

**CITY OF CRAIG
COUNCIL AGENDA
JUNE 20, 2024
COUNCIL CHAMBERS 6:30 PM**

ROLL CALL

Mayor Kasey Smith, Hannah Bazinet, Shauna Thomas, Josh Bennett, Michael Kampnich, Chanel McKinley, Millie Schoonover

CONSENT AGENDA

Items listed below will be enacted by one motion. If separate discussion is desired on an item, that item may be removed and placed on the regular meeting agenda.

- Meeting minutes of June 6, 2024
- Ordinance 777, Sales Tax Rate Ballot Proposition
- Ordinance 778, Sale of City Owned Property to AP&T

HEARING FROM THE PUBLIC

- Ordinance 774, Authorizing the Mayor and/or City Administrator to Negotiate the Terms of a Sale of City Owned Lands Consisting of a Portion of Tract A, USS 1429.
- Ordinance 775, Lease of City Owned Property at Tract D-1, Crab Cove to James Seley
- Ordinance 776, Land Sale Moratorium
- Letter from Doug Rhodes
- Letter from Cheryl Fecko
- Letter from Loni Bennett

READING OF CORRESPONDENCE

CONSIDERATION OF RESOLUTIONS AND ORDINANCES

- Ordinance 774, Authorizing the Mayor and/or City Administrator to Negotiate the Terms of a Sale of City Owned Lands Consisting of a Portion of Tract A, USS 1429.
- Ordinance 775, Lease of City Owned Property at Tract D-1, Crab Cove to James Seley
- Ordinance 776, Land Sale Moratorium

UNFINISHED BUSINESS

NEW BUSINESS

- Stewart/Bergeron Lease of Tract D, Crab Bay

COUNCIL COMMENTS

ADJOURNMENT

To provide public comment to the council remotely, contact the Craig City Clerk at cityclerk@craigak.com, before 5:00 p.m.

**CITY OF CRAIG
MEETING MINUTES
JUNE 6, 2024**

ROLL CALL

Mayor Kasey Smith called the meeting to order at 6:30 pm. Present were Hannah Bazinet, Shauna Thomas, Michael Kampnich, Chanel McKinley, and Millie Schoonover. Josh Bennett was excused.

CONSENT AGENDA

Meeting minutes of May 16, 2024

Ordinance 775, Lease of Tract D-2 to Jim Seley

BAZINET/KAMPNICH

Motion to adopt the consent agenda.

MOTION CARRIED UNANIMOUSLY

HEARING FROM THE PUBLIC

Ordinance 776, Land Sale Moratorium

Resolution 24-13, Designating the CDT Ballpark as a Camping Area

Letter from Tim O'Connor

Richard Trojan made a public comment to thank Oliver Lewis for road maintenance that was done. Mr. Trojan also spoke about the moratorium and suggested the council look at land sale applications on a case by case basis.

Richard Marvin made a public comment to speak in favor of Resolution 24-13.

Betty Isaacs made a public comment to speak in favor of the CTA land sale. Mrs. Isaacs stated she was very excited to see the CTA's plan. She spoke about the rich history of the City of Craig and Cannery Point, and there are lots of artifacts that could be displayed here.

Rob Yates made a public comment about the history of Craig. He shared that Fred Hamilton Sr. remembered the 3-4 longhouses that were here. Mr. Yates stated that the CTA land sale would be great for culture, healing, and tourism.

Felicia Dupea made a public comment and stated that many topics in the meetings are causing division in our community when the community should be working together.

Clinton E. Cook Sr., Craig Tribal Association President, made a public comment to suggest that passing Resolution 24-13 may cause problems in the community, and there should be a discussion with the Police Department. President Cook spoke about the update from Steve Silver and stated he hopes the city isn't overspending on Mr. Silver's services. President Cook raised a question about the council's Code of Ethics and asked how they would handle a council member going against that. Lastly, President Cook spoke in favor of Ordinance 771 and 775.

REPORTS FROM CITY OFFICIALS

Mayor Kasey Smith spoke about the school budget and community sales tax survey.

Brian Templin, City Administrator, submitted a written report.

Kimber Mikulecky, Finance Director, submitted a written report. Kimber also reported that she has been working with the auditors and is nearly finished with the 2022/2023 audits.

Mary Salazar, City Clerk, submitted a written report. The council agreed to have one meeting in July on July 11, 2024.

The City Planner position is still vacant, and Brian reported that there have been no new applications.

Venessa Richter-Russell, EMS, submitted a written report. Council Member Shauna Thomas inquired about the daycare and Venessa reported that she is meeting with a state representative next week.

Hans Hjort, Harbormaster, submitted a written report. Hans reported that Daniel Jackson has been hired as a new employee.

RJ Ely, Police Chief, submitted a written report. President Cook thanked Chief Ely for escorting the CTA's totem pole to the carving shed.

Oliver Lewis, Public Works, submitted a written report.

Gretchen Klein, Recreation, submitted a written report.

Stephanie Merritt, Library, submitted a written report.

READING OF CORRESPONDENCE

12 Month King Salmon ESA Review Launched- Council Member Mike Kampnich made a comment about writing a letter of opposition and President Cook stated they're in a 60 day comment period right now.

Update from Steve Silver- Council Member Chanel Mckinley asked if Steve Silver is lobbying for only the harbor study or if he is looking at other projects too. Brian Templin responded that he would be working on anything that had to do with federal agencies.

Jim Seley Email Requesting a Council Workshop to Discuss Development of Tract D2- The council agreed to have a joint workshop with Mr. Seley and Council Member Millie Schoonover requested staff to email the council with potential dates.

CHS T-Shirt Sponsorship Request
MCKINLEY/KAMONICH

Motion to donate \$725.00 to CHS.
MOTION CARRIED UNANIMOUSLY

Southeast Senior Services Letter

Letter from Shelby Beck
MCKINLEY/BAZINET

Motion to donate \$2,400.
MOTION CARRIED UNANIMOUSLY

CONSIDERATION OF RESOLUTIONS AND ORDINANCES

Ordinance 776, Land Sale Moratorium
KAMPNICH/MCKINLEY

Motion to approve the first reading of Ordinance 776.
MOTION CARRIED UNANIMOUSLY

Resolution 24-13, Designating the CDT Ballpark as a Camping Area
MCKINLEY/BAZINET

Motion to adopt Resolution 24-13.
MOTION CARRIED UNANIMOUSLY

UNFINISHED BUSINESS

Ordinance 771, Application to Purchase City Owned Property by Richard Trojan, Lot 9 JT Brown Subdivision
KAMPNICH/BAZINET

Motion to amend Ordinance 771 Application to Lease City Owned Property by Richard Trojan, Lot 9 JT Brown Subdivision.
MOTION CARRIED UNANIMOUSLY

KAMPNICH/BAZINET

Motion to adopt Ordinance 771 as amended.
MOTION CARRIED UNANIMOUSLY

Tongass Recreation Fees

Adopt an Elder
MCKINLEY/BAZINET

Motion to donate \$2,000.
MOTION CARRIED UNANIMOUSLY

Certified Property Tax Roll
SCHOONOVER/KAMPNICH

Motion to adopt the 2024 Certified Property Tax Assessment Roll prepared by AK CAMA LLC.
MOTION CARRIED UNANIMOUSLY

Sales Tax Discussion
MCKINLEY/BAZINET

Motion to direct staff to write an ordinance to place a measure on the October ballot to set the city sales tax at a maximum of 7% in the summer and 6% in the winter, effective January 1, 2025.
MOTION CARRIED UNANIMOUSLY

Approval of CCSD FY25 Budget and Required Local Contribution

KAMPNICH/BAZINET

Motion to approve \$1,586,656, minus any additional funding in the FY25 State of Alaska budget, as the City of Craig's local contribution to the Craig School District for FY2025.

MOTION CARRIED UNANIMOUSLY

COUNCIL COMMENTS

ADJOURNMENT

A motion was made to adjourn the meeting at 8:41 pm.

BAZINET/MCKINLEY

MOTION CARRIED UNANIMOUSLY

KASEY SMITH
MAYOR

MARY SALAZAR
CITY CLERK

**CITY OF CRAIG
MEMORANDUM**

To: Craig Mayor and City Council
From: Brian Templin, City Administrator
Date: June 11, 2024
RE: Ordinance 777, Sales Tax Increase Ballot Proposition

As the council is aware, there has been significant discussion related to generating additional revenue in order to increase the local contribution to the school district on a long-term basis. At the June 6, 2024, city council meeting the council directed staff to prepare an ordinance to place a seasonal sales tax increase on the October 2024 ballot. The council's direction was to propose a seasonal sales tax at 7% from April 1st to September 30th and 6% from October 1st to March 31st.

Based on 2023 actual sales tax revenue it is estimated that this will result in about \$770,000 in additional sales tax revenue. Using the current secure rural schools (SRS) payment amounts (approximately \$475,000) this would allow for a local contribution of approximately \$1,245,000 per year. The actual amount of the contribution would be subject to the annual SRS payments (which are likely to drop in future years) and the actual sales tax receipts in a given year. The council may also choose through the budget process each year to commit additional general funds or to use some funds (earnings or principal) from the school reserve fund to supplement the local contribution in future years.

The attached ordinance makes the change to the sales tax rate conditional on voter approval at the October election.

At the June 6th council meeting, council members asked if the additional sales tax could be restricted to use for school funding and no other uses. Staff has consulted with a local government specialist in Juneau who says that the increase and the ballot language could be restrictive an dedicate the revenue generated from the tax increase to funding the school and not allow any other use or modification of the tax for other purposes.

This approach has both advantages and disadvantages. The primary advantage is that, according to several survey comments, some voters will be more supportive of the tax increase if use of the funds are severely restricted. If the council chooses to amend the ordinance to include a restriction of the funds on the ballot measure it will likely require a new ballot measure to make any changes to that use of the funds if circumstances change in the future.

Restricting the use of the additional revenue through the ballot measure would also create complications in the timing and calculation of the local contribution each year. Currently our budget process is set so that the council commits the local contribution to the school district in May or June, payment is made to the district in January or February, and calculation of the amount of sales tax revenue generated is not available until July.

The ballot question included in Ordinance 777 is:

PROPOSITION NO. __

SALES TAX RATE

Shall the City of Craig increase the sales tax from 5% to 7% between April 1 and September 30 and from 5% to 6% between October 1 and March 31?

YES []

NO []

If the council is interested in putting a hard requirement on use of the additional sales tax form it should amend the ballot question on the ordinance to read something along the lines of:

PROPOSITION NO. __

SALES TAX RATE

Shall the City of Craig increase the sales tax from 5% to 7% between April 1 and September 30 and from 5% to 6% between October 1 and March 31 with the additional sales tax revenue generated by the increased sales tax dedicated to funding the Craig City School District?

YES []

NO []

Staff recommends leaving the ballot language in the ordinance as written and using the council's appropriation authority during budgeting to ensure that the funds are used for purposes approved by the council, including using all of the additional funds for the school district.

Recommendation: If the council is interested in discussing or amending the ordinance it may pull the ordinance from the consent agenda, add it to the agenda under consideration of resolutions and ordinances and do so. If there is no interest in pulling the item from the consent agenda then the council should pass first reading.

Recommended Motion: Move to approve first reading of Ordinance 777.

**CITY OF CRAIG
ORDINANCE No. 777**

AMENDING TITLE 3, REVENUE AND FINANCE, SECTION 3.08.020, LEVY OF SALES TAX - RATE, AND PROVIDING FOR A BALLOT QUESTION RATIFYING THE RATE OF THE TAX

Section 1. Classification. Section 4 of this ordinance is of a general and permanent nature and shall become a part of the Craig Municipal Code (CMC).

Section 2. Severability. If any provision of this ordinance or its application 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 Date. (a) Section 4 of this ordinance amending CMC 3.08.020 Levy of Sales Tax - Rate, shall become effective on January 1, 2025, if the proposition required by Section 5 of this ordinance is approved by a majority of the qualified voters of the City voting on the proposition at the regular municipal election scheduled for October 1, 2024.

(b) Section 5 of this ordinance authorizing the submission of the ballot proposition to the qualified voters of the City of Craig, shall be effective immediately upon adoption of this ordinance.

Section 4. Action. This ordinance amends Section 3.08.020 of the Craig Municipal Code by deleting the items shown with strikethrough text and surrounded by square brackets (~~strikethrough~~) and by adding the underlined items, as follows:

Chapter 3.08 - SALES TAX

Section: 3.08.020 – Levy of Sales Tax – Rate.

B. The tax is levied in the amount of [~~five~~] seven percent between April 1st and September 30th and the amount of six percent between October 1st and March 31st of the sales price of all retail sales made, of all rents paid and of the amount paid for services performed within the city. When sales are made, rentals of property paid, or services are performed or furnished for other than cash, the price shall be the reasonable value of the items sold, furnished, performed or delivered. The term “rent” as used in this section, includes rent of both real and personal property and the term “services” includes furnishing of labor and materials for accomplishing a specified result when the resulting object or product is not for resale by the purchaser in the ordinary course of business.

Section 5. Election. At the regular election to be held on October 1, 2024, the following question shall be placed before the qualified voters of the City of Craig:

PROPOSITION NO. ____

SALES TAX RATE

Shall the City of Craig increase the sales tax from 5% to 7% between April 1 and September 30 and from 5% to 6% between October 1 and March 31?

YES []

NO []

Passed and approved on _____, 2024.

Kasey Smith, Mayor

Attest _____
Mary Salazar, City Clerk

CITY OF CRAIG MEMORANDUM

To: Craig Mayor and City Council
From: Brian Templin, City Administrator
Date: June 11, 2024
RE: Ordinance **778** – Application to Purchase City Owned Property by AP&T, Lot 6,
JT Brown Subdivision

Attached is Ordinance No. **778**, presented for first reading at the city council's meeting of June 20, 2024.

Alaska Power & Telephone (AP&T) recently filed an application to purchase Lot 6, JT Brown Subdivision from the city; the applicant currently leases this property and has done so since 1994. The applicant has constructed a permanent building on the property, supporting the powerplant and substation. The property is surrounded by a chain-link security fence that has also been erected by the lessee. This is the second time AP&T has applied to purchase the property.

The sale notice was published in the Island Post with the public hearing scheduled at the regular city council meeting on July 11, 2024. Public notices were also posted on the City of Craig website as well as via flyers in at least four prominent locations around town.

If sold, funds from this sale will be placed in the city's land development fund.

Recommendation: Pass the first reading of Ordinance **778**, authorizing negotiation of the sale of city owned property to AP&T.

CITY OF CRAIG
ORDINANCE No. 778

AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE THE TERMS OF A SALE OF CITY OWNED LANDS CONSISTING OF LOT 6, TRACT A, ANCSA14C3, JT BROWN SUBDIVISION TO BUTCH BICKLER DBA ALASKA POWER & TELEPHONE.

Section 1. Classification. This is a non-code ordinance.

Section 2. Severability. If any provision of this ordinance or its application 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 Date. This ordinance shall be effective immediately upon adoption.

Section 4. Action. This ordinance authorizes the City Administrator to negotiate the sale of approximately 23,127 square feet of city owned land consisting of Lot 6, Tract A, ANCSA14c3, JT Brown Subdivision as shown on Plat 2002-11, Ketchikan Recording District. Final terms of said sale are subject to the approval of the Craig city council.

Passed and approved on _____, 2024.

Mayor Kasey Smith

Attest _____
Mary Salazar, City Clerk

June 4, 2024

Dear Craig Mayor and City Council members-

I am writing in opposition to Craig Ordinance 774 (The Application To Purchase City Property on Tract A, USFS 1429 Ward Cove Cannery) . I do not oppose selling a portion of the Ward Cove property to the Craig Tribal Association, but I do have some serious reservations in how it is proceeding.

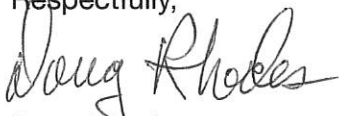
First of all, I have been involved with the land use determination of the Ward Cove Property for the past many years as the Chairman of the Craig Harbor Advisory Committee. We have discussed this property and its potential many times, and have always let the new harbor construction dictate the future uses of the property. It has been zoned with a Marine Industrial designation and we have looked at many designs with regards to the street approaches to the dock, various marine trade shops as well as other uses. Selling a parcel of this size (up to 50,000 square feet) could have serious implications for the future development of the harbor and harbor area. It seems that this project could dictate what the other uses for the property are instead of the harbor and approaches dictating the uses.

Secondly, I strongly oppose any selling of the beach fringe along the Ward Cove property. This beach front provides public access to the entire coast line from the old sewer outfall to the down town parking lot next to JT Browns, and needs to be kept in tact. The community has erected a fisherman's memorial and a nice park now exists near the proposed property for sale. Selling this portion of the beach front would block this continuous piece with private property. If the city is intent on selling a parcel to the Craig Tribal Association, then it should possibly include an easement on City property to allow beach access, but should not include the beach front land in the sale.

And in closing, I also think that taking up to 50,000 square feet out of the city property tax base is unwise and places more responsibility and obligations on the remaining property owners in Craig.

I am just one voice stating my opposition to this Ordinance, but I only think it is right for the City Council to put this sale question on the ballot in the fall. I feel that this is such a contentious issue that the public deserves the right to voice their opinion on this sale. Let the community decide what to do with this property at the ballot box.

Respectfully,



Doug Rhodes

Dear Mayor Smith and Craig City Council Members,

I am submitting my comments opposing Ordinance 774, the application to purchase city property on tract A, USS1429 Ward Cove Cannery by the Craig Tribal Association.

I have no concerns with the Craig Tribal Association developing a portion of the Ward Cove Cannery property to construct a long house and museum. I believe it would be an asset to the community of Craig for residents and visitors alike.

I have been involved in the proposed development of the Ward Cove property since its purchase by the City of Craig, attending countless public meetings and workshops over nearly 20 years. While I am encouraged by the move to begin developing some of the Ward Cove property uplands, the proposal to purchase this parcel of City owned property is moving too fast. There are several potential impacts that need to be given more consideration before the City of Craig approves this ordinance and moves forward with negotiations.

Of specific concern to me is the increasing size of the parcel as well as the inclusion of the beach fringe and portion of the park and public walking trail, now included in this proposal. Over the years, this continuous stretch of beach and green space has been an important priority for the public, and has been included on every plan that I have ever seen. I have always been a strong advocate for public land, and believe the beach and walking trail portion should remain public property for all to enjoy.

I am hoping the council will see the need to take a pause on finalizing the sale of this Ward Cove parcel, and bring it before the residents of Craig as a ballot measure to ensure this is something the community supports.

Thank you for the opportunity to comment,

Cheryl Fecko

Good evening,

My name is Loni Lingley or Loni Mills as many know me. I've been a lifelong citizen of Craig, 40 plus years. I've been sitting here thinking about the fact that there are community members out here petitioning to stop the sale of land to the Craig Tribal Association, I keep coming back to the question why? What is it you feel so strongly against the sale? In my opinion as a member with deep roots and history in Craig, the petitioners are irrelevant because to me it's the quality of the lists not the quantity. How many of these people actually have history and roots here with a future here. This is many of our ancestral land. Our grandparent's home and our future grandchildren's home. The fact that people with no cultural heritage, with no real understanding or knowledge of what it means to have cultural identity and ties to our community and land that was originally indigenous before it was decided it wasn't, is shameful. The tribe is trying to add to the quality of our community, not take away. But there are people that just can't wrap their minds around the fact that the "Tribe" could buy this land. I'm actually happy about the petition because I love when the people around me show me who they really are. Shame on the city administrator for his incompetence, lack of transparency and integrity that we're even back here doing this again because it had already been approved, but his calculated efforts have been made and now we're back at square one. Those of us with roots here and yes, we are native, are not trying to divide the community like these petitioners. We just want to see the tribe continue to enrich it and bring it together. This is more than just a community to many of us, this is our history and our family rests in the ground here for many generations and every piece of this land has history and a story. A love so deep for this land that we stay our whole lives and when we leave it's with the plan to always eventually come back home. My grandmother has sat in a morgue in Canada for three weeks because it was her wish to be brought home. Craig is more than just plots of land. It's a part of our very being that makes us who we are. How many of the petitioners can say that I wonder? I truly believe it's laughable that people that have just settled here think they know what's best. Many have no ancestral roots, no family to carry on their name here. No history, no future once they're gone. I know why I feel so strongly, rightfully so. I'm just trying to understand why these people believe their opinions are valid and why? What do they want to see done here?! For a future for who? The Craig Tribe has done so much to enrich our community and give back to improve the quality of Craig as a whole. I'll never see it as us versus them but it's very clear that's how many feel. It's a shame. The cannery point is so valuable and so precious to us locals I understand the passion to want to preserve it and really think it through. I wish that there was as much effort put forth by our community to do good things because our community needs it.

Thank you,
Loni

CITY OF CRAIG MEMORANDUM

To: Craig Mayor and City Council
From: Brian Templin
Date: June 11, 2024
RE: Ordinance 774: Application to Purchase City Property Located on Tract A, USS
1429 Ward Cove Cannery (Amended Lot Size)

Attached is ordinance No. 774, presented for public hearing and consideration at the Craig City Council meeting of June 6, 2024.

The Craig Tribal Association (CTA) submitted an application to purchase a portion of city property located on Tract A, USS 1429, also known as the Ward Cove Cannery Uplands earlier this year. In February the council approved ordinance 768 authorizing negotiation of a parcel up to 30,696 square feet. Recently the CTA has provided information to the city that the negotiations should have been authorized for a parcel of approximately 48,000 square feet. Ordinance 774 authorizes negotiations of a parcel up to 50,000 square feet.

A map provided by the CTA of the parcel is attached. The map also shows a right-of-way drawn on the remainder of the original parcel owned by the city. The intent of this ROW is not clear. This would be on the city owned parcel after a sale and is not included in the area that CTA has applied for purchase. It is unlikely that this ROW would be used in a final design of the remainder of the upland. Unless directed otherwise by the council, no additional ROW should be included on the plat related to this land sale. The sale property has adequate access along the area where the lot abuts Main Street.

Since the parcel as amended is significantly larger than the parcel authorized in ordinance 768 staff has recommended that a new ordinance be approved for the larger parcel and that the city follow the usual public notice process for the larger parcel.

If sold, funds from the sale would be placed in the city's land development fund.

The item was scheduled for second reading at the June 6th council meeting, but was pulled from that agenda at the request of the applicant and direction of the mayor.

Recommended motion: Approve Ordinance 774 to authorize negotiation of the sale of a parcel of up to 50,000 square feet of city owned property at Tract A, USS 1429 to the Craig Tribal Association.

**CITY OF CRAIG
ORDINANCE No. 774**

AUTHORIZING THE MAYOR AND/OR CITY ADMINISTRATOR TO NEGOTIATE THE TERMS OF A SALE OF CITY OWNED LANDS CONSISTING OF A PORTION OF TRACT A, USS 1429.

Section 1. Classification. This is a non-code ordinance.

Section 2. Severability. If any provision of this ordinance or its application 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 Date. This ordinance shall be effective immediately upon adoption.

Section 4. Action. This ordinance authorizes the Mayor and/or the City Administrator to begin negotiations the sale of up to 50,000 square feet of city owned land consisting of a portion of Tract A, USS 1429 as shown on Plat 2009-18, Ketchikan Recording District. Final terms of said sale are subject to the approval of the Craig City Council.

Passed and approved on _____, 2024.

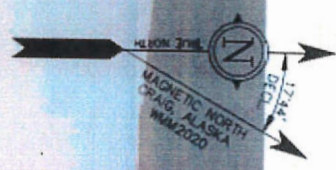
Mayor Kasey Smith

Attest _____
Mary Salazar City Clerk

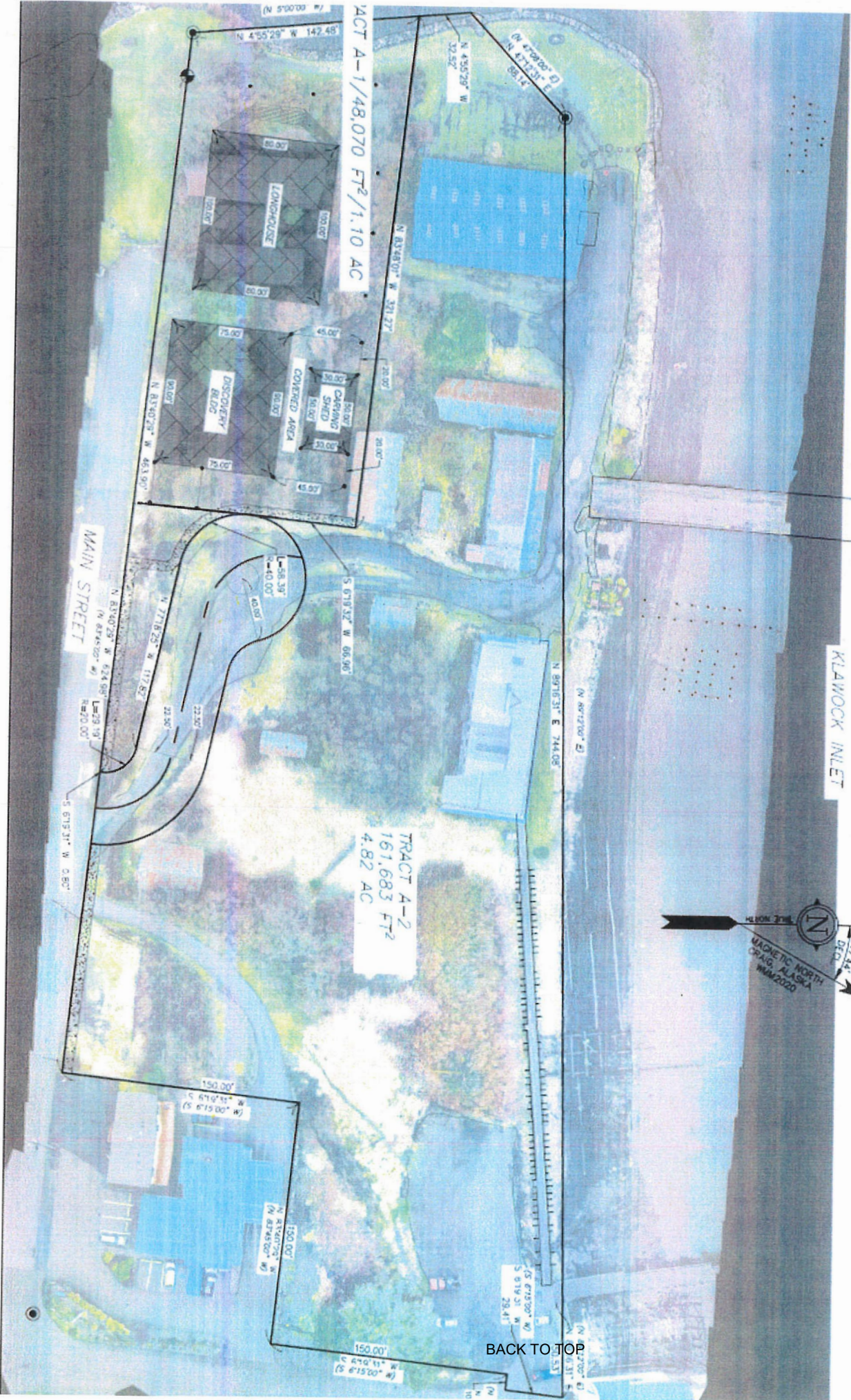
TRACT A-1/48,070 FT²/1.10 AC

TRACT A-2
161,683 FT²
4.82 AC

KIAWOCK INLET



BACK TO TOP



CITY OF CRAIG MEMORANDUM

To: Craig City Council
From: Brian Templin, City Planner
Date: June 11, 2024
RE: Ordinance **775** – Authorization for City Administrator to negotiate a lease of City Owned Property to Jim Seley, Tract D-2

Jim Seley has submitted a competing application for an approximately 4.5-acre portion of Tract D-2, ANCSA 14c3, Craig Klawock-Highway. This application subtracts approximately 0.5 acres (Tract D-2 is a 5-acre lot) that the applicant estimated be closed to construction due to the windfirm buffer an/or other environmental reasons. Whether or not this area is included in the lease should be determined during negotiations. The city should not create isolated, stranded parcels by excluding them from the surrounding lease areas. The application outlines the applicant's intent to clear the lot and level it with waste-fill material. The applicant has listed the following proposed uses for the lot: industrial parking, a boat storage warehouse, dry storage, freight container parking and U-Haul storage, a construction office and maintenance building, tourism staging, community event staging, as well as other multipurpose and seasonal use.

The lot is currently forested and appears to have at least one anadromous stream crossing. There is a historic eagle nesting tree on the property that appears to be completely abandoned. Additionally, there is a 100' wind buffer on the ocean-facing side. All federal and state rules and regulations will need to be followed to develop this lot with protection applied to sensitive natural resources.

A previous application from Mike Stewart and Melanie Bergeron was considered, requesting to lease all 10 acres between Tract D-2 and Tract D-1. The Council has requested that a smaller lot on Tract D-1 be considered for negotiations of the Stewart/Bergeron lease. At least two access permits have been active on Tract D-2 over the years (Gale Force Gardens as well as a firewood storage operation). There has also been a request from a local business to harvest a few select dead trees on or near the property, including the abandoned historical eagle nest tree. This request was considered by the council and not approved.

As a standard lease, the minimum rate may be no less than eight percent of the property value as determined either through appraisal, assessment, or use of the consumer price index to adjust the rental rate from a pre-existing value. Appraisals or assessments must have taken place within the last 12 months to be utilized. As the property in question does not have a previously established lease value and has not been assessed, a property assessment would be required.

Approval of this ordinance allows the City Administrator to negotiate the terms of the lease with Jim Seley. Two readings must take place before the ordinance can be passed. As is standard with leases of city owned property, the final terms of the lease will be brought back to the council for final approval.

Recommendation: Pass Ordinance **775 authorizing the city administrator to negotiate a lease of city owned land at Tract D-2, Crab Cove Subdivision to James Seley.**

CITY OF CRAIG
ORDINANCE No.775

AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE WITH JIM SELEY THE TERMS OF A LEASE OF CITY OWNED LANDS CONSISTING OF APPROXIMATELY 4.5 ACRES OF TRACT D-2, USS 2327.

Section 1. Classification. This is a non-code ordinance.

Section 2. Severability. If any provision of this ordinance or its application 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 Date. This ordinance shall be effective immediately upon adoption.

Section 4. Action. This ordinance authorizes the City Administrator to negotiate the lease of approximately 4.5 acres of city owned property consisting of Tract D-2, USS 2327. Final terms of said lease are subject to the approval of the Craig City Council.

Passed and approved on _____, 2024.

Mayor Kasey Smith

Attest _____
Mary Salazar, City Clerk

**CITY OF CRAIG
MEMORANDUM**

To: Craig Mayor and City Council
From: Brian Templin, City Administrator
Date: June 11, 2024
RE: Ordinance 776 – Moratorium on Sales of Municipal Land

The council has requested that staff move forward with some method to establish a moratorium on municipal land sales to give the city council the opportunity to review CMC Title 16 and make necessary changes.

Since land sales are a process governed by municipal code, a moratorium on this process should be adopted by ordinance. While there does not appear to be a maximum length of moratorium, it is suggested that no more than 180 days is the normal length.

Ordinance 776 is attached that would establish a 6 month moratorium on municipal land sales from the date of approval. Ordinances would normally be heard for first reading under the consent agenda, but in order to accommodate council discussion and enact the moratorium in a reasonable time frame we have placed the first reading on the agenda.

The ordinance will still have to have a public hearing and second reading at the June 20, 2024 meeting.

Currently there are a handful of land sales that are under review or consideration, including:

- Sale of a portion of USS 1429, Tract A to the CTA (Ordinance at second reading on June 20th)
- Sale of Lot 9, JT Brown Subdivision to Richard Trojan (Approved as a lease negotiation at the June 6, 2024 meeting)
- Sale of Lot 6, JT Brown Subdivision to Alaska Power and Telephone (Ordinance at first reading on June 20th)

If Ordinance 776 is adopted, the moratorium would be in effect until December 20, 2024.

Recommendation: Move to approve Ordinance 776 establishing a moratorium on sales of city owned land, except those currently in process, until December 20, 2024..

CITY OF CRAIG
ORDINANCE No.776

ESTABLISHING A MORATORIUM ON SALES OF MUNICIPALLY OWNED LAND
UNDER CRAIG MUNICIPAL CODE TITLE 16.03

Section 1. Classification. This is a non-code ordinance.

Section 2. Severability. If any provision of this ordinance or its application 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 Date. This ordinance shall be effective immediately upon adoption.

Section 4. Action.

1. This ordinance establishes a moratorium on sales of municipal lands under Craig Municipal Code Title 16.03 until December 20, 2024.
2. This moratorium is not retroactive to land sales being processed by the city at the time of adoption.
3. The Craig City Council may end or extend this moratorium by a majority vote of the council.

Passed and approved on _____, 2024.

Mayor Kasey Smith

Attest _____
Mary Salazar, City Clerk

CITY OF CRAIG MEMORANDUM

To: Craig Mayor and City Council
From: Brian Templin, City Administrator
Date: June 11, 2024
RE: Tract D-2, Crab Bay Lease to Melanie Bergeron and Mike Stewart

At the May 2, 2022 council meeting the council approved Ordinance 769 authorizing negotiation of a lease of up to 10 acres (Tracts D-1 and D-2, Crab Bay) to Mike Stewart and Melanie Bergeron. Their lease application included a number of potential uses. During the discussion, the council expressed that they were uncomfortable with such a large lease without a solid development plan and directed staff to negotiate a portion of the tract based on a single proposed use based on 2 – 2.5 acres. Further negotiation would be contingent upon council direction after an updated development plan for a smaller portion was submitted.

I reached out to the applicant and notified them of the council's direction and asked them to submit a more detailed development plan for an area up to 2.5 acres at the north end of Tract D-2, near Crab Creek that included the trail/park development.

On June 3rd Melanie submitted a drawing and general description of development on Tract D-2 that appears to include the majority of that 5 acre lot. I replied to the applicant and asked them to submit some additional information including the following:

- Site Plan. The drawing submitted on June 3rd a general area that the applicant intends to develop but does not show any proposed buildings, parking areas, trails or other features on the property. The site plan should include more detail.
- Development timetable. There was no mention in the information submitted about a development sequence or timetable. The timetable should include survey work and environmental review of the site.
- General costs/funding. One of the questions that the council had was how this development would be funded and how the operations would be able to sustain the annual lease fee, insurance, etc. The proposal should address these questions.

The applicant submitted additional information on June 9th. I have attached the information submitted by the applicant on May 2nd (Proposal 1), June 3rd (Proposal 2) and June 9th (Proposal 3).

The updated proposal is larger than the +/- 2 acres that the council directed but is within the amount authorized for negotiation in the enacting ordinance.

Recommendation: The council should discuss the updated proposal and give staff direction on how the council would like to proceed with the negotiations for the lease.

Crab Bay Park

Land lease proposal

Prepared for: City of Craig

Prepared by: Mike Stewart/Melanie Bergeron

February 29, 2024

Proposal number: 1



Crab Cove Subdivision Tract D-1 & D-2

Crab Bay Park

EXECUTIVE SUMMARY

Objective

- Long term land lease or option to purchase Tract D-1 and Tract D-2 City of Craig for Crab Cove subdivision

Goals

- We would like to take Tract D-1 to clean-up and develop a site into recreational park and small visitor center with salmon observatory
- Develop Tract D-2 to build park host quarters with a storage facility for park maintenance equipment.
- Develop an area On Tract D-2 for a firewood depot for our community and surrounding areas.
- Have the opportunity to grow, improve, add value to the lands for our community.

Solution

Follow standard City of Craig lease application process, attend planning committee meetings to share ideas and concepts, answer questions from committee and/or community members

Project Outline

- Phase 1: Build main access drive way, clear trees/overburden bring lot to grade, build rock pad, install/utilities.
- Phase 2: Establish walkways, trail, observatory building & landscaping for Tract D-1
- Phase 3: Tract D-2 Establish driveway/lot access, clear overburden, build pad, erect park host housing and maintenance shop

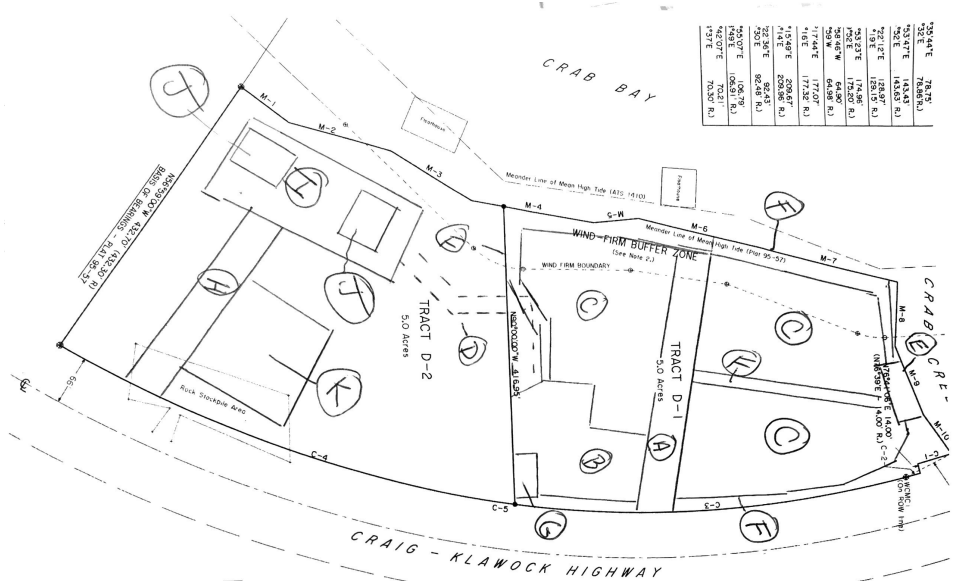
Crab Bay Park

RENTAL LEASE

Our rental lease terms will be standard to City of Craig contracts which is 8% of the most recent year City of Craig assessed value; for 2024 this will be as follows and updated annually beginning in January:

Description	Quantity	Unit Price	Cost
Tract D-1	1	8%	TBD
Tract D-2	1	8%	TBD
Total			0

Crab Bay Park

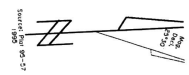


752.24'E	787.75'
753.07'E	143.63' R.I.
752'E	143.63' R.I.
752.12'E	128.97' R.I.
752.12'E	128.97' R.I.
753.33'E	174.86' R.I.
752'E	174.86' R.I.
752.98' W	64.98' R.I.
174.44'E	177.07' R.I.
174.44'E	177.07' R.I.
752.20'E	82.45' R.I.
752.20'E	82.45' R.I.
752.07'E	106.51' R.I.
752.07'E	106.51' R.I.
751'E	70.23' R.I.

CURVE	RADIUS	LENGTH	DELTA	CHORD	CHORD-BEARING
C-1	1571.14'	32.96'	175.52°	52.28'	S141°17.23'E
C-2	1571.14'	22.16'	0°48.29'	22.16'	S12°29.43'W
C-3	1571.14'	571.44'	20°42.21'	568.50'	S26°05.15'E
C-4	1571.14'	633.48'	23°06.90'	629.20'	S19°52.57'W
C-5	1571.14'	1227.08'	44°44.90'	1194.13'	S09°03.52'W

- LEGEND:**
- Found B.M. Monument (Type 95-21)
 - Found 5/8" Iron "L" 2" deep (6" & W)
 - Perimeter for Interior/Alto - not found
 - 5/8" 5/8" Iron "L" 2" deep
 - (N) Found Data

- NOTES:**
1. Material shown on this map is for informational purposes only. It is not intended to be used for any other purpose.
 2. The wind-firm buffer zone shown on this map is based on the wind-firm boundary shown on the map. The wind-firm boundary is based on the wind-firm boundary shown on the map.
 3. All other points shown on this map are based on the wind-firm boundary shown on the map.
 4. A 5' wide access easement exists between of Mean High Tide as established by A.L.S. 1410 and perched on 1' deep 2000's.
 5. This plan is a subdivision of land for purposes of subdivision.



TAX STATEMENT

1. A copy of the original map, showing the location of the property, and other documents required by the law, is on file in the office of the County Clerk.

[Signature]
 County Clerk



Please refer to the following 2 pages for Map Key

Crab Bay Park

TRACT D-1/D-2

PROPOSED FUTURE DEVELOPMENT DETAILS

TRACT D-1 : A) DEVELOP ACCESS MAIN DRIVEWAY FROM PRE-EXISTING GRADE,CAPPING WITH ROCK CONSTRUCTION DATES EST. 5/1/2024-5/15/2024

TRACT D-1 : B) DESIGNATED PARKING LOT FOR PARK, THIS WOULD CONSIST OF CLEARING YOUNG GROWTH TREES/UNDERBRUSH, LEVELING DIRT WORK, CAPPING WITH ROCK, CONSTRUCTION DATES EST. 5/30/2024-6/15

TRACT D-1 : C) CLEAR UNDERBRUSH/ALDER TREES,LEVEL DIRT WORK PREP TO PLANT GRASS. CONSTRUCTION DATES EST. 6/30/2024 -7/1/2024

TRACT D-1 : D) CREATE ACCESS DRIVE BETWEEN D-1 AND D-2 FOR MAINTENANCE VEHICLE CONSTRUCTION DATES EST. 7/15/2024-7/30/2024

TRACT D-1 : E) BUILD A FISH OBSERVATORY WALKWAY WITH VISITOR INFO CONSTRUCTION DATES EST. 8/1/2024-8/30/2024

TRACT D-1 : F) BUILD WALKWAY TRAILS AROUND AND THROUGH PARK CONSTRUCTION DATES EST. 5/30/2024 -8/1/2024

TRACT D-1 : G) BUILD RESTROOM FACILITY “ PERMIT DEPENDING”

TRACT D-2 : H) BUILD DRIVEWAY FROM MAIN HIGHWAY CLEAR TREES UNDERBRUSH, DEBRIS AS NEEDED CAP WITH ROCK. CONSTRUCTION EST. 5/30/2024 - 10/1/2024

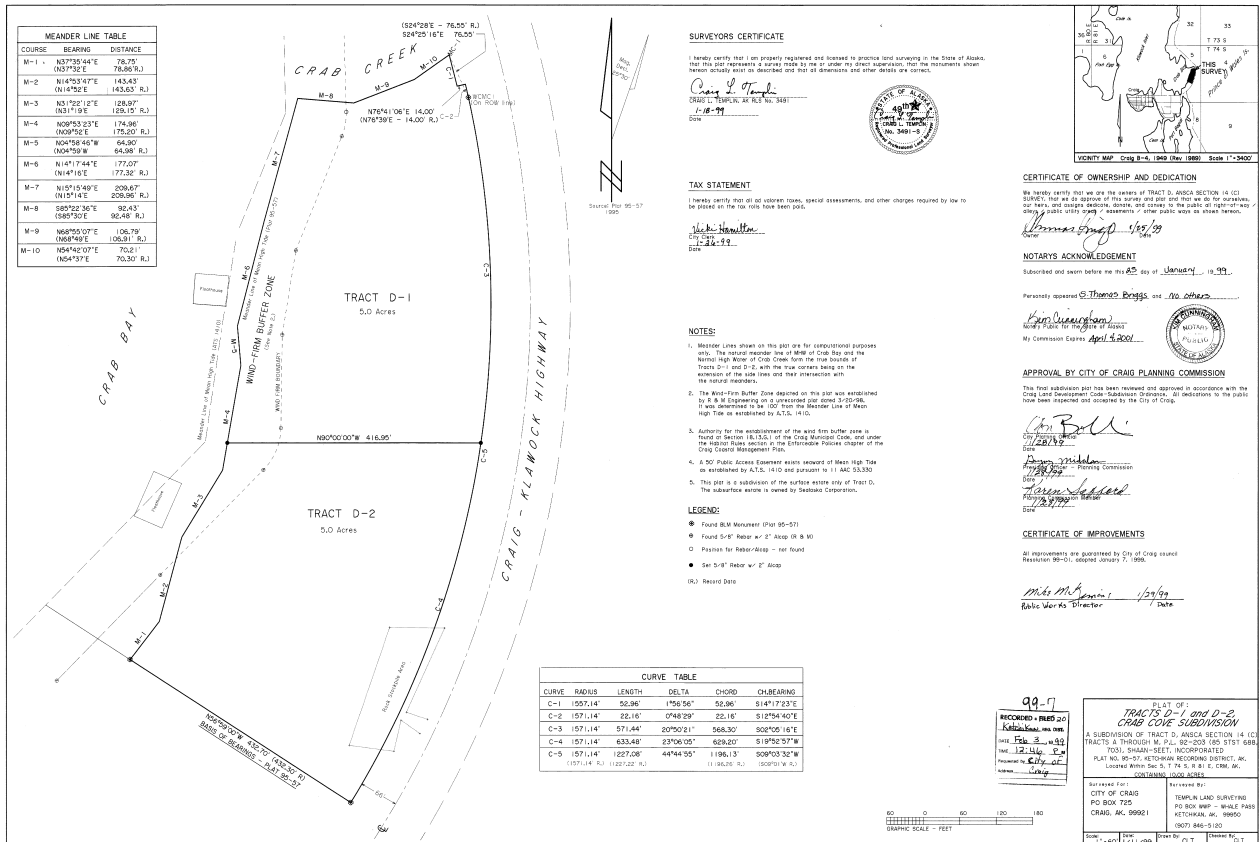
Crab Bay Park

TRACT D-2 : I) CLEAR TREES, UNDERBRUSH DEBREE AS NEEDED TO BUILD SITE
ROCK PAD FOR PARK HOST BUILDINGS. CONSTRUCTION EST. 5/30/2024- 10/1/2024

TRACT D-2 : J) BUILD PARK EQUIPMENT STORAGE SHOP AND HOST QUARTERS
CONSTRUCTION EST. 5/1/2025 -9/1/2025

TRACT D-2 : K) CLEAR AN OPEN SPACE OF TREES, UNDERBRUSH AND
OVERBURDEN. ROCK IN PAD FOR A FIREWOOD STORAGE DEPOT. CONSTRUCTION
EST. 5/30/24 -10/1/2024

Crab Bay Park



Crab Bay Park



Melanie&Mike

Get to know us!

Dear Council Members,

First and foremost we're excited at this opportunity, we would like to take this time to introduce ourselves.

We have both been Alaska residents a majority of our lives, Prince of Wales is our home, we currently reside in Craig, we're family oriented.

Mike's background is Father of 4 boys, I have been self-employed for over 25 years, as a commercial fisherman/diver, in Construction/Trucking, logging, small wood products business, as well as worked for different companies from Heavy equipment operator to truck driving. The outdoor lifestyle that Prince of Wales has to offer is something that I have cherished throughout my life and is very important for me to pass on to my Sons as well as future generations. Living here year round, building business relationships for long term is very important to me and look forward to the future as I see POW has amazing opportunities.

Melanie's background consists of many great thing such as customer service, management, finances, personal relations, I have experience over the years in small business start-ups and operations. I foresee my personal life experiences thus far to be beneficial not just for my families growth but also for all of Prince of Wales, Craig especially. My ultimate goal is to help our local economy grow in diversified ways. My passion for the people that reside in Craig and on Prince of Wales is truly where my heart is and is ultimately my main driving force.

Our Best,

Mike and Melanie

CRAB BAY PARK

Tract D-1

Prepared for: City of Craig

Prepared by: Mike Stewart and Melanie Bergeron

June 3, 2024



Proposal number: 3

CRAB BAY PARK

Objective

Long term lease Tract D-1

Goals

Create a community park with visitor center

We would like to lease Tract D1 which is currently five acres of land, within this lot there are many environmental regulations such as wind buffer zones, small fish streams, eagles trees and possible wetland restrictions, etc. we feel like we could only use about 50% of the five acres as buildable property which would consist of guest parking lot, picnic areas, gazebos, equipment storage/shop for park maintenance equipment, visitor information center, walking trails, wildlife viewing areas.

Please reference picture: inside the lime green area is the primary park area and is roughly 50% of tract D1.

CRAB BAY PARK

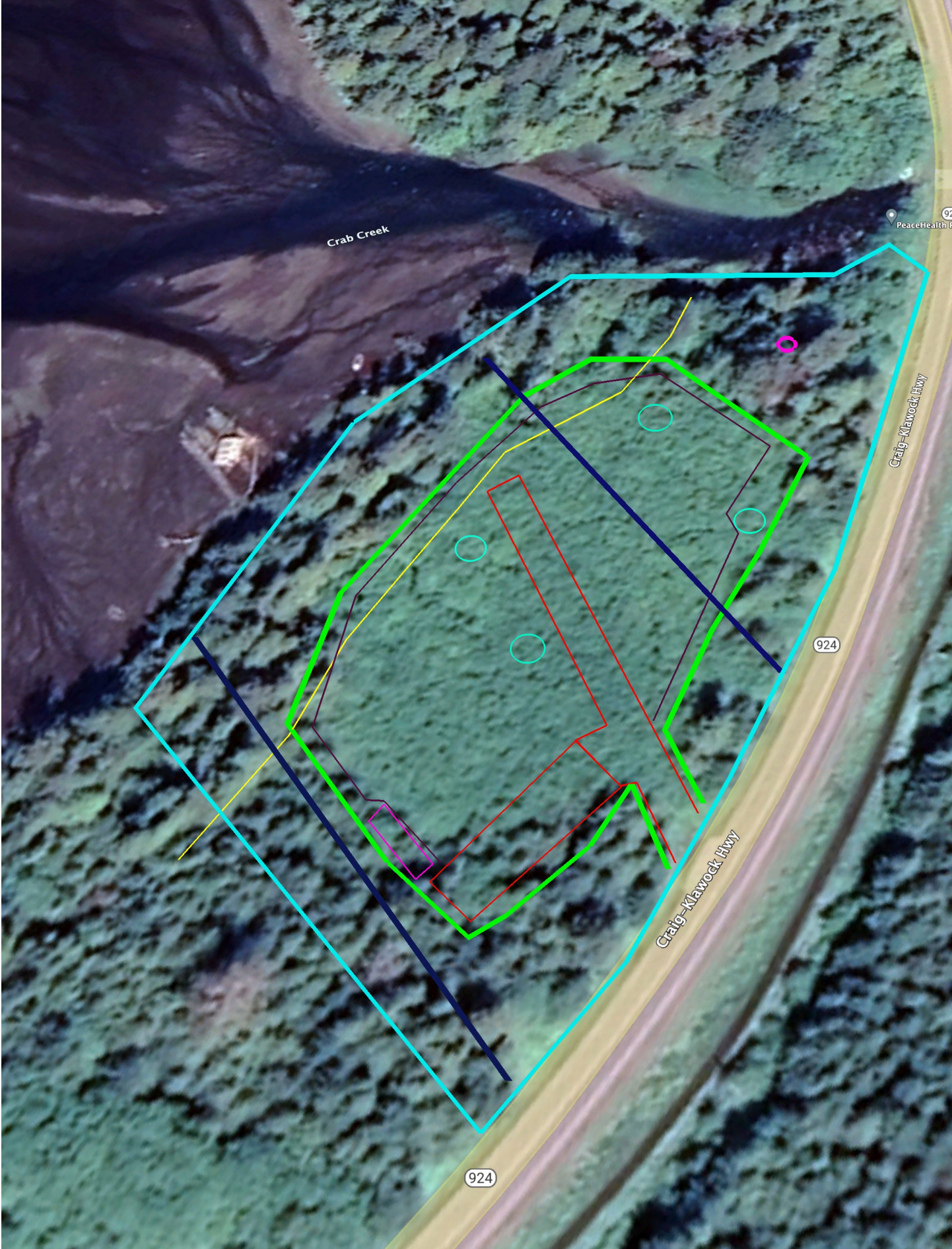
Tract D-1

Prepared for: City of Craig

Prepared by: Mike Stewart and Melanie Bergeron

June 3, 2024

Proposal number: 3



CRAB BAY PARK

- yellow line to the beach line: designated wind buffer zone
- lime green perimeter: would be the 2.5 acre park area
- dark blue lines: fish streams and normally have a 66 foot buffer restriction on either side
- red areas: main access and parking area
- fuchsia rectangle: seasonal seafood bar
- baja blast mtn dew colored circles: gazebos and picnic areas
- hot pink circle: is the Eagle tree.

We would like to lease Tract D1 which is currently five acres of land, within this lot there are many environmental regulations such as wind buffer zones, small fish streams, eagles trees and possible wetland restrictions, etc. we feel like we could only use about 50% of the five acres as buildable property which would consist of guest parking lot, picnic areas, gazebos, equipment storage/shop for park maintenance equipment, visitor information center, walking trails, wildlife viewing areas..

Development time table: After lease approval and environmental survey work is done we would like to start site development asap which would consist of young growth tree removal/underbrush resurface and grade driveway and parking lot. Set up work area for park, clean up abandoned float house and boats. This will take up most of the 2024 summer/fall. We plan on starting future works next spring 2025.

General cost and funding: we plan on doing most of all the site work ourselves to save as much as possible. We have heavy equipment/dump trucks. We plan on utilizing our local access to timber and sawing up lumber with our sawmill, picnic benches, gazebos ,trail board walk, fences, shelters ect. We commercial fish and will supply our own fresh seafood to support the seafood bar. We will also as we progress look into generating income from tourism, local community park rec rental for special events. Dry cabin rentals. We will also look into specialized grants.

In the future, we have intentions to expand the park from our initial 2.5 acre lease to maximize the full 5 acre parcel of tract D-1. This would consist of working with the environmental guidelines, building trailways, a boardwalk with a visitor center. We have many other ideas in the future to help generate income that would mesh well with the park concept such as small overnight yurt style dry cabins for rent.