduction. Additionally, the administration has received several comments and suggestions regarding the recommendations since the 9/11/12 meeting and subsequent commerce committee discussion on 9/19/12, and they are outlined in a memo from the manager attached to this agenda bill.

Referral:

Sent to:	Date:
Recommendation:	Refer to: Meeting Date:

Assembly Action:

Workshop Date(s):	Public Hearing Date(s):
Meeting Date(s): 9/11, 10/9/12	Tabled to Date:

AN ORDINANCE OF THE HAINES BOROUGH AMENDING HAINES BOROUGH CODE TITLE 5 TO INCREASE THE FINE FOR VIOLATIONS OF BUSINESS PERMITS UP TO \$1,000 PER VIOLATION PER DAY, TO AMEND THE APPROVED COMMERCIAL SKI TOUR AREA MAP AND TO ADOPT A FEE FOR ALLOCATED SKIER DAYS.

BE IT ENACTED BY THE HAINES BOROUGH ASSEMBLY:

Section 1. Classification. Sections 5-7 of this ordinance are of a general and permanent nature and those provisions, if adopted with or without 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. Legislative Findings. The Assembly finds as follows:

- A. The Haines Borough regulates various business operations conducted within the Borough by requiring annual permits.
- B. The Borough incurs significant annual costs associated with the permit system which are only partially recovered through permit fees. Commercial ski tour permits, in particular, have greater administrative costs associated with the permit system than other types of business permits. Such costs are estimated to exceed \$9,000 per year in staff time and the cost of outside consultants.
- C. The current penalty for violation of business permits of \$300 per violation per day does not provide a sufficient incentive for compliance with Borough code and permit conditions. It also does not provide sufficient incentive for the Borough to request a court to impose a penalty for non-compliance.
- D. The current approved commercial ski tour areas map could be improved to increase the relationship between approved commercial ski tour areas and natural topography of skiing and snowboarding routes and landing areas.

Section 5. Amendment of Section 5.04.040(A). Section 5.04.040(A) of the Haines Borough Code of Ordinances is amended to read as follows:

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

A. Operation of any commercial tour or business enterprise for which a permit is required under this title without a permit, or the failure to follow any permit condition, shall constitute an offense punishable, upon conviction, by a fine not exceeding ~~\$300.00~~ **\$1,000** for each offense plus any surcharge required to be imposed by AS [12.55.039](#).

Section 6. Amendment of Section 5.04.130. Section 5.04.130 of the Haines Borough Code is hereby amended by adding a new subsection D to read as follows:

NOTE: **Bolded/UNDERLINED** ITEMS ARE TO BE ADDED

D. Skier Day Allocation Fee. Each applicant for an allocation of skier days pursuant to this title shall pay an annual nonrefundable fee in an amount equal to five dollars (\$5.00) per allocated skier day. The fee shall be paid no later than ten (10) calendar days after the date of the manager's decision on allocation of skier days for that year or the decision of the Assembly on any appeal of an annual allocation whichever is later. If payment is not received within ten (10) calendar days from the applicant, the allocated skier days will be reallocated at the manager's discretion.

Section 7. Amendment of Section 5.18.080(F)(3). Section 5.18.080(F)(3) of the Haines Borough Code is hereby amended to read as follows and the previously approved map is replaced with the map attached hereto:

NOTE: **Bolded/UNDERLINED** ITEMS ARE TO BE ADDED

3. Commercial ski tours, commercial ski productions and special ski competition events shall be conducted only in areas identified on the map attached to the ordinance codified in this section which shall remain on file with the borough clerk and labeled "Haines Borough Approved Commercial Ski Tour Areas." **The Haines Borough Approved Commercial Ski Tour Areas map may be amended annually by Assembly resolution.**

ADOPTED BY A DULY CONSTITUTED QUORUM OF THE HAINES BOROUGH ASSEMBLY THIS ____ DAY OF _____, 2012.

ATTEST:

Stephanie Scott, Mayor

Julie Cozzi, MMC, Borough Clerk

Date Introduced: 10/09/12
Date of First Public Hearing: ___/___/___
Date of Second Public Hearing: ___/___/___



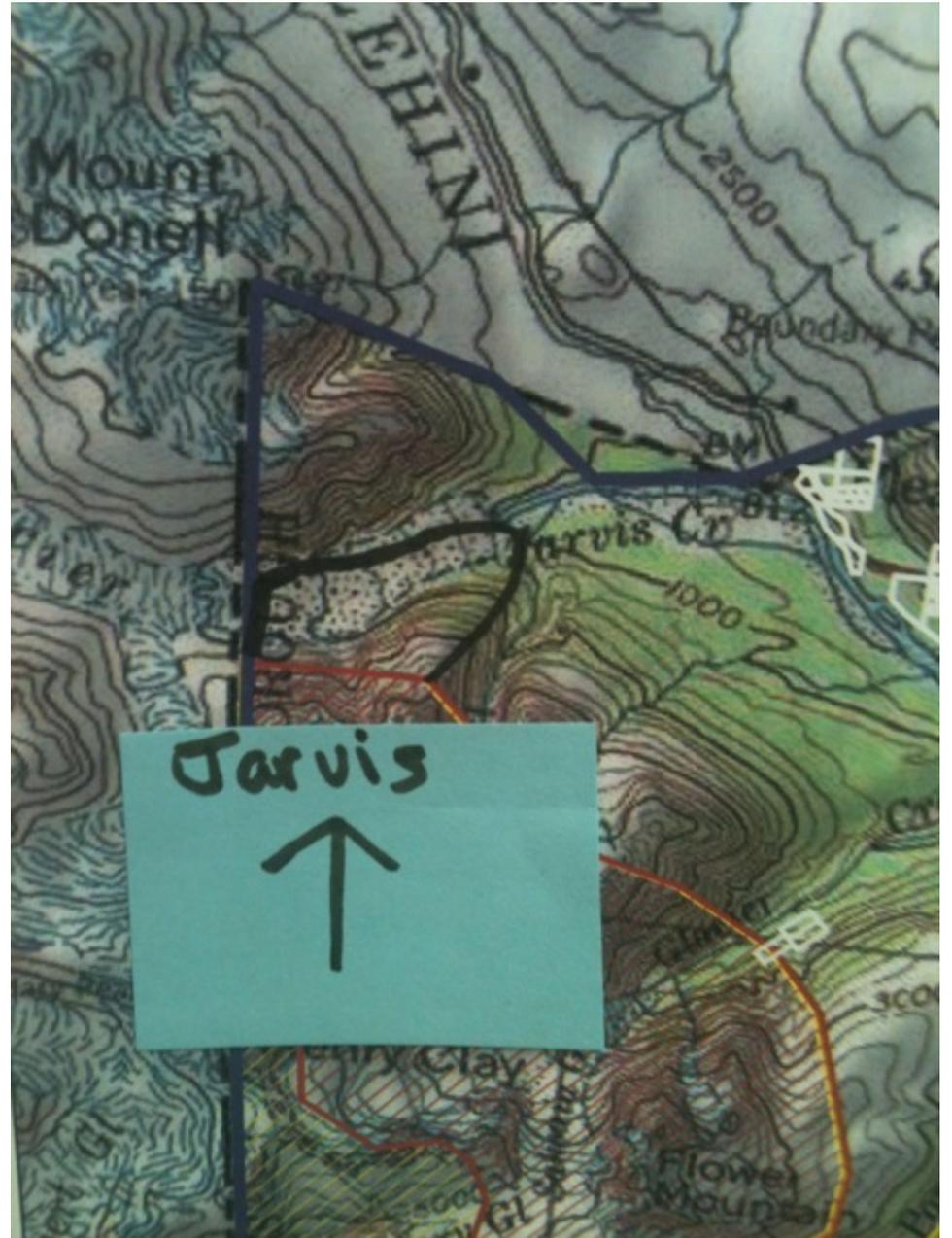
Haines Borough Administration
Mark Earnest, Borough Manager
(907)766-2231 • Fax(907)766-2716
mearnest@haines.ak.us

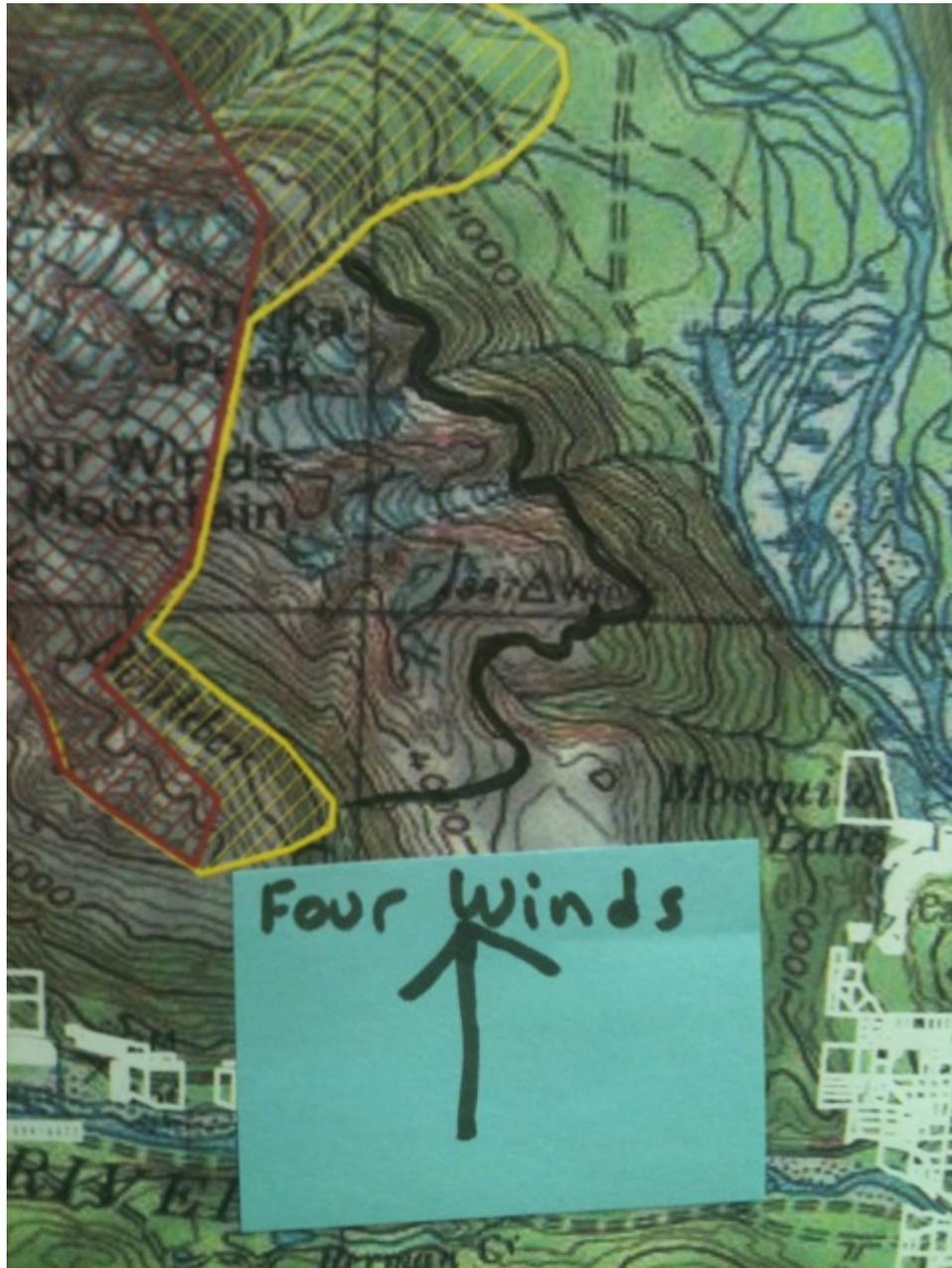
October 3, 2012

The Administration has received several comments and suggestions regarding the items under consideration by the Assembly included in the draft heliski ordinance since the Administration's recommendations were adopted by the Assembly on September 11, 2012 and subsequent Commerce Committee discussion on September 19. A summary of these recommendations are as follows:

- It has been suggested that the Borough consult with Alaska Department of Fish and Game wildlife biologists before adopting any proposed changes to the Haines Borough Heli-skiing Map to identify any possible areas of conservation concern.
- It has been suggested that the user fee for skier days be reduced to \$2.50 per day.
- It has been suggested that the user fee for skier days take effect for the 2014 season as this added burden was not factored into pricing for the 2013 season.
- It has been suggested to amend the Heli Ski Map to open terrain for Heliskiing in the Four Winds Mountain area. See attached map.
- It has been suggested to have permit applications and requests for skier days due by August 31st of each year. This will allow the Manager to allocate skier days during the month of September and let operators know how much they can sell. We have spoken to operators and they have no problem with this schedule.

We do have thoughts on the above discussion points and can provide input as requested.







Haines Borough Administration
Mark Earnest, Borough Manager
(907)766-2231 • Fax(907)766-2716
mearnest@haines.ak.us

September 5, 2012

Heliski Recommendations

GPS DATA COLLECTION AND FORMAT

The Administration recommends incorporating the following language regarding the collection of GPS data into Section 3 of the "Commercial Ski Tour Permit" to ensure precise and reliable data.

- A. TYPE OF GPS. GPS units will be part of the helicopter, operating with flight following or tracking software and be submitted directly through the helicopter operator. Part of the helicopter means; installed into the helicopter, using power from the helicopter, and managed by the pilot.
- B. FORMAT FOR GPS DATA SUBMISSION. Heli-ski flight data will be submitted in an Excel spread sheet formatted in tables, each column having only one data field. Latitude and longitude will be submitted in decimal degrees. Flight GPS data points will be taken in two-minute intervals.

CITIZEN COMPLAINT PROCEDURES

The Administration recommends these changes to HBC 5.18.080. This action will place the burden of complaint management on the Borough.

HBC 5.18.080 (F)(7). Every commercial ski tour operator shall submit to the borough clerk annually a safety and operating plan that, at a minimum, will include (a) avalanche safety (addressing client safety, as well as safety of other backcountry users in the area); (b) helicopter safety; (c) emergency rescue procedures; and (d) guide requirements. ~~and (e) a system for resolving complaints from the public.~~

HBC 5.18.080 (H). The Borough will establish a system for receiving and responding to complaints from the public.

Draft Haines Borough Heliski Complaint Policy

1. The citizen will complete and submit the Heliski Complaint Form available from the Borough Clerk and on the Borough website.
2. The Borough will investigate the complaint and report its findings within 21 days.

OPERATOR USER FEE

The Administration recommends establishing a fee of \$5 per skier day. These fees would be paid up front when requesting skier day allocations. There would be no refund for unused skier days. This action will allow the Haines Borough to recoup some of the administrative costs associated with management of the heliski industry.

The Assembly has directed the Administration to manage the heliski industry. This management has required significant time from Borough staff, the Borough Attorney, and Takshanuk Watershed Council. The estimated direct cost of managing heliski operations for the 2012 season was about \$28,000.

It is estimated that a \$5 per skier day charge would offset the majority of the cost to manage the industry in 2013. This is due to the fact that less administration time is forecasted for 2013.

The following paragraph should be added to the "Agreement Regarding Flight Operations and Practices of Commercial Ski Tours".

E. Skier Day Fees

Commercial ski tour permit holders are charged a \$5 per day user fee based on the number of skier days allocated. User fees are to be paid prior to issuance of the Borough permit and are non refundable.

Alternatively the Assembly can allocate funds from the Borough's Economic Development Fund to cover the cost of Heliski Management. In either case the Borough Administration is tracking all time and expenses associated with the issue.

HAINES BOROUGH HELISKI AREA MAP

The Administration recommends adjustments to the existing "Haines Borough Approved Commercial Ski Tour Areas" map. This action mitigates safety concerns where a map boundary cuts across a ski run mid slope on the Upper Jarvis Glacier and opens up some North facing runs in the upper Tsirku Valley.

See attachment labeled "2013 Heliski Map".

The following Policy Recommendation can be placed in either the "Agreement Regarding Flight Operations and Practices of Commercial Ski Tours" or the "Commercial Ski Tour Permit" as appropriate.

GPS SPOT CHECKS

To insure compliance with the Heliski Map, the Administration will perform random GPS spot checks. Results will be posted on the Borough website.

INFRACTIONS

Heliski operators found to be operating out of bounds will be fined up to \$1000 per day.

COMPLAINTS

Complaints may trigger a GPS check of both the day before and day after. If non-justified infractions are found, penalties will be enforced.

Operations out of bounds

If a heliski company is forced to operate out of bounds for any reason, they are required to alert the Borough in writing within 7 days. Correspondence should include date and time, location, pilot name, and explanation.

Attachments:

2013 Heliski Map

Commercial Ski Tour Permit

Agreement regarding flight operations and practices

Permit Number:
Permittee Name:
Expiration Date:
Authority: HBC Title 5



COMMERCIAL SKI TOUR PERMIT

_____ of PO Box 1448, Haines, Alaska 99827 (hereinafter "permittee"), is hereby authorized to conduct **2012** commercial ski tour operations, subject to the terms and conditions of this permit.

Commercial ski tour operations as defined in HBC 5.18.010(B) includes downhill skiing or snowboarding as the primary experience; professionally guided skiing and snowboarding; and daily transportation of customers by helicopter to and from the skiing or snowboarding area as frequently as weather permits.

In 2012, _____ is allocated _____ skier days.

A *skier day* is defined as one individual skier, snowboarder, photographer or a member of a photographer's staff participating in a commercial ski tour or a commercial ski production on one particular day or any portion of a day excluding guides.

Note: Transfer of Allocated Skier Days. A permittee may sell or transfer a portion of their skier day allocation for a designated season to another permittee holding an allocation upon the review and approval of the manager.

This permit is subject to the following permit conditions and regulations, as required by HBC 5.18.010(F) and 5.04.080:

1. PERIODS OF OPERATION. The commercial ski tours shall be conducted only from February 1 through May 3, 2012 unless a different period is noted on the "Haines Borough Approved Commercial Ski Tour Areas" map and only between the hours of 8:00 a.m. and 6:00 p.m., unless the borough has authorized additional hours.
2. LOCATIONS OF OPERATION:
 - A. MAP. The commercial ski tours shall be conducted only in areas identified on the "Haines Borough Approved Commercial Ski Tour Areas" map (see attached Appendix A).
 - B. HELIPORTS. Commercial ski tour operators transporting participants in a commercial ski tour or a special ski competition event or commercial ski production by helicopter shall use one of the following heliports:
 1. Haines Airport;
 2. The Stewart landing strip at 18 Mile Haines Highway;
 3. The heliport adjacent to the 33 Mile Roadhouse;
 4. Any heliport authorized by the Haines Borough planning commission as a conditional use.
 - C. SHARED USE POLICY. Commercial ski tour permittees shall yield to nonmotorized, recreational backcountry users, within the boundaries of the area known as Telemark Ridge at the head of the Haska Creek drainage, on a by-request basis.
 1. Recreational backcountry users may contact a permittee by phone or e-mail at least 48 hours in advance of the activity and request to use a specific area on a specific day.
 2. Confirmation shall be given by the permittee within 24 hours of the request.
 3. The person making the request shall notify the borough clerk of the request.
 4. Cancellation of the request shall be communicated to the permittee before 9:00 a.m. on the day of the activity.
 5. Failure by recreational users to communicate a cancellation of the activity may result in the loss of request privileges.
 6. Failure by a permittee to confirm a request, or to yield an area to recreational users, shall be reported to the borough clerk and recorded for future review.
 7. The duration of a recreational activity in any specific area shall be for a maximum of three days consecutively, and for no more than 10 days per month.
3. GPS DATA REPORTING. Commercial ski tour operators shall use global positioning system ("GPS") equipment capable of tracking and preserving information establishing the route taken by the helicopter to and from the skiing and snowboarding area and all landings. This information shall be provided to the borough on a bi-weekly basis during the commercial ski tour season.

4. SKIER DAY USE REPORTING. Commercial ski tour operators shall submit to the borough clerk, on forms provided by the borough, bi-weekly use reports detailing the number of skier days used during each day of the reporting period, deviations from the flight guidelines and any accidents.
5. EXPLOSIVES. Explosives shall not be used for avalanche control.
6. HELICOPTER REGISTRATION. Commercial ski tour operators shall register contracted helicopters, their N number, color scheme, and pilot's name with the borough.
7. WILDLIFE SIGHTING REPORTS. Commercial ski tour operators shall provide mountain goat, and other wildlife sightings to the borough. The borough clerk will provide incidental wildlife observation forms to be filled out daily by the commercial ski tour operators and shall be submitted upon completion of the 2012 permit season.
8. OTHER AUTHORIZATIONS. Commercial ski tour operators are responsible for obtaining authorizations required by other agencies for the permitted activities and shall provide copies to the borough clerk.
9. MUTUAL AID AGREEMENT. Commercial ski tour operators shall submit to the borough clerk a copy of a signed mutual aid agreement requiring all commercial ski tour operators to come to each other's aid in the event of an accident or a mechanical problem that strands a helicopter used to transport participants in a commercial ski tour away from a heliport.
10. COMPLIANCE. A permittee is responsible for complying with all municipal, state, and federal ordinances, statutes, and regulations applicable to the permittee's activities.
11. INSURANCE. A permittee is required to maintain a minimum of \$500,000 of current commercial general liability insurance naming the borough as additional insured. The policy shall not contain any self-insured retention or deductible in excess of \$1,000 and shall include a provision requiring written notification to be given to the borough by the insurance company not less than 30 days before the policy is canceled, modified, or terminated for any reason. Worker's compensation insurance is also required, where applicable by law.
12. LIABILITY. A permittee shall reimburse the borough for any damage to municipal property caused by the permittee or any of the permittee's employees, agents, representatives, contractors, or customers during the course of the permittee's activities under the permit.
13. INDEMNIFICATION. Acceptance of a permit by the permittee shall constitute an agreement and acknowledgment by such permittee that the permittee shall indemnify and hold the borough and its elected and appointed officers and employees harmless from and against any and all loss, damage, or expense for any injury to or death of any person or persons or for damage to property, resulting from or arising out of any act or omission of such permittee or of any of the permittee's employees, agents, representatives, or customers. The borough and its elected and appointed officers and employees make no representations concerning and assume no responsibility for or regarding any goods or activities sold by any permittee or by any of permittee's employees, agents, representatives, or contractors.
14. TRANSFERABILITY. This permit, and any rights or privileges thereunder, may be assigned or transferred by the permittee, together with any right of renewal; provided, that such transfer includes the permittee's entire business interest in activities conducted under the permit. The permittee's business interest includes all assets used in the business conducted under the permit. The person to whom the permit was transferred shall be subject to permit renewal requirements. A transferred permit shall not be valid, and the new permittee may not conduct any activities under the permit, until the permit has been reissued by the clerk after the clerk is satisfied that the new permittee will comply with all conditions in the permit and the applicable provisions of this title. The permit may not be leased or rented to, nor may a permittee allow the permit to be used by, any person who is not an employee or contracted agent of the permittee.
15. FRAUD. Unfair competitive practices are strictly prohibited. A permittee who commits any act of fraud, misrepresentation, or cheating that would constitute an unlawful act or practice under AS 45.50.471, either through the permittee's own act or through the acts of the permittee's employee, agent, or representative, in relation to an activity authorized under the permit shall, upon conviction, be punished as provided in HBC 5.04.140.
16. REVOCATION OR SUSPENSION OR REDUCTION IN SKIER DAY ALLOCATION. This permit may be revoked or suspended or the skier day allocation reduced for the reasons identified in HBC 5.04.120 and in accordance with the procedures set forth in HBC 5.04.120.

The following appendices are attached to and related to this permit:

- APPENDIX A - "Haines Borough Approved Commercial Ski Tour Areas" map.
- APPENDIX B - 2012 Skier Day Allocations, Borough Manager's Memo.
- APPENDIX C - _____ 2012 permit application documents.
- APPENDIX D - Agreement re. Flight Operations and Practices of Commercial Ski Tours

Julie Cozzi, Borough Clerk

Date Permit Issued

AGREEMENT REGARDING FLIGHT OPERATIONS AND PRACTICES OF COMMERCIAL SKI TOURS

THIS AGREEMENT entered into this ___ day of _____, 2011 by and between the Haines Borough, (“Haines” or “Borough”) an Alaskan municipal corporation whose address is P.O. Box 1209, Haines, Alaska 99827, _____, an Alaskan corporation whose address is _____,

RECITALS

1. Haines issues permits for the conduct of commercial ski tours within the Haines Borough in accordance with the provisions of Chapters 5.04 and 5.18 of the Haines Borough Code.
2. _____ has received a permit from Haines authorizing _____ to conduct commercial ski tours.
3. _____ contracts with a certificated air carrier authorized to operate helicopters in connection with the commercial ski tours operated by _____.
4. A number of residents of Haines are impacted by _____ permitted activities and have expressed concerns to Haines and to _____ about potential impacts of _____ use of helicopters on wildlife, recreational users and Borough residents.
5. _____ is willing to commit to take action to address concerns of some residents of Haines regarding _____ permitted activities through a voluntary agreement with Haines.
6. Haines is willing to enter into a voluntary agreement with _____ to establish requirements to be followed by _____ and Haines to reduce the impacts of _____ permitted activity on Borough residents and wildlife in lieu of involuntary regulation of _____ activities through provisions of the Haines Borough Code.

CONSIDERATION

For good and valuable consideration the receipt whereof is hereby acknowledged Haines and _____ agree as follows:

Terms and Conditions

A. Flight Rules

1. Unless weather, safety conditions, mechanical difficulties or Federal Aviation Administration requirements dictate otherwise, _____ shall require any helicopter transporting _____ customers to:

a. follow the access route described below:

From the 33 Mile heliport- Use Porcupine Creek, McKinley Creek or Glacier Creek to access Porcupine Peak and Flower Mountain areas. Avoid Jarvis Creek, and the Klehini River to keep noise away from residences. Access the Mt. Jonathan Ward area from the Porcupine Peak area. Use a route directly behind 33 Mile to access Four Winds area. From the 18 Mile heliport - Take off and approach should be down river to avoid residences. Routes to skiing areas should go directly across the Chilkat River and into the mountains. Avoid flying parallel to the Chilkat or Klehini Rivers. When flying to and from the Ferebee Glacier area, avoid Chilkoot Lake and Lutak residents. From the Haines Airport – Fly directly up the Takhin Valley to access areas south of the Takhin and Tsirku Rivers. Fly directly across the Chilkat River and up the slope between Haska Creek and the Kicking Horse River to access areas south of Mt. Emmerich, including the Rainbow and Davidson Glacier areas. Avoid Haska Creek and Kicking Horse

River. Avoid traversing slopes facing Chilkat Inlet to avoid residences. Helicopters transiting between heliports should fly on the opposite side of the valleys from residences.

b. attain as quickly as practicable after takeoff and maintain a minimum elevation of 1,500 feet above ground level (“AGL”) while in flight.

c. maintain a minimum distance of one-half mile from wildlife on public lands while in flight and shall not hover over, circle or harass wildlife.

d. maintain a distance of 1/2 mile above the valley floors except when (1) shuttling passengers from the bottom to the top of a run, (2) during landing and takeoffs.

e. maintain a distance of 1/2-mile horizontal (ground level) distance or 1,500 feet AGL above observed recreational users except when (1) shuttling passengers from the bottom to the top of a run, (2) during landing and takeoffs.

B. Shared Use Policy

_____ and Haines shall implement and comply with the following policies for shared use of backcountry within the Borough:

1. _____ shall yield to non-motorized, recreational backcountry users (“User”), within the boundaries of the area known as Telemark Ridge at the head of the Haska Creek drainage on a by request basis provided the User has complied with the procedures set forth in this agreement.

2. User must contact _____ by phone or email at least 48 hours in advance of User’s planned activity and request to use a specific area on a specific day or days up to a maximum of three (3) consecutive days.

3. User must notify the borough clerk by phone or email of the request.

4. Confirmation of receipt of the request shall be given to User and the borough clerk by _____ within 24 hours of _____ receipt of the request.

5. Modifications of User requests may not be made less than 48 hours in advance of User’s planned activity.

6. Any cancellation of the request shall be communicated by User to Permittee before 9am on the day of User’s planned activity.

7. _____ is not required to yield to a User who has previously failed to communicate a cancellation to _____.

8. _____ is not required to yield to the same User for more than ten days per month.

C. Investigations of Reported Failures

Any failure by Permittee to follow Flight Rules or follow the Shared Use Policy of this Agreement (“Permittee Failure”) may be reported to the borough manager (“Manager”). Any failure by any User to follow the Shared Use Policy (“User Failure”) may be reported to Manager. Upon receipt of a reported Permittee Failure or User Failure, Manager shall investigate the matter and make a determination regarding whether either a Permittee Failure or User Failure has occurred. The results of this investigation shall be provided to Permittee and User and preserved in writing.

D. Consequences of Failure

1. Any Permittee Failure may be considered by the Borough Assembly when acting on future permit requests of Permittee.

2. Any Permittee Failure may be considered by Manager when making future allocations of skier days to Permittee.

3. The parties recognize that the damages resulting from any Permittee Failure are not capable of being measured in economic terms and include, among other things, a perceived reduction in the general quality of life of Haines residents, possible reductions in wildlife populations, reduced opportunity for quiet recreation and general inconvenience to the public. For this reason, the parties agree that Permittee shall pay to Borough as damages for any Permittee Failure and upon Borough's demand a sum of _____ dollars for each Permittee Failure.

E. General Provisions

1. Notices. Any and all notices required or permitted under this Lease shall be addressed as follows and may be mailed by certified or registered mail or hand delivered to the following addresses or such other addresses as may be designated by each party:

Haines Borough _____

P.O. Box 1209 _____

Haines, Alaska 99827 _____

ATTN: Borough Manager ATTN: _____

2. Rights or Remedies. No right or remedy herein conferred upon or reserved to Landlord is intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given hereunder, or now or hereafter existing at law or in equity or by statute.

3. Waiver and Forbearance. Except to the extent that such party may have otherwise agreed in writing, no waiver by such party of any breach by the other party of any of its obligations, agreements or covenants hereunder shall be deemed to be a waiver of any subsequent breach of the same or any other covenant, agreement or obligation. Nor shall any forbearance by such party to seek a remedy for any breach of the other party be deemed a waiver by such party of its rights or remedies with respect to such breach.

4. Integration and Modification. This document contains the entire agreement of the parties hereto. All negotiations, statements, representations, warranties, and assurances, whether oral or written, which are in any way related to the subject matter of this Agreement or the performance of either party hereto are merged and integrated into the terms of this document. This Agreement may not be modified or amended except by a writing signed by both parties hereto, and any purported amendment or modification is without effect until reduced to a writing signed by both parties hereto.

5. Governing Law and Venue. This Agreement shall be construed and governed by the laws of the State of Alaska. All suits related to this Agreement shall only be brought in state court in the First Judicial District, State of Alaska, at Juneau.

Entered into this _____ day of _____, 201_.

HAINES BOROUGH

By: _____

Mark Earnest

Borough Manager

BY: _____

ITS: _____



**Haines Borough
Assembly Agenda Bill**

Agenda Bill No.: 12-175
Assembly Meeting Date: 10/09/12

Business Item Description:	Attachments:
Subject: Ice Rink Proposal from Haines Hockey Originator: Assemblyman Hoffman (Agenda Bill by Clerk's Office) Originating Department: Borough Assembly Date Submitted: 9/27/12	1. Community Ice Rink Proposal from Haines Hockey 3. Map of Proposed Ice Rink Location

Full Title/Motion:
Motion: Refer to committee

Administrative Recommendation:
The Borough Manager Recommends this proposal be referred to committee for consideration.

Fiscal Impact:		
Expenditure Required	Amount Budgeted	Appropriation Required
\$ 0	\$	\$

Comprehensive Plan Consistency Review:	
Comp Plan Policy Nos. : Objective 14A, page 27	Consistent: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Summary Statement:
Haines Hockey would like to propose to build and maintain a community ice rink in the former primary school lot. The rink would begin as a semi-permanent structure, with the intent of gaining grant funding to construct a permanent multi-use structure by 2015.

Referral:			
Sent to:		Date:	
Recommendation:	Refer to:	Meeting Date:	

Assembly Action:	
Workshop Date(s):	Public Hearing Date(s):
Meeting Date(s): 10/09/12	Tabled to Date:

Community Ice Rink

Summary: Haines Hockey would like to build and maintain a community ice rink in the former primary school lot. The rink would begin as a semi-permanent structure, with the intent of gaining grant funding to construct a permanent multi-use structure by 2015.

Project Description: The rink size would be approximately 200'X85'. It would be constructed of 4X4 posts sunk into the ground, connected by 4'X8' sheets of plywood. To comply with our commitment of maintenance, the area would also need to accommodate a 10X10 foot shed for tools, hose and shovel storage, as well as inside coverage of a water spigot. Currently, there is an active water spigot near the sidewalk that is being used by the Takshanuk Watershed Council for the school's Starvin' Marvin project. Additionally, we are working with AP&T to erect 4-6 light poles, to be paid for by Haines Hockey. Based on past construction of community rinks in Haines, we expect the work could be done this fall, with a desired grand opening day during winter solstice day festivities.

Location: Why downtown? The downtown corridor is an ideal location to attract all members of the community. It's proximity to the school adds one more positive activity vital to kids and parents. We feel this visibility alone makes it better than the rink's current fairground location. Historically, the fair has provided space for an ice skating rink in the horse arena. Because the fair needs to keep its options open, it is a requirement for the ice rink boards to come down every year. We would like to look to the future and be able to plan for upgrades to the rink. To provide a reliable source of winter recreation for the community, a more central and visible location is preferred. A downtown location benefits downtown. For example, a winter hockey tournament brings people from Haines Junction, Whitehorse, and other Canadian towns. In Juneau, interest in skating has prompted a need for a second ice rink. Haines has winter activities but more easily accessible winter activities will attract families looking for safe opportunities for kids.

The Future: Haines Hockey would like the opportunity to prove that a community ice rink will be a positive addition for winter recreation. With respect to the Haines 2015 idea, Haines Hockey has a 3-year plan:

Phase I - site grading, boards, lights, shed

Phase II - secure funding for an open air, covered roof. This will require grant funding and a borough land commitment could be used a leverage to be considered by grant sources.

Beyond - seating, potential ice making system, potential artificial ice which can be skated on year round, potential concrete floor which could be used year round for ice skating, roller hockey and tennis in the summer, and construction of a elevated walking/running/stroller track within the covered area.

Haines Hockey believes this project can be accomplished without cost to the borough. It is expected that all construction, maintenance and future plans will be paid for by Haines Hockey, though any consideration beyond land use would be greatly appreciated

Proposed Community Ice-Rink Location (Foot Print 200ft x 100ft)





**Haines Borough
Assembly Agenda Bill**

Agenda Bill No.: 12-176
Assembly Meeting Date: 10/09/12

Business Item Description:	Attachments:
Subject: Borough Manager Transition and Hiring Process	1. Draft Transition Plan prepared by the manager for the personnel committee 3. 9/16/12 Memo from the Mayor
Originator: Assembly (Agenda Bill by Clerk's Office)	
Originating Department: Borough Assembly	
Date Submitted: 9/25/12	

Full Title/Motion:
Motion #1: Use a traditional recruitment method to hire the next borough manager Motion #2: Refer development of a selection matrix to the Personnel Committee

Administrative Recommendation:

Fiscal Impact:		
Expenditure Required	Amount Budgeted	Appropriation Required
\$	\$	\$

Comprehensive Plan Consistency Review:	
Comp Plan Policy Nos.:	Consistent: <input type="checkbox"/> Yes <input type="checkbox"/> No

Summary Statement:
<p>The borough manager prepared a draft transition plan for the Personnel Committee. There are two well-established procedures for management recruitment: (1) traditional - using media and on-line classifieds offered through organizations such as the Alaska Municipal League and International City/County Management Association; and (2) professional recruiting service. The personnel committee met on 9/21 and recommends going with a traditional recruitment process rather than contracting for professional services. Mayor Scott outlined her preference in memo dated 9/16/12. The borough manager's recommended timeframes for the recruitment, review, interview, and selection process for both recruitment options are outlined in his draft transition plan. It should be noted that the timelines are conservative and assume that an offer is made to an incumbent manager currently employed in another jurisdiction that requires giving notice, relocation, etc.</p>

Referral:			
Sent to:		Date:	
Recommendation:	Refer to:	Meeting Date:	

Assembly Action:	
Workshop Date(s):	Public Hearing Date(s):
Meeting Date(s): 10/09/12	Tabled to Date:

Draft Manager Transition Plan Schedule

	Executive Search	Traditional Recruitment
9/15/2012	Develop transition plan	Develop transition plan/position profile development
10/15/2012	Advertise RFP for recruiting firm	Re-advertise position with first review date of 3/31/13
11/15/2012	Select firm and issue NTP/position profile development	Establish selection criteria, etc.
12/15/2012	Begin recruitment/establish selection criteria, etc.	
1/15/2013		
2/15/2013		
3/15/2013		
4/15/2013	Candidate screening and interviews	Candidate screening and interviews
5/15/2013	Negotiate terms of employment agreement	Negotiate terms of employment agreement
6/15/2013	Relocation and begin transition	Relocation and begin transition
7/15/2013	Transition completed	Transition completed

Memorandum

Haines Borough
Office of the Mayor
103 Third Avenue S.
Haines, Alaska 99827
sscott@haines.ak.us
Voice (907) 766-2231 ext. 30

September 16, 2012

To: Mark Earnest, Manager;

Cc: Julie Cozzi, Borough Clerk
JoAnn Waterman, Chair, Personnel Committee

From: Stephanie Scott, Mayor, Haines Borough

Subject: Managerial Transition Plan

Your recent indisposition has increased our awareness of the critical importance of this position in a manager form of government. I am grateful that you are recovered! Given this heightened awareness, I have been encouraged me to recommend initiation of a transition plan, given that the current manager contract expires June 15, 2013.

I do believe that the development of a transition plan is an element of the manager's current contract. Even so, I encourage you to take advantage of the Personnel Committee, of which you are a member, and currently chaired by Assembly member Waterman, to aid in the development of a transition plan.

Between April and June 2012, the Assembly spent considerable time and effort on a manager hiring process. Minimally we learned that the process is time consuming. The three intervening months resulted in a long "short list" of 9 applicants. But the effort also illuminated concerns among the Assembly with respect to the content of the application. Mainly, there seemed to be a disconnect between the content of the application and the matrix used to evaluate each candidate's application.

To streamline an inherently difficult process, I hope that you, the Manager, perhaps with the advice and consent of the Personnel Committee, would be willing to outline a search process to be launched January 1, 2013, with a target date of hire May 15, 2013. That would enable the new hire to intern under your expertise for one month prior to contract's end.

I make no secret of my preference to use an executive recruiting service, such as the service proposed by the Seattle based Prothman Company prepared June 5, 2012 for the Haines Borough. I believe that working with a recruitment service will enhance

our capacities to perceive the qualities we seek in applicants. It will leverage Assembly input, not diminish it. Using such a service may also hone our perception of the job itself.

As an example, the Prothman approach includes

- a review of the scope of work,
- review of the hiring schedule,
- review and recommendations related to the compensation package.

Prothman involves meeting with the Assembly , Officers, Department heads, the community, and other key stakeholders to develop an understanding of the organization and the values and culture of Haines. Prothman then composes a “profile” of the ideal candidate for Haines, which the Assembly must approve. That profile then serves as a foundation for the determination of a candidate’s fit for the community and organization. Essentially, the carefully constructed profile replaces the “matrix” that we strove to develop.

I believe that using a recruitment service does not minimize the role of the Assembly in the selection of a manager and it will ensure that the Assembly articulates clear performance standards for a manager and has the tools to detect the embodiment of the standards in its candidates. The final choice of a manager rests exclusively with the Assembly.

Regardless of the strategy ultimately pursued for hiring a manager, it is time to begin the process; and I will very much appreciate your leadership in this important matter.



**Haines Borough
Assembly Agenda Bill**

Agenda Bill No.: 12-156
Assembly Meeting Date: 10/09/2012

Business Item Description:	Attachments:
Subject: Mayoral Board Appointments for the 2013 Federal Priorities ad hoc Steering Committee	1. Memo from Mayor Regarding 2013 Federal Priorities ad hoc Steering Committee
Originator: Mayor Scott (agenda bill by the Clerk's Office)	
Originating Department: Mayor's Office	
Date Submitted: 10/1/12	

Full Title/Motion:
 Motion: Confirm the mayor's appointments of Allen Turner (Chamber of Commerce), Member-elect Royal Henderson (School Board), Robert Venables (Planning Commission), and Jerry Lapp (Assembly) Federal Priorities ad hoc Steering Committee.

Administrative Recommendation:
 N/A

Fiscal Impact:

Expenditure Required	Amount Budgeted	Appropriation Required
\$ None	\$	\$

Comprehensive Plan Consistency Review:

Comp Plan Policy Nos. : Objective 2B, page 8	Consistent: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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Summary Statement:
 On August 28th the Assembly established the 2013 Federal Priorities ad hoc Steering Committee to be chaired by the mayor and made up of a member of the school board, assembly, planning commission, and chamber of commerce. The borough manager and school district superintendent will be ex officio members. The mayor is ready to make the appointments listed in the following motion and seeks assembly confirmation

Referral:

Sent to:	Date:
Recommendation:	Meeting Date:
Refer to:	

Assembly Action:

Workshop Date(s):	Public Hearing Date(s):
Meeting Date(s): 10/9/12	Tabled to Date:

Memorandum

Haines Borough
Office of the Mayor
103 Third Avenue S.
Haines, Alaska 99827
sscott@haines.ak.us
Voice (907) 766-2231 ext. 30

October 1, 2012

To: Assembly

Cc: Julie Cozzi, Borough Clerk; Mark Earnest, Borough Manager

From: Stephanie Scott, Mayor, Haines Borough

Subject: Ad hoc Federal Priorities Committee

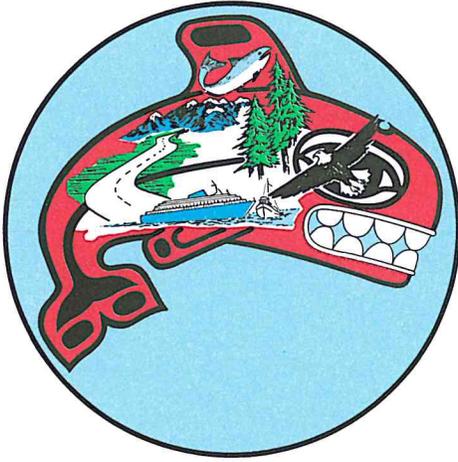
The Assembly endorsed the creation of an ad hoc Federal Priorities Committee at its June 12 meeting. Volunteers from the named entities have agreed to serve. I am requesting Assembly confirmation of appointment for:

- Chamber of Commerce, Allen Turner
- Haines Borough School District School Board, Royal Henderson
- Haines Borough Assembly, Jerry Lapp

Mark Earnest, Borough Manager, and Michael Byer, Haines Borough School District Superintendent will serve as members ex-officio. I will serve on and chair the committee.

The first meeting will be held the week of October 15 at 11:30 am in Assembly Chambers. Brad Gilman will attend via teleconference.

The goal of the committee is to prepare a Federal Priorities resolution for the December Assembly meeting.



HAINES BOROUGH, ALASKA
P.O. BOX 1209 • HAINES, ALASKA 99827
Administration 907.766.2231 • (fax) 907.766.2716
Tourism 907.766.2234 • (fax) 907.766.3155
Police Dept. 907.766.2121 • (fax) 907.766.2128
Fire Dept. 907.766.2155 • (fax) 907.766.3373

October 9, 2012

Meredith Pochardt
Project Manager
Takshanuk Watershed Council
Box 1029
Haines, Alaska 99827

Re: Community Transformation Grant

Dear Ms. Pochardt,

The Haines Borough is pleased to offer continued support to Takshanuk Watershed Council on behalf of its re-application for the Community Transformation Grant through SEARHC.

The Council's school based compost and gardening program are great tools for teaching many healthy practices, not the least of which is the positive social networking that takes place as students work together to compost and in the garden. The Haines Borough is especially proud to be able to continue to dedicate the land required for the garden.

We also congratulate the Council for extending its reach to Seniors by bringing the "Fish to School" to the Senior Center. The welfare of our seniors is as important to the Borough as the welfare of our students. We welcome the partnership of the Watershed Council in these endeavors.

Sincerely,

Stephanie Scott
Mayor, Haines Borough