

**CITY COUNCIL - BOROUGH ASSEMBLY
JOINT WORK SESSION AGENDA**

Wednesday, December 21, 2016

ASSEMBLY CHAMBERS

7:30 p.m.

(Borough Chairing)

Joint work sessions are informal meetings of the Borough Assembly and City Council where elected officials discuss issues that affect both Borough and City governments and residents. Although additional items not listed on the joint work session agenda are sometimes discussed when introduced by elected officials, staff, or members of the public, no formal action is taken at joint work sessions and items that require formal action are placed on a regular Borough Assembly and/or City Council meeting agenda. Public comments at work sessions are NOT considered part of the official record. Public comments intended for the "official record" should be made at a regular Borough Assembly or City Council meeting.

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1. Public Comments
2. Agenda Items
 - A. Lands Committee Update
 - B. Consolidation Update
 - C. Economic Development Update
 - 3 - 18 D. Borough and City Marijuana Committees' Updates:
 1. Borough Marijuana Task Force Recommendations
 2. City Marijuana Advisory Council

[Borough-Marijuana Task Force Recommendations](#)
[City-Marijuana Advisory Council Recommendations](#)
[City-Marijuana Advisory Council-Powerpoint - Final](#)
 - 19 - 26 E. Borough and City State Legislative Capital Improvement Projects Priority List for the 2017 Legislative Session
 1. Borough CIP List
 2. City CIP List

[Borough Resolution No. FY2017-13 FY17 State CIP V5](#)
[City Resolution No. 2016-42\(SUB\)](#)
3. Future Discussion Items
 - A.
 1. Killarney Hills
 2. Homeless Coalition Presentation
 3. Discussion on Senate Bill 91 (SB91)

To: Kodiak Island Borough Assembly
From: Kodiak Island Borough Marijuana Task Force
Date: November 28, 2016
Regarding: Recommendations for implementation

On March 17, 2016 the Kodiak Island Borough Assembly voted to opt out of the commercial sale of marijuana in the Borough for one year. Congruent with that the Assembly created a Marijuana Task Force made up of 11 residents of the Borough. The group is made up of individuals who use Marijuana regularly to people who have never used and everyone in between. The committee fairly accurately reflects the wide ranges of opinions found in the community. The Marijuana Task Force was tasked with offering advice and recommendations to the Assembly regarding the implementation of Marijuana related business in the Kodiak Island Borough. The State of Alaska created a broad framework and encouraged local municipalities to create laws that best reflect the local jurisdictions. It was with all this in mind that the Task Force began its work. The Task Force has met ten times. We limited all of our meetings to right around two hours.

After much discussion and some compromise the Task Force brings forth the following recommendations. Please note that some of the recommendations were quite controversial and this document will attempt to reflect that “conflict” where it existed. Also please note that the recommendations reflected in this document are organized in a manner to make it useful for the Assembly but not necessarily in the order that we addressed them at the meetings.

1. Licenses/Renewal Fees

- a. Application Fee: Kodiak Island Borough Application Fee would be 20% of the State fee reflected in AAC 306.100(a)
 - a. State Fee is currently \$1,000
 - b. Borough Fee \$200
- b. Annual License Fee: Kodiak Island Borough Annual License Fee would be 20% of the State fee schedule reflected in AAC 306.100 (d).
 - a. Retail Marijuana Store License
State currently \$5,000, Borough \$1,000
 - b. Limited Marijuana Cultivation Facility License
State currently \$1,000, Borough \$200
 - c. Marijuana Cultivation Facility License
State currently \$5,000, Borough \$1,000

- d. Marijuana Concentrate Manufacturing Facility License
State currently \$1,000, Borough \$200
- e. Marijuana Product Manufacturing Facility License
State currently \$5,000, Borough \$1,000
- f. Marijuana Testing Facility License
State currently \$1,000, Borough \$200

2. Taxes

- a. Sales Tax (no sales tax in the Borough):
Fairbanks Borough created a sales tax specific to marijuana and alcohol but the Kodiak Task Force believed that having any sales tax in the Borough would create extra staff work and cost more than the potential benefit.
- b. Excise Style Tax:
The State of Alaska will be taxing \$50 per ounce at the cultivation level. The committee was split on this issue. With a slight majority the committee recommended that the Borough look at taxing at the cultivation level as well. Numerous committee members felt that the issue of taxes was a broad policy issue that the Assembly needed to decide.

3. Notice Requirements:

- a. Recommend that they mirror Alcohol notice requirements

4. Opting Out:

There was much discussion in regards to what Marijuana Manufacturing should look like in Kodiak. This particular issue was discussed in length at three meetings. Ultimately the recommendation was to opt out of the manufacturing of edibles (including butter) but allow the manufacturing of oils, tinctures, and hashes. The concern with edibles was the challenge of keeping them out of the hands of children. The group split 7 to 2 in favor of opting out of edibles and split 7 to 2 to allow the manufacturing of oils, tinctures, and hashes.

The above are general recommendations from the Task Force. The following recommendations are specific to zoning and the implementation of commercial marijuana Cultivation, Manufacturing, Retail Sales, and Testing in the Kodiak Island Borough.

1. Cultivation Zoning:

- a. Industrial – permitted
- b. Business – conditional use
- c. Residential (this was a very controversial issue and was discussed at four meetings)
 - i. R1, R2, R3 – prohibited (unanimous)
 - ii. RR, RR1, RR2, Conservation – conditional use (voted 5 to 2)
 - 1. Limited Cultivation License only (as defined in State Law)
 - 2. 500 Square Foot or less (Borough Code requires a home based business not exceed 20% of the Residence)
 - 3. Must only be on a lot that has a single family dwelling on it.
 - 4. Lot must be 20,000 square feet or greater (there was a lot of discussion on whether this number should be 40,000 or 20,000)

Note: The issue of cultivation was made more difficult because allowing marijuana cultivation as a conditional use in some Residential and the Business Districts could create a potential conflict in the current KIB Title 17 Code. The potential conflict is allowing a conditional use that is identified as prohibited in Title 17.

2. Manufacturing Zoning:

- a. Industrial – permitted
- b. Business – conditional use
- c. Residential – prohibited

3. Retail Sales Zoning:

- a. Industrial – permitted
- b. Business – permitted
- c. Residential – prohibited

4. Testing Zoning:

- a. Industrial – permitted
- b. Business – permitted
- c. Residential – permitted (split 5 to 3)

The final issue we addressed was the idea of buffer zones. Fairbanks Borough used buffer zones as a way to exclude certain areas of their community (residential, schools, etc). The Task Force decided that the term Exclusion Zones would be clearer to the public as to the intention of these zones. The committee makes the following recommendations.

1. **School Exclusion Zone:** The school exclusion zone would be consistent with the Federal Drug Free School Zones that the Kodiak Island Borough School District is required to abide by. The School Exclusion Zone would extend 500 feet in a straight line from the edge of school property. No commercial marijuana activity would be allowed in that zone. This is consistent with what KIBSD must abide by.
2. All other Exclusion Zones would be consistent with AAC 306.010. This portion would not be required to be placed in Borough Code because it is already enumerated in State Statute. To summarize this section of Statute it states that no license will be issued if the “ licensed premise will be located within 500 feet of a school ground, a recreation or youth center, a building in which religious services are regularly conducted, or a correctional facility. The distance specified in this subsection must be measured by the shortest pedestrian route from the public entrance of the building in which the licensed premises would be located to the outer boundaries of the school ground, the outer boundaries of the recreation or youth center, the main public entrance of the building in which religious services are regularly conducted or the main public entrance of the correctional facility.”

I would like to thank each of the Task Force Members for their time and energy and commitment to this process. In some ways this process has stretched each of us away from where we are most comfortable on this topic. This stretching has led to much discussion and debate. Even though the debate was a little heated at times I really appreciate the civility of which each Task Force Member approached this task. This final recommendation is brought forward with the unanimous support of the KIB Marijuana Task Force.

Respectfully,



Office of the City Clerk

710 Mill Bay Road, Room 220, Kodiak, Alaska 99615

MEMORANDUM

To: Mayor Branson and Councilmembers
Mayor Rohrer and Assemblymembers

Date: December 14, 2016

From: Aimée Kniazowski, City Manager *AK*
Debra Marlar, City Clerk *DM*

Subject: Marijuana Committee
Recommendations

On May 26, 2016, the Council adopted Ordinance No. 1350, Enacting KCC Chapter 5.52 Prohibiting Marijuana Establishments in the City. The ordinance became effective July 1, 2016, and expires January 1, 2017. The six-month opt out period was to provide time for the City's Marijuana Advisory Special Committee, which was established by Resolution No. 2016-16, to recommend guidelines for implementing taxation, regulation, production, sale, and use of marijuana within the Kodiak City limit.

The City of Kodiak Marijuana Advisory Special Committee was authorized by Resolution No. 2016-16 to recommend guidelines for implementing taxation, regulation, production, sale, and use of marijuana within the Kodiak City limit. The committee has met nine times since June 2016 and has passed motions to recommend the following:

- 1) Establish a 500' regulation for retail stores within the City limits
- 2) Regulate retail stores within the City limits to industrial, light industrial, business, and business retail
- 3) Comply with State of Alaska laws for retail stores within the City limits
- 4) Adhere to State of Alaska laws for personal growth of marijuana
- 5) Establish a 500' regulation for cultivation facilities within the City limits
- 6) Regulate commercial growing within the City limits to industrial, light industrial, business, and business retail areas
- 7) Adopt attorney's recommended ordinance Designating City Council as the City's Local Regulatory Authority on Marijuana
- 8) Adopt attorney's recommended ordinance Prohibiting Extraction of Tetrahydrocannabinol ("Thc") or any Cannabinoid by Use of Materials or Methods Deemed Dangerous to Public Health and Safety, Unless Otherwise Permitted by Law
- 9) Approve limited cultivation licenses in rural residential lots 20,00 square feet or greater with issuance of a conditional use permit and in compliance with Kodiak Island Borough zoning requirements
- 10) Approve manufacturing facilities within the City of Kodiak
- 11) Approve manufacturing facilities in industry, light industry, and both business and business retail districts with a conditional use permit

- 12) Allow testing facilities in industrial, light industrial, business, and residential areas with a conditional use permit
- 13) Assess a local marijuana entity application fee, licensing fee, and sales tax

On November 10, 2016, Council postponed the motion to accept the 13 recommendations from the City Marijuana Advisory Special Committee until they could have a special meeting to discuss the recommendations in detail.



Marijuana in the City of Kodiak

“A whole new world”

Background and Timeline:

- November 4, 2014- Ballot Measure 2 (“an act to tax and regulate the production, sale and use of Marijuana”) was approved statewide by voters.
- May 26, 2016- City Council passed an ordinance to prohibit Marijuana establishments within the City for 6 months (effective July 1, 2016) and established a special Marijuana advisory committee.
- June 27, 2016- City Marijuana Advisory Committee had their first meeting and the 6 month timeline began.

Meeting Overview:

- First Meeting: City Marijuana Advisory Committee (“MAC”) discussed future items for discussion.
- Second Meeting: City MAC discussed Zoning for cultivation facilities, regulatory compliance and personal growing.
- Third Meeting: Community Development Director, Sara Mason discussed zoning areas within City feasible for cultivation facilities. Testing and retail stores were also discussed.
- Fourth Meeting: Received memo from attorney, Katie Davies, regarding testing facilities. Further discussion on manufacturing facility.
- Fifth Meeting: Limited Cultivation License and Retail Store.
- Sixth Meeting: Received a presentation on testing, taxation and application fees.
- Seventh Meeting: Began formulating regulations for City Council.
- Eighth Meeting: KIB Marijuana Task Force and City MAC received presentation from Fairbanks North Star Borough Community Planning Director.
- Ninth Meeting: City MAC discussed cultivation limited license in residential areas. Manufacturing edibles/ concentrates, testing and economic impact. MAC also passed 2 ordinances formulated by City attorneys:
 - Ordinance Designating City Council as Regulatory Authority
 - Ordinance Prohibiting Extraction of Tetrahydrocannabinol (“Thc”) or any Cannabinoid by Use of Materials or Methods Deemed Dangerous to Public Health and Safety, Unless Otherwise Permitted by Law

City Marijuana Advisory Council Recommendations

Cultivation:

1. Personal growing of Marijuana adhere to State of Alaska laws.
2. 500 ft. regulation within City limits for cultivation facilities be established.
3. Commercial growing is regulated within city limits to Industrial, Light Industrial, Business and Business Retail zones.
4. Allow Limited Cultivation Licenses within Rural Residential (RR) areas of lots 20,000 feet or greater with a Conditional Use Permit (CUP) and with compliance of the KIB zoning requirements.

Manufacturing:

Thorough discussion occurred among the advisory board at our last meeting about the following:

1. Recommends manufacturing facilities within City limits and to allow in Industrial, Light Industrial, Business, and Business Retail with a Conditional Use Permit (CUP). Zoning parameters of manufacturing facility - dependent on KIB zoning.
2. Edibles, whether it should be prohibited for sale

Note: Edibles are a big part of the industry. If edibles are eliminated should other forms of Marijuana such as tinctures, shatter, wax, and oils be prohibited?

Edibles:



Testing:

1. City MAC recommends to allow testing facilities in the Industrial, Light Industrial, Business, and residential areas with a Conditional Use Permit (CUP).

Retail:

- 1. 500 foot regulation within City limits for retail stores.**
 - a. Retail facilities must be outside the 500 foot parameter of schools, churches, recreation/ youth centers, and correctional facilities.**
- 2. Retail establishments are to be within Light Industrial, Industrial, Business, and Business Retail zones.**
- 3. Retail stores within city limits comply with State Laws.**

Economic Impact and Taxation

City MAC recommends adopting a local Marijuana Application Fee, License Fee, and Sales Tax.

Note: Specifics of each where not finalized.

Notes:

City MAC has one more meeting before the City's 6 month opt out option comes to an end. Feedback from the Council regarding the City MAC recommendations will be discussed if provided.

This is a whole new world for many and we look forward to learning new things as this industry establishes itself in the City of Kodiak.

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Introduced by: Borough Manager
Requested by: Borough Assembly
Drafted by: Special Projects Support
Introduced: 10/06/2016
Postponed: 10/06/2016
Postponed: 10/20/2016
Amended: 10/27/2016
Adopted: 10/27/2016

**KODIAK ISLAND BOROUGH
RESOLUTION NO. FY2017-13**

**A RESOLUTION OF THE ASSEMBLY OF THE KODIAK ISLAND
BOROUGH ADOPTING A STATE LEGISLATIVE CAPITAL
IMPROVEMENT PROJECTS PRIORITY LIST FOR THE 2017
LEGISLATIVE SESSION**

WHEREAS, the Kodiak Island Borough represents approximately 14,000 residents of the Kodiak Island Archipelago living in six incorporated cities and one community governed by a tribal council government; and

WHEREAS, a Borough-wide capital improvement program has been adopted by the Kodiak Island Borough Planning & Zoning Commission which identifies major needs of the island community for the next five years; and

WHEREAS, the Kodiak Island Borough Assembly has identified major projects to submit to the Alaska Governor and State Legislative Delegation for funding consideration;

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KODIAK ISLAND BOROUGH THAT:

Section 1: The Kodiak Island Borough’s State Legislative capital improvement project priorities for the 2017 legislative session are as follows:

- 1. M/V Tustumena Replacement Vessel Construction**
Estimated Project Cost \$238,000,000

The M/V Tustumena was built in 1964 and serves the communities of South Central, Kodiak Island and Southwest Alaska. It is one of two ocean class vessels in the Alaska Marine Highway System (AMHS) fleet. Because of its size and design, it is the only AMHS vessel that is capable of serving all 13 ports of call between Homer and Unalaska. Retiring and replacing the M/V Tustumena with a vessel that is equally, if not more, versatile and seaworthy will provide reliable marine transportation service well into the future for the communities, residents and businesses in South Central, Kodiak Island and Southwest Alaska (from the Alaska Marine Highway System website).

The M/V Tustumena is an essential service to the communities of Kodiak Island. As such, the Kodiak Island Borough is requesting that the legislature concur with the funding plan for the construction of the replacement vessel as described in the 2016-2019 STIP Amendment 1.

52 **2. Safe Pathways to Schools**

53

54 **A. Safe Pedestrian Access to Kodiak Schools**

55 Estimated Project Cost \$1,300,000

56 State Funding Request \$1,300,000

57

58 Poor visibility of crosswalks in school zones is a safety hazard! Local weather and
59 traffic degrade the paint on crosswalks; and pedestrians waiting to cross are often
60 difficult to see due to the long season of dark days, inclement weather, and busy traffic
61 at popular intersections.

62

63 Rezanof Drive is a state owned roadway and is the main road through the City of
64 Kodiak. Pedestrians needing to cross this road to access schools that include Kodiak
65 Middle School, Main Elementary School, East Elementary School and Kodiak College
66 must wait for a break in traffic or for motorists to notice their intent to cross and stop to
67 allow the crossing. The Kodiak Island Borough is requesting funding for AKDOT to
68 purchase and install lighted automated crosswalks at intersections of Rezanof Drive
69 and Powell Street, and Rezanof Drive and Benny Benson Street to increase
70 pedestrian safety near schools located along Rezanof Drive.

71

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73 **B. Safe Pathways to North Star Elementary School**

74 Estimated Project Cost \$1,500,000

75 State Funding Request \$1,500,000

76

77 Northstar Elementary School is located on a hill amongst several residential
78 neighborhoods. Many roads connecting those neighborhoods around the school are
79 narrow, steep, and winding dirt roads without sidewalks or separated pathways to
80 keep pedestrians safe from vehicular traffic. The Kodiak Safe Routes to Schools Plan
81 (2013) describes a need for separated pathways or trails to connect the residential
82 neighborhoods to the school.

83

84 **C. East Elementary Traffic Flow Improvements**

85 Estimated Project Cost \$2,000,000

86 State Funding Request \$2,000,000

87

88 There is a safety issue in the East Elementary School parking lot. The school was
89 constructed in 1966 with a substantial addition in 1988. The facility now totals 39,842
90 square feet with twenty-five teaching stations. Since the expansion, increased traffic
91 flows have created dangerous vehicle/student hazards when students are entering
92 and leaving school. Reconfiguration of the parking area will reduce risks by providing
93 for a safer separation of pedestrians, small vehicle traffic and bus loading/unloading.
94 The project will require an increase in the total area of the parking lot to allow
95 adequate parking to support increased building usage and occupant load.

96

97	3. Drainage Improvements to the Chiniak Highway at Sargent Creek	
98	Estimated Project Cost	\$54,000
99	State Funding Request	\$54,000

100
 101 Heavy rains along with high tides consistently cause Sargent Creek to flood and diverge
 102 from its channel. This causes flooding at the intersection of the Chiniak Highway and
 103 Sargent Creek Road. Recent heavy rain events have necessitated intermittent closure of
 104 the intersection due to water on the roadway deep enough to disable vehicle engines.
 105 This intersection is the only roadway in and out of Bells Flats subdivision. The flooding
 106 occurring here impedes safe travel and often leaves motorists stranded and unable to
 107 reach homes or critical services located in town.

108
 109 This request is to provide the DOT in Kodiak funding to construct spot improvements for
 110 bank stabilization, armoring, and rechanneling as needed to keep the Sargent Creek in its
 111 channel and stop the flooding of the roadway.

112		
113	4. Anton Larsen Bay Road Extension to Ice Free Water	
114	Estimated Project Cost	\$8,450,000
115	Funding Acquired	450,000
116	State Funding Request	\$8,000,000

117
 118 An extension of the Anton Larsen Bay Road to ice free waters will provide year around
 119 access to communities located in the Kupreanof Strait as well as those who use the
 120 island's west side for commercial and recreational purposes. Many times during the year
 121 travel by vessel to and from Kodiak is treacherous. Extending the road to ice free waters
 122 makes traveling safer, and provides safer access to critical services located in the City of
 123 Kodiak including hospitals and businesses. This route was identified in the Kodiak
 124 Transportation Plan as an important upland facility.

125
 126 The Ouzinkie Native Corporation subsidiary, Spruce Island Development Corporation
 127 (SIDCO) received a \$450,000 legislative grant for planning and design to construct two
 128 miles of gravel road extending the Anton Larsen Road and to construct a parking area and
 129 boat launch ramp at the road's termination, a beach near Crag Point.

130
 131 Funding is requested to the Department of Transportation and Public Facilities for
 132 construction of this road as it is an extension of an existing state roadway. The land
 133 owner, Ouzinkie Native Corporation, has agreed to donate ownership of the road right-of-
 134 way to the State when construction funding is obtained.

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137	5. Monashka Bay Water and Sewer Project: Feasibility, Planning and Design	
138	Estimated Project Cost	\$500,000
139	State Funding Request	\$500,000

140
 141 There are 256 residential parcels that lie outside the reach of the existing sanitary sewer
 142 and public water utilities in the Monashka Bay area. The soil and topography in this area
 143 are not ideal for septic systems and many are failing. The construction of a wastewater
 144 treatment facility at the Kodiak landfill provides an option for future expansion that could
 145 include sanitary sewer treatment for the residents of this area. Water in this neighborhood
 146 is provided by wells, cisterns and frequently by tank from a distant public source. Water
 147 quality and quantity are questionable in the Monashka Bay neighborhood. Extension of
 148 water service from the City of Kodiak will be needed. A feasibility study, planning and
 149 design is the first step in providing water and sewer services to the residents of the
 150 Monashka Bay area.

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6. Traffic Safety Lighting between Kodiak City Limits and Benny Benson State Airport

Estimated Project Cost	\$5,500,000
State funding request:	\$5,500,000

This request is to provide funding to the Department of Transportation for planning and design, and development of a plan of prioritized phased construction for the installation of street lighting along Rezanof Drive between the City of Kodiak and the Benny Benson State Airport. This section of roadway is approximately five miles of dark two lane road with an average speed limit of 45 miles per hour. It is a heavily travelled stretch of road used by those going to and from the state airport, working on the United States Coast Guard Base and commuting between outlying communities and the City of Kodiak.

Section 2: The Kodiak Island Borough administration is hereby instructed to advise our State of Alaska Governor and Legislative Delegation of the Capital Improvement Projects Priority List adopted by the Kodiak Island Borough Assembly.

**ADOPTED BY THE ASSEMBLY OF THE KODIAK ISLAND BOROUGH
THIS TWENTY SEVENTH DAY OF OCTOBER, 2016**

KODIAK ISLAND BOROUGH

ATTEST:

Daniel Rohrer, Borough Mayor

Nova M. Javier MMC, Borough Clerk

**CITY OF KODIAK
RESOLUTION NUMBER 2016-42(SUB)**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK ADOPTING
A FY2018 STATE CAPITAL IMPROVEMENT PROGRAM LIST**

WHEREAS, the City of Kodiak uses a Capital Improvements Program planning process to identify the capital improvement project needs of the community; and

WHEREAS, this identification and planning process plays a vital role in directing the City's administration and is utilized as a long-range planning and policy setting tool for City infrastructure maintenance and enhancement; and

WHEREAS, the City of Kodiak is committed to paying its way to the greatest extent possible, but the cost of some of the City's capital project needs are greater than the resources available locally; and

WHEREAS, the Kodiak City Council has identified and prioritized capital improvement projects for submission to the Alaska State Legislature and Governor for funding consideration due to their significance and/or magnitude; and

WHEREAS, the National Marine Fisheries Service identified Kodiak as the second largest commercial fishing port in the United States in terms of volume and third largest in terms of value of product landed in their most recent national report, and the City requires a large infrastructure to support this commercial activity; and

WHEREAS, the City of Kodiak relies upon the State of Alaska's legislative and matching grant programs and revenue sharing to continue to keep its economy strong.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, that the following infrastructure replacement/improvement projects and issues are considered of primary importance and are hereby adopted as the City of Kodiak's FY2018 State capital improvement project and issues list:

1. New Fire Station, Phase II \$ 4,000,000

The City of Kodiak identified the need to replace its fire station and has been working toward a replacement plan since 2004. The building has clearly outlived its design life. The building is composed of three structures and sits on a site that is currently very limited. The structure is built of cement block type construction built in the 1940s with two block and wood frame additions added in the 1960s and 1975. The structure poses a significant risk of failure in a seismic event. Cracks in the walls and initial separation of one of the additions from the rest of the structure occurred following the large 7+ earthquake in 2016. It has ongoing plumbing, drainage, and water infiltration issues. The facility houses fire and rescue apparatus, three ambulances, and many types of specialty equipment and medical supplies that support the Advanced Life Support services offered to the entire Kodiak area well beyond the City

boundaries. The building condition poses constant challenges and problems to the crews who work and live in the structure. Work to replace this building must continue because it is a key emergency response and life-safety facility for Kodiak and continues to require constant maintenance.

The City proposes completion of the project in three phases. Phase I of this project with a budget of \$1,110,000 and funded by the City was used to study the site, which was determined to be the best site for a new facility once a derelict building is removed. It includes the removal of the old building, site grading, and other work following the demolition of the old building. Phase II would include a site preparation package completed prior to building construction, would make the project more affordable to do in phases, would reduce the impact to the active fire station, and benefit the transition to a new building. It would include design, re-routing of underground utilities, and provide a graded pad for temporary facilities and emergency services equipment. Phase II would total \$4,000,000 and be constructed with the building design anticipated for FY 2018. The remainder, an estimated \$10,000,000, would be required to complete construction and furnish the facility.

The City of Kodiak is requesting funding for Phase II of the New Fire Station project from the State in an amount of \$4,000,000 to ensure the project continues to move forward. This project may also be suitable for a GO Bond package in the event the legislature pursues bonds as a capital budget financing mechanism.

2. Community Assistance Program

As the cost of providing governmental services rise, the City of Kodiak must rely on and use all sources of revenue carefully to meet its obligations. The City received \$249,981 in revenue sharing this year, a substantial drop from the \$377,926 in FY2016. The City urges the State to continue to provide revenue sharing to local governments through this program.

3. Shelikof Street Bulkhead Parking \$1,100,000

In 2009, the City identified the need for pedestrian improvements from Pier II to downtown Kodiak as the preferred pedestrian route for cruise ship passengers to safely walk the street into the town center and to improve facilities for local residents, workers, and businesses that use the pier, street, and access to the City’s adjacent 250 slip boat harbor. The first phase of the project, construction of an ADA accessible sidewalk, new retaining walls, improved lighting and parking, and utility work was completed in 2013. The second phase of the project will be completed by January 2017. This phase covered geotechnical investigation, design, permitting, mapping, preparation for permitting through the Army Corps of Engineers, and completion of the design to accommodate a 30 space bulkhead parking area on the south side of Shelikof Street adjacent to St. Paul Harbor. The roadway area adjacent to the proposed bulkhead parking is highly congested. Due to lack of adequate parking, vehicles block walkways, equipment operates in the ROW, and access to businesses is often blocked, forcing pedestrians into the roadway. Construction of additional off-road parking will direct pedestrian traffic out of the congested roadway. The net increase in parking will benefit

harbor users and retail businesses along Shelikof Street. It will provide improved and safer pedestrian access from Marine Way to the fish processors in the immediate area. The task for this phase will be to complete construction of the bulkhead parking area, including curb and gutter, paving, lighting, and utility relocates.

The City of Kodiak is requesting state funding assistance for the final construction of this project, including administration, in the amount of \$1,100,000 to enhance pedestrian and vehicle safety. Funds are requested through the Cruise Ship Excise Tax program or through a legislative grant. This project may also be suitable for a GO Bond package in the event the legislature pursues bonds as a capital budget financing mechanism.



CITY OF KODIAK

A handwritten signature in blue ink, which appears to read "Pat Bran", is written over a horizontal line.

MAYOR

ATTEST:

A handwritten signature in blue ink, which appears to read "Debra Mankin", is written over a horizontal line.
CITY CLERK

Adopted: December 8, 2016

