

KODIAK CITY COUNCIL

WORK SESSION AGENDA

Tuesday, February 7, 2017
Kodiak Public Library Multi-Purpose Room
7:30 p.m.

Work sessions are informal meetings of the City Council where Councilmembers review the upcoming regular meeting agenda packet and seek or receive information from staff. Although additional items not listed on the work session agenda are sometimes discussed when introduced by the Mayor, Council, or staff, no formal action is taken at work sessions and items that require formal Council action are placed on a regular 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 City Council meeting.

Discussion Items

1. Public Comments (limited to 3 minutes)
2. Building Code Board of Appeals Applicant Interview1
3. Review FY2018 Revenue Projections PowerPoint
4. Review Draft Federal CIP List3
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6. Discuss Status of Building Services MOA19
7. Discuss Cancelling March 9 Regular Meeting
8. Elected Officials Training/Travel Requests
9. February 9, 2017, Agenda Packet Review

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City Clerk's Office
 710 Mill Bay Road, Rm 219
 Kodiak, AK 99615
 (907) 486-8636 • (907) 486-8633 (fax)



Advisory Board Application Form

CHRIS SIRREL

NAME

760-977-8277
 HOME TELEPHONE

907-942-1997
 WORK TELEPHONE

FAX

chris.sirrel@yachon.com
 EMAIL

12516 NOCH DR
 RESIDENCE (STREET) ADDRESS

SAME
 MAILING ADDRESS

KODIAK, AK 99615

34
 LENGTH OF RESIDENCE IN KODIAK

34
 LENGTH OF RESIDENCE IN ALASKA

**Are you a registered voter in the City of Kodiak?
 Do you own property in the City of Kodiak?**

Yes No WOMENS BAY
 Yes No

**On which boards are you interested in serving?
 (Please list in order of preference)**

**Please list your areas of expertise and education that
 would benefit the boards for which you are applying.**

City Building Code Board
 of Appeals

BUILT HOUSES / COMMERCIAL
 CONSTRUCTION FOR 20 YEARS.
 MECHANICAL ENGINEER, PROFESSIONAL
 ENGINEER, SIGMANT OPERATIONS MGR - PSCA

Community Activities: KODIAK
 MASONS

Professional Activities: PLANNER -
 ESTIMATOR FOR FRIEND
 CONTRACTORS LLC

[Signature]
 SIGNATURE

1/11/17
 DATE

Return application to City Clerk, 710 Mill Bay Road, Room 219, Kodiak, AK 99615
 Fax 486-8633



Office of the City Clerk

710 Mill Bay Road, Room 219, Kodiak, Alaska 99615

BUILDING CODE BOARD OF APPEALS

Five seats

TERM	BOARDMEMBER	HOME	WORK	FAX	MAILING ADDRESS
2018	John Butler JBHJS@PTIALASKA.NET	486-4604	486-3706	486-2497	P.O. Box 2610
2018	Ed Mahoney builders@ptialaska.net	486-1968	539-1234		3944 Spruce Cape Road
2018	Vacant				
2019	Jerrol Friend	539-1975	486-3908		P.O. Box 175
2019	Vacant				

Legislation	Appointments
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Kodiak City Code Chapter 14.40

10/25/84	01/23/86	02/12/87
01/08/87	12/14/87	12/12/88
01/26/89	01/11/90	12/14/90
01/09/92	01/14/93	01/27/94
12/22/94	12/14/95	12/12/96
03/27/97	12/11/97	12/10/98
02/10/00	05/24/01	12/13/01
01/23/03	01/13/05	12/15/05
12/13/07	02/28/08	12/11/09
12/9/10	2/23/12	12/13/12
2/13/14	12/10/15	1/12/17

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**CITY OF KODIAK
RESOLUTION NUMBER 2017–xx**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK ADOPTING
THE FEDERAL FISCAL YEAR 2017 FEDERAL CAPITAL NEEDS AND ISSUES LIST**

WHEREAS, the City of Kodiak uses a Capital Improvements Program planning process to identify the capital 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 resources available locally; and

WHEREAS, Kodiak City Council has identified capital project needs for submission to the Alaska Congressional Delegation for funding consideration due to their significance and/or magnitude; and

WHEREAS, changes may be required as to how capital funding contributions for smaller communities like Kodiak, Alaska can be made at the Federal level; and

WHEREAS, the City of Kodiak faces several issues generated by Federal legislation or rulemaking that are of importance to the City of Kodiak, Alaska, and which may adversely impact life in Kodiak by placing undue burdens on those who work and live in the community.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, that the following projects and issues are high priorities for the community and are hereby adopted as the City of Kodiak Federal Fiscal Year 2017 prioritized federal capital project and issues list:

Fire Station Phase II \$1,000,000

The City of Kodiak identified the need to replace its fire station and has been working toward a replacement plan since 2004. The City of Kodiak's Fire Department is a paid department that serves both the City residents, and those who live and have businesses in mutual aid response districts. The services provided include 2 commercial boat harbors containing 600 slips and vessels, the island fish processing plants which are heavily dependent upon safety inspections and response equipment from the firefighters and emergency medical technicians. The Kodiak City fire station 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 with some wood frame additions. 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. Recent draft tsunami modeling also suggests the fire station could be in the proposed inundation zone. 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.

Phase I of this project with a budget of \$1,110,000 and funded by the City is used to study the site, including the removal of an adjacent building, site grading, and other work. The City is requesting funding from the federal government to assist with Phase II of the project which includes site selection and design of the new facility. The remainder, an estimated \$10,000,000, would be required to complete construction and furnish the facility as funds are available.

Shelikof Street \$950,000

In 2009, the City identified the need for pedestrian improvements from Pier II to downtown Kodiak to more safely accommodate pedestrian traffic and to improve facilities for local residents, workers, and businesses that use the pier, street, and access to the City's adjacent St. Paul 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 City is planning for and preparing the permitting and design of the next parking improvement phase of this project, which is to construct 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 dangerously 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. Associated tasks for this phase of the project include geotechnical investigation, design, permitting, mapping, construction, improved lighting, and utility relocates. In May of 2016 the City authorized a cooperative agreement with the Sun'aq Tribe of Kodiak at their request to include this street into their Bureau of Indian Affairs Tribal Transportation Program. The City of Kodiak is requesting federal funding in the amount of \$950,000 to assist with the cost of permitting and construction of the bulkhead parking project to enhance pedestrian and vehicle safety.

St. Herman Harbor Infrastructure Replacement Study \$1,000,000

The economy of the City of Kodiak is based upon commercial fishing including local, state and federal governmental activities associated with support of the fisheries as well as research and enforcement activities. Each year Kodiak ranks as a top commercial fishing port. In 2015, NOAA statistics again put Kodiak as the second largest commercial fishing port in the United States in terms of volume and third in terms of value. This activity requires an infrastructure from potable water, electrical systems, and harbor and dock infrastructure that is much larger than its population might suggest.

The Kodiak Harbor Department relies on the generation of user fees and the State of Alaska's Harbor Facilities Grant Program to help match municipal costs for dock replacements. The City's request of federal funding assistance in the amount of \$1,000,000 would help the City develop a plan for replacement of this aging infrastructure which supports the nations scientific and food source needs.

Waste Water Treatment Plant Facility \$ 1,000,000

This is the first phase of a larger project, to evaluate the condition of the Waste Water Treatment Plant facility (WWTP) and design a necessary upgrade to the City of Kodiak facility. The prior upgrade to the facility was in 1999. This funding request would allow necessary time to pursue additional Municipal, Federal and State funding sources critical to the upgrade. The condition and evaluation assessment will include all major components such as the building and aeration basins; including equipment replacement needs. APDES permitting requirements will also be considered during this assessment. The City of Kodiak is requesting federal funding in the amount of \$1,000,000 to initiate the first phase of the project that will help support the wastewater needs of the community.

1. EPA's "Waters of the U.S." Rule

The Environmental Protection Agency and the U.S. Army Corps of Engineers is moving forward with a proposed "Waters of the United States" rule that would expand Federal permitting and other requirements to many waters currently regulated by State and Local governments. The proposed rule would also apply to private landowners. The key change being proposed would expand Clean Water Act coverage to "other waters" where there is a "significant nexus" to currently covered interstate waters, territorial seas and navigable waterways. That determination is meant to be "case-specific" but has not been fully defined and the concern is that "significant nexus" could be interpreted to include floodplains, certain man-made waterways and ditches, and self-contained water bodies such as ponds or temporary/isolated wetlands. Under this model, Alaska's extensive acreage of wetlands would likely mean that wetlands and other water bodies, including small streams and tributaries, that are seemingly isolated and geographically far removed from any current CWA-covered waterway would fall under the new definition. The City of Kodiak feels that the proposed rule would add extra layers of bureaucracy to the efforts of Kodiak citizens to use their land and for the City to engage in future public works projects. The City is requesting that the Alaska Delegation support legislative initiatives to curtail this proposed rule.

2. EPA's Fishing Vessel Discharge Rule

EPA has promulgated two rules to require commercial fishermen to obtain Clean Water Act incidental discharge permits as a condition for operating both small and large fishing vessels. The permits would cover ballast water, fish hold water, anchor chain mud, deck wash/runoff, bilge pump discharge, gray or "stick" water, laundry, shower, and galley sink water. The permits require burdensome reporting, monitoring, inspections and compliance activities – all subject to heavy fines and citizen lawsuits under the Clean Water Act for what seems to be minimal environmental protection. The Congress has imposed a three year moratorium preventing EPA from implementing the Small Vessel General Permit Rule and the Vessel General Permit Rule.

Efforts are underway within the Congress to make the moratorium permanent. The City of Kodiak is requesting that the Alaska Delegation actively support a permanent moratorium.

CITY OF KODIAK

ATTEST:

MAYOR

CITY CLERK

Adopted:

DRAFT

**CITY OF KODIAK
RESOLUTION NUMBER 2016-08**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK ADOPTING
THE FEDERAL FISCAL YEAR 2016 FEDERAL CAPITAL NEEDS AND ISSUES LIST**

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

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WHEREAS, changes may be required as to how capital funding contributions for smaller communities like Kodiak, Alaska can be made at the Federal level; and

WHEREAS, the City of Kodiak faces several issues generated by Federal legislation or rulemaking that are of importance to the City of Kodiak, Alaska, and which may adversely impact life in Kodiak by placing undue burdens on those who work and live in the community.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, that the following projects and issues are high priorities for the community and are hereby adopted as the City of Kodiak Federal Fiscal Year 2016 prioritized federal capital project and issues list:

1. Community Roads and Pedestrian Improvements

The City of Kodiak is faced with a number of pressing infrastructure replacement and improvement projects that remain unfunded. The City is seeking funding for the critically needed rehabilitation of the Mill Bay Road, the major arterial road providing access to Kodiak's business district (\$3,500,000); the construction of parking areas to increase pedestrian safety and reduce congestion along Shelikof Street (\$1,565,000); and pedestrian and roadway improvements on the Kodiak waterfront to accommodate cruise ship passengers and local residents who are walking near the seafood plants and Kodiak's working piers (\$1,100,000). In prior years, the City has been able to seek a federal contribution to community road projects through a High Priority Project designation in legislation reauthorizing the Federal Highway Trust Fund ("Highway Bill"). The Congress has suspended this practice. The allocation of funds to the states has been curtailed due to the shortfall in federal gas tax revenues which make up the

Federal Highway Trust Fund. The State of Alaska's worsening revenue deficit has exacerbated the shortfall, reducing state funds available to communities to repair their roads and provide for pedestrian access. The City of Kodiak is requesting the Alaska Delegation's assistance in advocating for some minimum guarantee of Federal Highway Trust Fund revenue to be dedicated to road infrastructure owned by local governments, or an increase in the allocation to the Transportation Alternatives Program of funds for pedestrian improvements.

2. Karluk Lake Enrichment Project

The Karluk Lake system, on the west side of Kodiak Island, is the largest producer of sockeye salmon in the Kodiak area, and supports a large portion of the area's commercial and subsistence sockeye fisheries. Since 2007, returns of adult sockeye to the Karluk system were extremely poor for a number of years. In order to bring the Karluk Lake ecosystem back to its earlier, higher level of production, the Kodiak Regional Aquaculture Association (KRAA) proposed to apply nutrients over the course of up to five years. This lake enrichment project follows established protocols for rehabilitating sockeye salmon rearing environments. Since Karluk Lake is within the Kodiak National Wildlife Refuge and a pre-statehood withdrawal, however, the Fish and Wildlife Service decided to perform a compatibility review and an environmental assessment. This process took over three years. Despite strong support from the Alaska Congressional Delegation and local residents and groups, the FWS completed its environmental assessment in January and selected the No Action alternative. The agency did not issue a compatibility decision, stating that sockeye salmon stocks within the Karluk system are within their historic levels.

While the Karluk Lake sockeye returns have improved since 2007, there remains a possibility that run trends can reverse and create hardship for local fisheries. The KRAA has been informed by FWS that the Environmental Assessment action alternative could be reconsidered if lake conditions deteriorate and the sockeye returns collapse again. The agency decided, however, not to make a compatibility determination. This is the key policy decision surrounding the proposal to add nutrients to Karluk Lake in the event of a collapse. Revisiting the issue could take two or more years if FWS has to engage in both an EA and compatibility review, thereby hampering KRAA's ability to respond quickly to changes in the productivity of the lake system. The City of Kodiak therefore is requesting support from the Alaska Congressional Delegation to advocate for a compatibility decision to resolve the policy question in advance of any sudden change in circumstances.

3. Impact of Sea Lions on Ferry Terminal Dock

The State of Alaska has allocated funding to engage in a major project involving the City of Kodiak's Pier 1. The project began in October, 2014, but was suspended in November, 2014 over concerns about Stellar sea lions. The National Marine Fisheries Service required a 350 meter radius exclusion area as a permit condition for the project. Under this permit condition, work must stop each time a marine mammal enters the 350 meter radius. The State decided to suspend the project and seek a permit modification to allow for continuation of work when marine mammals enter the exclusion area. This was issued on September 30, 2015, forcing a one-year delay in the project. The Incidental Harassment Authority issued to the State by NMFS continues to require exclusion zones (350 meters for pile driving and 1150 meters for vibratory/extraction activities). The State is also required to fund marine mammal observers while these activities are underway. In 2014, the City of Sand Point faced a similar permit condition for the construction of docks and floats within its new harbor. This has become a recurring problem throughout coastal Alaska because the sea lions are following the fishing fleet back to the shore

facilities. It is costing major delays in important harbor infrastructure projects and hundreds of thousands of additional dollars in project costs without any finding that the construction projects are actually harming Stellar sea lions. The City of Kodiak continues to believe that the Marine Mammal Protection Act should be amended to allow communities greater flexibility to conduct marine infrastructure projects.


4. EPA’s “Waters of the U.S.” Rule

The Environmental Protection Agency and the U.S. Army Corps of Engineers is moving forward with a proposed “Waters of the United States” rule that would expand Federal permitting and other requirements to many waters currently regulated by State and Local governments. The proposed rule would also apply to private landowners. The key change being proposed would expand Clean Water Act coverage to “other waters” where there is a “significant nexus” to currently covered interstate waters, territorial seas and navigable waterways. That determination is meant to be “case-specific” but has not been fully defined and the concern is that “significant nexus” could be interpreted to include floodplains, certain man-made waterways and ditches, and self-contained water bodies such as ponds or temporary/isolated wetlands. Under this model, Alaska’s extensive acreage of wetlands would likely mean that wetlands and other water bodies, including small streams and tributaries, that are seemingly isolated and geographically far removed from any current CWA-covered waterway would fall under the new definition. The City of Kodiak feels that the proposed rule would add extra layers of bureaucracy to the efforts of Kodiak citizens to use their land and for the City to engage in future public works projects. The City is requesting that the Alaska Delegation support legislative initiatives to curtail this proposed rule.

5. EPA’s Fishing Vessel Discharge Rule

EPA has promulgated two rules to require commercial fishermen to obtain Clean Water Act incidental discharge permits as a condition for operating both small and large fishing vessels. The permits would cover ballast water, fish hold water, anchor chain mud, deck wash/runoff, bilge pump discharge, gray or “stick” water, laundry, shower, and galley sink water. The permits require burdensome reporting, monitoring, inspections and compliance activities – all subject to heavy fines and citizen lawsuits under the Clean Water Act for what seems to be minimal environmental protection. The Congress has imposed a three year moratorium preventing EPA from implementing the Small Vessel General Permit Rule and the Vessel General Permit Rule. Efforts are underway within the Congress to make the moratorium permanent. The City of Kodiak is requesting that the Alaska Delegation actively support a permanent moratorium.

CITY OF KODIAK


MAYOR

ATTEST:




CITY CLERK

Adopted: February 11, 2016

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A³ Consulting, Creativity, and Communications

5665 Sapphire Loop
Anchorage, Alaska 99504
(907) 230-2284
wayers@gci.net

January 20, 2017

Aimée Kniazowski, City Manager
City of Kodiak
710 Mill Bay Road
Kodiak, Alaska 99615

Re: Draft report and follow-up

Aimée:

Thank you for the opportunity to work with the City of Kodiak to define the path forward for its economic development efforts.

I have attached a draft report as well as the “Organizing for Economic Development” handout that was discussed with the Council at its January 10 work session. Please review the report and let me know if there are any issues or oversights. I can make final edits and revisions prior to submitting for council review.

If the City of Kodiak would like me to continue with implementing the recommendations contained in the draft report, I would welcome the opportunity. I believe a budget of \$5,000 per month would cover consulting services to facilitate and implement the program as described. Travel, additional contracted services, and materials would be billed at cost.

Depending on the final program of work, I would anticipate contracted services for web site development and possibly usage fees for photography. If the engagement were confined to the remainder of this fiscal year, I would anticipate no more than two trips to Kodiak of 2 – 3 days each.

Given the scheduling challenges of various fisheries and other seasonal activities, I recommend doing the business climate survey first. Once that is complete, convene the Economic Development Workgroup to reflect on and assess the findings.

- more -

I enjoyed discussing the community with each council member and am grateful for the opportunity to visit Kodiak again after far too long an absence. Thank you again for the opportunity to work with the City of Kodiak.

Sincerely,

A handwritten signature in blue ink, appearing to read "Wanetta Ayers", with a long horizontal flourish extending to the right.

Wanetta Ayers

Enclosures: Draft Economic Development Recommendations
Organizing for Economic Development
Invoice

Organizing for Economic Development

	Public Economic Development Organizations	Private Economic Development Organizations	Public-Private Economic Development Organizations
Form	<ul style="list-style-type: none"> • Independent Agencies • Government Department • Part of one or more department • Part of Mayor or Manager's office 	<ul style="list-style-type: none"> • Chambers of Commerce • Community Development Corporations • Community Development Financial Institutions 	<ul style="list-style-type: none"> • Unincorporated committee • Incorporated 501 (c) 6 nonprofit
Function(s)	<ul style="list-style-type: none"> • Permitting • Special improvement districts • Business incentives – tax and nontax 	<ul style="list-style-type: none"> • Business Advocacy • Regulatory Reform • Workforce Development • Marketing and Business Attraction • Specialty Lending 	<ul style="list-style-type: none"> • Policy and planning functions • Finance, development, and information functions
Advantages	<ul style="list-style-type: none"> • Can access public financing/leverage • Can exercise government powers to facilitate ED • Can access other public resources such as planning, research, public works 	<ul style="list-style-type: none"> • Administrative and financial efficiency • Quick decisions • Narrow constituency 	<ul style="list-style-type: none"> • Less likely to be highly politicized • Greater freedom in hiring and compensation • Less red tape and lag time in decisions and projects • Can serve as neutral third-party • Can become self-sustaining in larger markets
Disadvantages	<ul style="list-style-type: none"> • Effort limited to jurisdiction • Municipal debt limitations may restrict effort • Limits on lending money and profit-making • Turnover in leadership 	<ul style="list-style-type: none"> • Lack municipal powers • May lack broad-based public support • ED may not be sole focus 	<ul style="list-style-type: none"> • Less public control and accountability • Risk of losing public goodwill if actions are not representative or alienating • Limited accountability can
Example	Alaska Industrial Development and Export Authority – an enterprise corporation of the State of Alaska	Prior joint effort by COK and KIB with Kodiak Chamber of Commerce as contractor	Anchorage, Fairbanks, Juneau, and Sitka Economic Development Councils* *sort of

Excerpted from the International Economic Development Council's Introduction to Economic Development manual.

City of Kodiak

Recommendations for Reestablishing an Economic Development Program

Background

The City of Kodiak seeks to re-establish a proactive economic development program. In the past, the city has partnered with the Kodiak Island Borough to fund a joint economic development effort in the form of a contract with the Kodiak Chamber of Commerce. That effort was suspended in 2013 due to lack of measurable outcomes.

Despite the lack of a focused economic development program, the city does engage in activities that are focused on improving key traded economic sectors and the business climate. Among these efforts are the Kodiak Fisheries Workgroup: a joint effort of the city and borough to track and analyze fisheries issues as well as the potential impacts of changes or additions to regulatory and management regimes; an investment of bed tax revenues in destination marketing via the destination marketing organization (DMO) *Discover Kodiak*; ownership and operation of the Port and Harbors of Kodiak under four enterprise activities, including an evolving shipyard; and a Downtown Revitalization Committee that focuses on reducing crime, brightening the downtown area, and attracting new businesses.

The city has engaged in an active cycle of investing in community infrastructure and public services in recent years. These investments include a new public library, a new police station and jail, expansion and enhancement of public parks, and improvements to utilities.

Council members were interviewed to determine their shared interest in a renewed approach to economic development and what for that effort should take.

Council members' interests in economic development

Council members cited a growing need to focus on economic well-being for the community and its citizens as the impetus for reestablishing an economic development program. However, members also noted other conditions and issues that give rise to their sense of urgency about economic development at this time.

There was a general theme that the city has gone through an intensive cycle of investment in infrastructure and quality of life projects. There is a strong sense of pride that the quality of life in Kodiak is better than it has ever been.

As a follow-on to those efforts, council members would like to see a strong focus on retaining existing businesses and encouraging entrepreneurship and new private investment.

Council members observed that other communities, in Alaska and elsewhere, seem to be successful in pursuing economic development, specifically in generating projects that lead to economic expansion

and diversification. Council members desire a proactive economic development program in order to remain competitive, to optimize and leverage the city's assets, encourage private investment, and diversify the economy.

Council members noted their frustration and concern about the lack of control or influence the city has on regulatory and management regimes that impact Kodiak's fishing industry. There is a strong belief that the city needs to continue to monitor these processes and advocate for the interests of the community. Another area of concern is the state's capacity to provide timely in-season management that will allow optimization of harvesting activity. A worst-case scenario would be premature closures of pulse fisheries due to lack of capacity to interpret harvest data in a timely manner.

There is concern that competitive pressures on local businesses are changing hiring patterns and practices. Council members recognize that business must respond to these pressures. However, these decisions have consequences for the community. A proactive economic development effort should focus on creating living wage jobs that will help retain residents impacted by changing business practices.

Economic performance

Council members have a general sense that the local economy has performed well, but expressed concern about the cost of living, the availability and affordability of housing, and the cost of transportation.

Council members believe that business owners and other citizens are concerned about the economy, the state recession, and the state's unresolved fiscal crisis. These concerns may delay businesses and individuals in making investment decisions; leading to a deeper, longer recession.

Council members are concerned about the recent performance of key fisheries. In addition to poor salmon returns last year, there is concern about the North Pacific Fishery Management Council's failure to resolve Gulf of Alaska groundfish rationalization as well as other issues.

Community investments like the hospital and jail have created or retained jobs and spending on island. Citizens often do not understand the positive impacts of these investments. The city needs to communicate the broader economic value of these investments in addition to the direct impact.

Past efforts

In evaluating past economic development efforts, council members stated that the prior economic development partnership with the borough and the chamber of commerce was not successful in the years prior to its cancellation. It was widely acknowledged that the contract lacked specifics in terms of

activities or deliverables. There was also recognition that the funding was insufficient to attract and retain the right person with the right skillset. The resulting turnover in the position led to inconsistency and frequent changes in the program.

Sitka and Juneau were cited as communities that have successful local economic development efforts. There were several council members that cautioned replicating what others have done. Their preference was a unique solution that works for Kodiak.

Council members noted the ethnic, age, and gender diversity on the council as well as the community at large. Inclusive community engagement and engaging younger generations was a consistent theme across the council.

Although the city has been successful in acquiring grant funding in the past, neither the city or the borough have focused grant-seeking efforts. Council members see this as a shortcoming in developing projects and leveraging resources.

At the Council's January 10 work session, a preliminary summary of the interviews was presented. Members also reviewed typical organizational forms for economic development programs. During the interviews and in the work session, council members were skeptical of developing a program as a line position or agency within city government. There was support for an independent public-private partnership during the interviews, but also recognition that it is likely premature to establish a new organization to house the program. Additional effort in defining the program, identifying priorities, and developing performance standards is needed to ensure the success of the program.

Economic development initiatives or policies

Council members identified a variety of initiatives and policies that should be considered as part of a revived economic development program. They also described characteristics they would like to see embodied in the effort. However, there was an understanding that any revived economic development effort will need to be prioritized to focus on a few near-term projects while develop a long-term strategy and prioritized action plan.

Initiatives

- Broad partnership to address affordable housing with KIB, KIHA, AHFC, USCG, and others.
- Support existing small businesses and encourage entrepreneurial development
- Graying in place – retain aging population and attract retirees and aging parents
- Develop a long-term plan for underutilized port and harbor assets
- Develop a long-term plan for the municipal airport
- Encourage development of arts and entertainment-focused activities
- Support KANA's efforts to redevelop the former AC Store

- Capitalize on tourism awareness and Skoda Kodiak publicity; maintain authenticity
- Promote existing boatlift capacity, develop long-range boatyard plan, promote marine trades and services in Kodiak
- Promote Kodiak as a place to do business, including as a maritime service center
- Provide market data for businesses considering investment or business growth in the city
- Evaluate Kodiak's role and opportunities with regard to increased Arctic transportation

Policies

- Revise the building code
- Annexation of areas adjacent to the corporate boundaries for possible future business and housing expansion
- Consider economic development powers of local government as consideration of city/borough consolidation evolves

Characteristics

- Develop strong partnership with the borough, NGOs, tribes, and ANCs
- Seek and leverage funding from federal and private sources
- Engage businesses and citizens as part of the economic development process
- Capitalize on community pride
- Adopt and report on measurable outcomes

Most council members did not have comments or reactions to the baseline economic data provided. This is not surprising. The data provided was cursory and this engagement did not include time to provide deeper analysis. However, it does point out the need to agree on a set of economic metrics that matter. These metrics should be monitored at least biannually. By adopting this as a regular practice, the council will become more aware of economic conditions and develop ongoing insights regarding opportunities for growth.

Next steps

The council is unanimous in its desire to develop a proactive economic development program. There is also a general sense that some patience will be required to let the effort evolve toward a sustainable solution. Council members believe that contracted services will be required to continue to define and launch the program. In addition to defining short-term projects and developing a prioritized plan, the contract should include ongoing assessment of the proper organizational form for the program.

Establish an Economic Development Workgroup as an ad hoc committee to advise the council, staff, and a contractor. The workgroup could be composed on one representative each from the Fisheries Workgroup, Discover Kodiak, the Kodiak Chamber of Commerce, the Downtown Revitalization

Committee, the Port and Harbors Advisory Committee, and two members of the City Council. The workgroup would meet on a quarterly basis to review work in progress, advise the council and contractor, and evaluate future organizational forms for the program.

Identify two to three short-term projects that can be initiated quickly and completed within six months to one year. Based on the interviews and work session discussion, possible short-term projects include:

Integrated maritime service center marketing program: This effort would be to formalize ongoing activities by the harbor master and link private marine trades, and other services and resources that make Kodiak a maritime service center. It would include a web site, identification of development opportunities, and other marketing and outreach activities to promote Kodiak's working waterfront.

Economic performance dashboard: Identify a suite of economic metrics to be measured and evaluated on an ongoing basis. The dashboard will serve as the basis for briefing the council on economic and program performance. It will also provide a portal for transparency with the interested public.

Business climate survey: Analyze tenure, start-up activity, and other characteristics of local businesses. Assess the local business climate through one-on-one interviews and online surveys to establish a baseline of business owner attitudes and concerns. Develop a report to help the workgroup identify an action plan for business retention and expansion.

Develop a 5-year strategy and action plan based on an analysis of economic data and a public involvement process. The Economic Development Workgroup would vet a draft plan, consider public input, and approve a draft plan. Have the draft plan for Council review by October 2017. Administer a public comment process. Submit a revised plan for Council adoption by January 2018.

Conclusion

The Kodiak City Council supports moving forward with reestablishing a proactive economic development program. Initially, the Council believes that effort should be accomplished through contracted professional services and public involvement.

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Office of the Mayor and Council

710 Mill Bay Road, Room 219, Kodiak, Alaska 99615

December 8, 2016

To: Mayor Dan Rohrer and Kodiak Island Borough Assembly

From: Mayor Branson and City Council

The City of Kodiak is in support of extending the Building Inspection MOA with the Kodiak Island Borough. The MOA, which has been working well since 1988, is an efficient way to assure safety measures are met for Kodiak residents by enforcing Building Codes and is a cost efficient way of jointly accomplishing this task.

During the City Council's work session on December 6, 2016, the MOA was discussed in reference the KIB Ordinance FY2017-22 amending the Building Codes to readopt the 2012 Uniform Building Code for one and two family dwellings and providing for exemptions outside the City limits. This KIB ordinance is before you at your work session tonight and for a vote at your next regular meeting on December 15.

With no time in between for the City and KIB to discuss this FY2017-22 Ordinance, the City, after their discussions on December 6th work session, offer the following recommendations and concerns regarding KIB's Ordinance FY2017-22 Version 2 Section 15.10.050 Exemptions:

- The exemptions in the KIB Ordinance FY2017-22 need further clarification and definition. The City is not clear about what an exemption would entail.
- Any dwelling within 200 ft. of the City's water and sewer system be required to connect to the City's water and sewer per the KIB code and therefore require building inspection and certificate of occupancy. This is to protect the City's infrastructure and liability.
- The City's insurance carrier, Marsh and McClellan recommends the City and legal counsel prepare a disclaimer and present it to every homeowner requesting an exemption.
- Continue with the current MOA language, which requires the Borough to indemnify the City for claims arising from City inspection work outside the City limits
- The new Building Inspection MOA should continue to strive to have consistent language between the City and Borough's building codes.

- Due to liability concerns, we cannot allow the staff of our Department of Building Safety to provide any consultation or guidance in matters of construction to individuals building structures under your proposed exemptions
- Continued delay of the MOA creates liability for the City, specifically the City's deferred jurisdiction by the State Fire Marshal. The lack of a Building Inspection Program MOA with the KIB has prohibited the City from updating our deferred jurisdiction MOA with the State Fire Marshal, which was due in June 2016.

Again, the City Council is in support of continuing the Building Inspection MOA with the KIB Assembly. We feel this service has benefited the residents on the Kodiak road system for years and has provided safe structurally sound residential construction. We request the KIB Assembly and City Council have discussion prior to any adoption of an ordinance with an exemption clause in the good faith of continuing to work together and bring efficient services to Kodiak residents.

b. Termination of the Building Inspection Program MOA

On April 15, 1988, the Kodiak Island Borough and the City of Kodiak established a single program for inspection of buildings within the jurisdiction of both governments. This agreement was modified in May 1997 and stands as the MOA used today. The Borough has breached the agreement objective to ensure a consistent application of building regulations in the City of Kodiak and the Kodiak Island Borough. A vote to postpone the termination was originally made at the August 11, 2016, Council meeting.

Councilmember Walker MOVED to further postpone termination of the Building Inspection Program Memorandum of Agreement between the Kodiak Island Borough and City of Kodiak until such time as the City Manager recommends Council adopt a revised agreement that can be enforced consistently.

Councilmember Whiddon MOVED to amend the motion to further postpone termination of the Building Inspection Program Memorandum of Agreement between the Kodiak Island Borough and City of Kodiak for 90 days effective September 8, 2016.

The roll call vote on the amendment was Councilmembers Arboleda, Bishop, Saravia, Walker, and Whiddon in favor. Councilmember Davidson was absent. The motion passed.

The roll call vote on the main motion as amended was Councilmembers Arboleda, Bishop, Saravia, Walker, and Whiddon in favor. Councilmember Davidson was absent. The motion passed.



Office of the City Manager

710 Mill Bay Road, Room 113, Kodiak, Alaska 99615

MEMORANDUM

To: Mayor Branson and City Councilmembers
From: Aimée Kniazowski, City Manager
Thru: Mike Tvenge, Deputy City Manager
Date: August 15, 2016
Subject: Building Inspection Program

SUMMARY: During the August 11, 2016, regular Council meeting, the Council postponed the vote to terminate the joint Building Inspection Program MOA. This postponement was intended to allow for discussion between the Borough and the City elected officials at the August 23 joint work session to determine the best path forward. City Administration continues to recommend initiation of the termination procedure as described in Section 9 of the MOA, if mutually agreeable changes do not occur.

PREVIOUS COUNCIL ACTION: The City Council discussed the Borough's decision to adopt the 1997 Uniform Building Code at its August 9 Council work session and postponed the vote to terminate the program at its August 11 regular meeting.

DISCUSSION: The City and Borough conduct building inspections within the Kodiak road system through a 1997 Memorandum of Agreement. The agreement strives to maintain identical regulations that include but are not limited to: Uniform Building Codes, National Electrical Codes, Uniform Plumbing Codes, Driveway Permits and ordinances providing for fire safety review, approval of plans and specifications, and the enforcement of State fire statutes and regulations.

An explanation of the Borough's decision to adopt the 1997 UBC centered on affordable housing. The following are examples of financing requirements.

- Alaska Housing Finance Corporation has adopted the 2012 International Residential Code.
- Building inspections are an AHFC requirement; if the City does not provide inspections, someone licensed, insured, and certified must. This triggers an added requirement for a PUR-102 (Attachment). Without the PUR-102, the home is ineligible for AHFC financing until it is at least five years old and then would only be eligible under the Non-conforming II Program. Non-conforming II means benefits of the rural program would be unavailable to those homeowners/purchasers i.e. lower down payment with no mortgage insurance, rural non-owner occupancy allowance.
- United States Department of Agriculture-Rural Development has similar requirements for home loans. USDA has adopted the 2012 IRC also.

Additional concerns of continuing the MOA at this time:

- The City of Kodiak maintains an agreement with the State of Alaska Fire Marshall to maintain and enforce the adopted building and fire codes. 2012 IRC and 2009 IFC are the minimum standards adopted.
- If the MOA is terminated, the City is required to inform the State Fire Marshall separating the Fire Marshall's Deferment of the City to inspect outside of the City. This means the State Fire Marshall would then conduct the Borough inspections.
- The City maintains general liability insurance as a requirement of the MOA. A concern of the City's insurance broker states "the change in code enforcement is a fundamental increase in exposure and either excludes the activity or increases the insurance premium. I recommend the City prepare a disclaimer and present it to every home owner requesting an inspection. The disclaimer should clearly state the 1997 UBC is not current and the homeowner may encounter problems related to this code inspection."
- The City and Borough agree to indemnify and hold harmless each other with respect to uninsured claims or damages associated with implementation of the agreement.(Section 6.c)
- The City Building officials have spoken out against the adoption of the 1997 UBC and do not want to inspect different building codes nor feel it necessary.
- The Joint Building Code Review Committee addressed the Borough Assembly and spoke against the 1997 UBC ordinance.

ALTERNATIVES:

- 1) Council may vote to terminate the agreement as provided in Section 9, which allows termination by either party upon ninety (90) days advance written notice to the other party.
- 2) Council may increase the notification and terminate the MOA beyond 90 days.
- 3) Council may negotiate a new agreement with the Borough.

Terminating the agreement in 90 days or negotiating a new agreement will limit the risks and concerns identified above.

CITY MANAGER'S COMMENTS: I recommend the Assembly and Council direct the managers to negotiate a new agreement to be approved by both governing bodies, if legally required. The current MOA is dated 1997, and changes within this agreement need to occur if we are to move forward jointly for the betterment of the Kodiak community. If this is not mutually acceptable, the current MOA would not be acceptable to the City as written.

ATTACHMENTS:

- A) Memorandum of Agreement between KIB and the City
- B) AHFC PUR-102

m. Authorization to Terminate the Building Inspection Program MOA

On April 15, 1988, the Kodiak Island Borough and the City of Kodiak established a single program for inspection of buildings within the jurisdiction of both governments. This agreement was modified in May 1997 and stands as the MOA used today. The Borough has breached the agreement objective to ensure a consistent application of building regulations in the City of Kodiak and the Kodiak Island Borough.

Councilmember Arboleda MOVED to terminate the Building Inspection Program Memorandum of Agreement between the Kodiak Island Borough and City of Kodiak dated May 16, 1997.

Councilmember Whiddon MOVED to postpone the vote on the motion to terminate the Building Inspection Program MOA until the next regular or special meeting.

A discussion ensued.

Councilmember Whiddon stated he heard concerns from the Fire Department and the Building Department at a City work session, and that the Building Code Review Committee didn't support the change of the 2012 codes back to the 1997 codes, which is forcing Kodiak Island Borough and the City to work under two different codes for inspecting, which affects the entire Borough. He expressed that he would like both elected bodies to come together to discuss this, because input has not been given for the change and the resulting consequences need to be discussed.

Councilmember Saravia stated that he does not support the postponement based on the information heard from the fire and building departments. He stated the City would still have 90 days to have a discussion with the Borough if the MOA termination moves forward. He stated a joint work session would be held in two weeks and, depending on the outcome, the City could reverse its decision to terminate.

The roll call vote on the postponement was Councilmembers Arboleda, Bishop, Davidson, Walker, and Whiddon in favor. Councilmember Saravia opposed. The motion passed.

MEMORANDUM OF AGREEMENT
between the
KODIAK ISLAND BOROUGH and the CITY OF KODIAK

BUILDING INSPECTION PROGRAM

On April 15, 1988, the Kodiak Island Borough and the City of Kodiak established a single program for the inspection of buildings within the jurisdiction of both governments. In the past there has been one building inspector/official for each local government. This memorandum of agreement (MOA) reestablishes the parameters of the single building inspection program that serves the residents of both jurisdictions, and replaces the original Building Inspection MOA of 1988.

Objectives

1. To provide for a single building inspection program for the City of Kodiak and the Kodiak Island Borough.
2. To ensure a consistent application of building regulations in the City of Kodiak and the Kodiak Island Borough.
3. To reduce the total cost of building inspection services in the Kodiak Island Borough and the City of Kodiak.
4. To provide an economical, efficient, and effective building inspection program for residents of the Kodiak Island Borough and the City of Kodiak.

Points of Agreement

1. The Kodiak Island Borough (hereinafter "Borough") hereby contracts with the City of Kodiak (hereinafter "City") for building inspection services. Personnel aspects of the program are the responsibility of the City, and the building official and assistant building official shall be employees of the City.
 - A. This service will include the following:
 - (1) a full-time building official;
 - (2) a full-time assistant building official;
 - (3) a half-time administrative assistant;
 - (4) all other necessary and typical functions associated with an operational building inspection program;
 - (5) administration and enforcement of Borough Code Title 15, Buildings and Construction, including issuing permits, checking plans, performing field inspections, maintaining records of each permit, and maintaining statistical records;

- (6) records will be kept on each building permit and will include at a minimum, the following applicable information: building permit applications, approved plans and specifications; the as-built site plan; compaction report on engineered fills; and inspection reports on all inspections performed; and
 - (7) issuance of a certificate of occupancy and/or final inspection report when construction, for which a permit was issued, is completed. The borough assessor shall be provided with a copy of all certificates of occupancy and/or final inspection reports on a monthly basis.
- B. The Borough will supply the office space for the building inspection program.
 - C. The City will supply the vehicle for the building inspection program.
 - D. The building inspection office will be tied into both the Borough and the City telephone and remote communication systems, and the Borough AS/400 computer for access to property record files. Building inspection program staff will implement the HTE Building Permit software application once it has been installed and training has been provided by the Borough.
 - E. Monthly and annual reports of building permit activities will be submitted on forms agreed to by the Borough and the City.
2. In all cases, the building official will be responsible for ensuring that all structures are in compliance with adopted codes. The Kodiak Island Borough or the City of Kodiak may, on a case-by-case basis, request from the building official approval to use alternative personnel for ensuring that public construction projects meet adopted codes. The building official may deny approval for the use of alternative personnel based on the lack of appropriate qualifications of the personnel. All code compliance inspection reports or similar records generated for public construction projects shall become part of the building file maintained in the building inspection program office.

If approval is granted by the building official for the use of alternative personnel, a permit fee will not be charged for the portion of the project inspected by the alternative personnel; however, the value of any portion of a public construction project inspected by alternative personnel will be included in the project owner's portion of the permit value calculations for building inspection program operations. If building inspection program staff perform code compliance inspections for a public construction project, then the project will be charged the applicable building permit, electrical permit, or plumbing permit fees, and the project or portion of the project inspected will not be included in the permit value calculations for building inspection program operations.

The cost of the building inspection program will be split between the City and the Borough based on the dollar value of the permits issued inside the City (City responsibility) and outside the City (Borough responsibility). Payments by the Borough shall be made promptly upon billings submitted by the City.

3. The Community Development Department will work with the building inspection program office to ensure adherence to this MOA is implemented. This MOA is not intended to replace current day-to-day communications between staff, which are encouraged to continue. All policy issues,

whether City, Borough, or joint, will be referred to the Borough Mayor and City Manager for joint resolution.

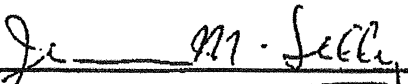
- A. The MOA for zoning compliance is incorporated, in total, in this MOA and is labeled Appendix A.
 - B. The MOA for the building fire safety inspection program for the Kodiak road system is incorporated, in total, in this MOA and is labeled Appendix B.
4. The Borough and the City shall review and revise their respective Building Codes and strive to maintain identical regulations that include, but are not limited to, the following:
- A. ~~ICBO Uniform Building Codes;~~
 - B. National Electrical Code;
 - C. Uniform Plumbing Code;
 - D. Driveway permits;
 - E. Ordinances providing for fire safety review and approval of plans and specifications, and the enforcement of state fire statutes and regulations; and
 - F. Building Valuations and Fee Schedules.
5. The Borough shall adopt an ordinance that shall require the identification of lot corners in the field prior to commencement of construction.
6. Insurance
- A. The City shall provide liability insurance. Upon request the City shall provide the Borough with evidence of the insurance coverage in force at any time. If the Borough should conclude that the insurance coverage obtained by the City is inadequate to protect its interest, the Borough shall give the City written notice of its concerns and shall request that the insurance coverage maintained by the City be broadened or increased in certain particulars. If the City fails to agree to the Borough's request and obtain the broadened, increased coverage within thirty (30) days after receipt of the request, then the Borough may either obtain such additional insurance coverage as it has requested and deduct the proven cost thereof from any payments otherwise due to the City or terminate this agreement in accordance with Section 9.
 - B. Any liability insurance policy obtained by either the City or the Borough shall contain a waiver of all subrogation claims against the other party.
 - C. The Borough agrees to indemnify and hold the City harmless from any and all uninsured claims or damages arising out of actions or omissions of the staff of the building inspection

program which are associated primarily with implementation of this agreement with respect to property lying outside of the City and the City agrees to indemnify and hold harmless the Borough from any and all uninsured claims or damages arising out of actions or omissions of the staff of the building inspection program which are associated primarily with implementation of this agreement with respect to property lying within the City.

7. The Borough and the City shall separately assume any legal costs associated with building inspection program enforcement within their respective jurisdictions.
8. It is the responsibility of the building inspection program staff to initiate Borough and City building and related code updates. All Borough and City code revisions that may affect the building inspection program shall be provided to the building official for review and comment.
9. This agreement may be terminated by either party upon ninety (90) days advance written notice to the other party.


DATED this 16th day of May, 1997.

KODIAK ISLAND BOROUGH




Jerome M. Selby, Mayor

Attest:




Judith A. Nielsen
Acting Borough Clerk

CITY OF KODIAK



William D. Jones, City Manager

Attest:



Orlene Z. Mauler
Deputy City Clerk



ZONING COMPLIANCE PROGRAM

Appendix A of the Building Inspection Program MOA

On March 1, 1984, the Kodiak Island Borough(Borough) and the City of Kodiak (City) established a coordinated procedure for the enforcement of zoning regulations within the city limits. This Appendix replaces the original Zoning Compliance MOA of 1984, and provides a procedure for the inspection of zoning requirements through the building inspection program.

Objectives

1. To provide zoning compliance inspections in conjunction with building inspections.
2. To ensure a coordinated and consistent zoning compliance inspection program.
3. To provide a specific and acceptable process that defines the responsibilities of the Kodiak Island Borough and the City of Kodiak for implementing zoning compliance inspections as a function of the building inspection program.

Points of Agreement

1. No building permit will be issued without written zoning authorization from the Borough, except as may be otherwise provided for in the Borough Code.
2. Written zoning authorization by the Borough will be on a form provided by the Borough and printed in a format mutually agreed to by the City and the Borough. The format shall include at a minimum the following information:
 - A. property corner markers with identification or other acceptable markers must be in place and available for verification of setback distances; and
 - B. applicant acknowledgment that the information provided on the authorization is correct, and that the applicant agrees to comply with all ordinances and laws regulating zoning compliance.
3. The written zoning authorization will be specific in its identification of regulations that require compliance, including any approvals or conditions specified by the Borough Planning and Zoning Commission.
4. While conducting site inspections as part of the building permit process, it will be the responsibility of the building inspection program staff to note all violations of the written zoning authorization and to inform both the applicant and the Borough Community Development Department of any violations including, but not limited to, the following:
 - a. setback requirements;

- b. height restrictions;
 - c. off-street parking requirements and development standards; and
 - d. permitted uses.
5. In cases of confusion or conflict between the applicant and the building inspection program staff over either the written zoning authorization or the imposition of specific zoning regulations, the issue will be brought to the Community Development Department for resolution.
6. In cases when there are violations of both the zoning and building codes, the Community Development Department and building inspection program staffs shall engage in joint enforcement action to the greatest extent possible. This includes, but is not limited to, joint signatures on violation letters and joint site inspections.

BUILDING FIRE SAFETY INSPECTION PROGRAM

Appendix B of the Building Inspection Program

The Kodiak Island Borough and the City of Kodiak wish to establish a coordinated building fire safety inspection program throughout each respective jurisdiction.

Objective

To enforce State fire safety laws as established in AS 18.70 and AS 18.72 and all regulations adopted pursuant to these statutes through a local building fire safety program.

Points of Agreement

1. It will be the responsibility of the City of Kodiak Fire Department to administer and enforce the requirements of the building fire safety program on the contiguous Kodiak road system.
2. Inspections requested by the Borough will be scheduled in as timely a manner as possible by the City Fire Department.
3. The Borough shall be financially responsible for the building fire safety inspection program outside the boundaries of the City.