

Regular Meeting
Tuesday, August 13, 2024
6:00 p.m.



Unalaska City Hall
Council Chambers
43 Raven Way

Council Members
Thomas D. Bell
Darin Nicholson
Daneen Looby

Council Members
Anthony Longo
Alejandro R. Tungul
Shari Coleman

*To Provide a Sustainable Quality of Life
Through Excellent Stewardship of Government*

UNALASKA CITY COUNCIL

P. O. Box 610 • Unalaska, Alaska 99685
Tel (907) 581-1251 • Fax (907) 581-1417 • www.ci.unalaska.ak.us

Mayor: Vincent M. Tutiakoff, Sr. **City Manager:** William Homka
City Clerk: Estkarlen P. Magdaong, emagdaong@ci.unalaska.ak.us

COUNCIL MEETING ATTENDANCE

The community is encouraged to attend meetings of the City Council:

- In person at City Hall
- Online via ZOOM (link, meeting ID & password below)
- By telephone (toll and toll free numbers, meeting ID & password below)
- Listen on KUCB TV Channel 8 or Radio Station 89.7

PUBLIC COMMENT

The Mayor and City Council value and encourage community input at meetings of the City Council. There is a time limit of 3 minutes per person, per topic. Options for public comment:

- In person
- By telephone or ZOOM - notify the City Clerk if you'd like to provide comment using ZOOM features (chat message or raise your hand); or *9 by telephone to raise your hand; or you may notify the City Clerk during regular business hours in advance of the meeting
- Written comment is accepted up to one hour before the meeting begins by email, regular mail, fax or hand delivery to the City Clerk, and will be read during the meeting; include your name

ZOOM MEETING LINK: <https://us02web.zoom.us/j/83246795029>

Meeting ID: 832 4679 5029 / **Passcode:** 630155

TELEPHONE: Meeting ID: 832 4679 5029 / **Passcode:** 630155

Toll Free numbers: (833) 548-0276; or (833) 548-0282; or (877) 853-5247; or (888) 788-0099

Non Toll-Free numbers: (253) 215-8782; or (346) 248-7799; or (669) 900-9128

AGENDA

1. **Call to order**
2. **Roll call**
3. **Pledge of Allegiance**
4. **Recognition of Visitors**
5. **Adoption of Agenda**
6. **Approve Minutes of Previous Meeting – [July 23, 2024](#)**

7. Reports

- a. [City Manager](#)
- b. Board and Commission Minutes (no presentation)
 - i. [Planning Commission Minutes – January 18, 2024 and April 18, 2024](#)

8. Community Input & Announcements *Members of the public may provide information to council or make announcements of interest to the community. Three-minute time limit per person.*

9. Public Comment on Agenda Items *Time for members of the public to provide information to Council regarding items on the agenda. Alternatively, members of the public may speak when the issue comes up on the regular agenda by signing up with the City Clerk. Three-minute time limit per person.*

10. Work Session *Work sessions are for planning purposes, or studying and discussing issues before the Council.*

- a. [Discuss Senior Citizen Sales Tax Refund with City Attorney Sam Severin of Munson, Cacciola & Severin, LLP](#)
- b. [Review and discuss Rental Market Survey; City Housing Policy Update & Proposed Rent Increases; and Potential Building Sites](#)

11. Regular Agenda *Persons wishing to speak on regular agenda items must sign up with the City Clerk. Three-minute time limit per person.*

- a. [Liquor License Renewal](#)
 - i. Alaska Ship Supply
 - ii. Norwegian Rat Saloon
- b. [Resolution 2024-35: Amending City Housing Policies and Adjusting Rents](#)

12. Council Directives to City Manager

13. Community Input & Announcements *Members of the public may provide information to council or make announcements of interest to the community. Three-minute time limit per person.*

14. Executive Session: Update on status of negotiations with PSEA

15. Adjournment

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MINUTES

1. **Call to order.** Mayor Tutiakoff, Sr. called the regular meeting of the Unalaska City Council to order on Tuesday, July 23, 2024 at 6:00 p.m.

Council Member Nicholson read the City's Mission Statement: *To provide a sustainable quality of life through excellent stewardship of government.*
2. **Roll call.** City Clerk called the roll. The Mayor and all Council members with the exception of Longo were present. Mayor announced quorum established.
3. **Pledge of Allegiance.** Tungul led the Pledge of Allegiance.
4. **Recognition of Visitors.** The Mayor acknowledged the attendance of the Fire EMS department in the audience.
5. **Mayor's Proclamation.** The Mayor read into record the proclamation recognizing the outstanding service of the City of Unalaska, Department of Fire and Emergency Medical Services.
6. **Adoption of Agenda.** Nicholson moved to adopt the agenda, with a second by Tungul. There being no objection, the agenda was adopted by consensus.
7. **Approve Minutes of Previous Meeting.** Tungul moved to approve the proposed minutes of the council meeting held June 25, 2024 and the July 2, 2024 Special Meeting as presented, with second by Nicholson. There being no objection, the minutes were approved by consensus.
8. **Reports.**
 - a. City Manager provided an overview of the Draft June 2024 Financials and answered Council questions.
 - b. Mr. Homka highlighted some points from his report and mentioned additional information that was not included on the written report.
 - c. Board and Commission Minutes (no presentation): Historic Preservation Commission – January 18, 2024 Meeting Minutes
9. **Community Input & Announcements** were made as follows:
 - a. Acting PCR Director Karen Kresh announced various programs and events happening at the Parks, Culture and Recreation department.

- b. Public Works Director Scott Brown announced that the Roads crew will be applying pavement sealant that may cause some traffic delay and asks for the public's patience as the crew completes this necessary protective enhancement on the roadways.
- c. City Clerk read into record the events that Unalaska Visitors Bureau Director Katherine McGlashan emailed to be announced: Summer Carwash Fundraiser on July 24th from 11 a.m. until 4 p.m. by UVB office, Roald Amundsen will return on July 25th, and finally Meet and Greet photographer Jude Newkirk on July 26th at 7:00 p.m.

10. Public Comment on Agenda Items. None.

11. Work Session. Nicholson moved to enter into work session, with second by Looby. Hearing no objection, Council entered into work session at 6:25 p.m.

- a. Unalaska City School District Superintendent Kim Hanisch discussed changes to School's budget and answered Council questions.

Nicholson moved to return to regular session, with a second by Tungul. Council reconvened to regular session at 6:35 p.m.

12. Regular Agenda

- a. Resolution 2024-33: Authorizing the City Manager to enter into a Memorandum of Agreement with the State of Alaska Department of Transportation and Public Facilities, committing the City to funding, management, ownership, operations and maintenance responsibilities for the Captains Bay Road Paving Project

Tungul moved to adopt Resolution 2024-33, with a second by Nicholson.

Mr. Homka provided an overview of the resolution and answered Council questions.

Coleman made a motion to postpone the resolution for next regular meeting, with second by Looby.

Council discussion.

Public Works Director Scott Brown provided information to the Council.

Roll call vote on the amendment: Bell – no; Looby – no; Nicholson – no; Coleman – yes; Tungul – no

Motion failed with 4 no and 1 yes.

Roll call vote on the main motion: all Council members voted in the affirmative. Motion passed unanimously.

- b. Resolution 2024-34: Authorizing the City Manager to enter into an agreement with Regan Engineering, P.C. for the Construction Engineering and Inspection Services for the Captains Bay Road Waterline Project

Nicholson made a motion to adopt Resolution 2024-34, with a second by Tungul.

Mr. Homka provided an overview of the resolution and answered Council questions.

Council discussion.

Roll call vote: all Council members voted in the affirmative. Motion passed unanimously.

13. **Council Directives to City Manager.** None.

14. **Community Input & Announcements.** None.

15. **Adjournment.** Having completed all items on the agenda, the Mayor adjourned the meeting at 6:49 p.m.

These minutes were approved by the Unalaska City Council on August 13, 2024.

Estkarlen P. Magdaong, CMC
City Clerk

DRAFT

CITY MANAGER'S REPORT

TO: Mayor Tutiakoff and City Council Members

FROM: William Homka, City Manager

DATE: August 13, 2024

- **USACE CHANNEL DREDGE PROJECT:** The USACE awarded the Dutch Harbor Channels dredging project to J.E. McAmis and issued a Notice to Proceed on 26 July 2024. The project amount awarded is \$9,295,000.00. Construction has been delayed to Spring 2025.
- **ALASKA ENERGY AUTHORITY RE-VEEP GRANT:** The city's second round application to the AEA grant was awarded the entire \$200,000 requested, bringing the total grant amount for the two grants to just under \$370,000. This funding will be utilized to replace about 560 fixtures and lights for energy efficiency.
- **INNOVATIVE READINESS TEAM VISIT:** The IRT will be in Unalaska on August 19 – 20 and will meet with the Trilateral team on Monday, August 19 to provide governance training. The IRT will turn its focus to the Q Tribe on August 20 for other work.
- **EPA-CPRG Grant:** Although a decision was not expected until October, the EPA announced who will be receiving CPRG funding. This is the source of funding we applied for \$135 million to fund the exploration of Makushin as a viable resource for geothermal. I learned Unalaska was not selected for funding.
- **FY25 SENATE BILL:** The FY2025 Senate Transportation, Housing and Urban Development (THUD) passed an appropriation bill that includes \$5 M in transportation funding for the Captains Bay Road project. The Senate Interior Approps Bill has also been marked up and it includes \$3.4 M in EPA funding for drinking waterline replacement. Congress must still pass the bill but these are definitely positive developments in the process, courtesy of Senator Murkowski.
- **RESOURCE DEVELOPMENT COUNCIL:** The RDC is visiting August 7-9, 2024. Our team presented a "lunch and learn" session with the 22 visitors at the Library on August 8. We provided an overview of the city organization and our services, with added focus on utilities per the RDC's request. Ports is provided a tour of city port facilities on August 8. A reception is scheduled for that evening at the Grand Aleutian.
- **STATUS OF OUTSTANDING COUNCIL DIRECTIVES TO MANAGER AND AGENDA ITEM REQUESTS:**
 1. Senior Citizen Sales Tax Refund (6/25/2024): Bring forward to Council a review of the senior citizen sales tax refund language and possible changes to address concerns of public comment on June 11, 2024 by Peggy McLaughlin.
 - Status: This matter is on tonight's agenda.
 2. Community Support Grant Program and Funding Sources (6/25/2024): Bring forward to Council a review of the community support grant program and funding sources for possible changes to address large requests and to also clarify language of the community support grant funding sources.

- Status: On June 28, 2024, the Deputy City Manager emailed Mayor and Council with the plan to address this directive. Staff will meet with Council Member Looby on August 22nd.
3. Animal Control Ordinance (6/25/2024): Bring forward to Council a review of the city's animal control ordinances and possible changes to address concerns of public comment on 5/28/2024 by Suzi Golodoff.
 - Status: On July 1, 2024, the Deputy City Manager contacted the City Attorney to begin work on this directive.
 4. Budget Process (6/11/2024): Research and recommend improvements to the City of Unalaska operating budget process and presentation.
 - Status: No action as of yet.
 5. Ordinance change to allow APV use on public roads in Unalaska (6/11/2024):
 - Status: The City Clerk assembled all prior documents presented to Council on this topic for review by the City Manager. No further action yet.
 6. Nuisance Abatement (2/27/2024): To move Option 2 as presented on 2/27/2024 memorandum to Council.
 - Status: The City Attorney prepared an agreement to reimburse the City for nuisance abatement of the two-story building on Blue Fox Alley, and Staff presented the agreement to the presumed heirs of the property, which remains in probate. This agreement is voluntary, and as discussed at the February 27 meeting, the City has no practical means to pursue a normal nuisance abatement process. The presumed owners appeared to be supportive of the agreement, but have not yet signed. The City has offered to waive landfill fees for both properties if they are demolished.
 7. Investment Policy Statement (2/27/2024): Initiate the development of an Investment Policy Statement for the establishment of the permanent fund.
 - Status: Council will hear from Alaska Permanent Capital Management at their meeting on August 27. Additionally, in September, we plan to hear from BDO about recommendations for reserves for emergency funding and the development of a fiscal sustainability policy.
 8. Electric Power Cooperative (2/13/2024): Seek consultation on the development of an electrical generation and transmission cooperative between the private and municipal power producers in Unalaska.
 - Status: On Tuesday July 30, 2024 City staff and Matt Scott of Optimera met with representatives of seafood processing companies at the library. There is agreement about the next step which is to prepare a Request for Qualifications for obtaining professional services to assist with leading the group through an Integrated Resource Plan. In general, an IRP identifies the path forward that will meet everyone's needs, focuses on an initial 10 year transition period, and develops a 5 year action plan. The organizations will share the costs of the study.

- **EMPLOYEE RECRUITMENT:**

- Our recruitment consultant, Baker Tilly, has restarted the Director of Public Utilities recruitment process and as of last week, we have 12 applicants. First review of resumes will be August 14.
- We are also using Baker Tilly to recruit a Deputy Finance Director (previously titled Controller).
- New positions approved during for FY25 have either been filled or are in active recruitment. These positions include Maintenance Mechanic in Public Works, Medium Equipment Mechanic in Utilities, two Firefighters and Administrative Assistant in Fire.
- Our open police positions continue to be a focus for recruitment efforts. Officer Julian Govea and HR Manager Amy Stanford will be representing the City at a number of career events in the Fresno, California area in September and October. Events are located at UC Merced, Tulare King County Police Academy, Madera County Workforce and Fresno State. These events are geared to police and public employer job opportunities. Officer Govea has ties to the area and sees Unalaska as an attractive option for those looking for opportunities outside the area, just as he did. Career fairs provide an opportunity for employers to meet candidates in person, assess their communication skills, and gauge their enthusiasm for the organization and roles. The human connection is especially important in communicating the benefits and advantages of living and working in Unalaska. All open City positions will be marketed and featured in recruitment materials.

- **STAFFING UPDATE:** The tables below summarize HR actions and position openings.

Semi-Monthly HR Statistics

Date Range

Type of Action	Number Of	Internal	External
Hires	4	1	3
Pending Hires	1	1	0
Pending Offers	0	NA	NA
Resignations	3	NA	NA
Separations	0	NA	NA

Position Openings

Department	# Of Openings	Notes
DPS	6	Police Sergeant (3), Corrections Officer Police Officer (2)
DPU	8	Director of Public Utilities, Water Operator (2), Power Plant Operator I, Util Lineman (2), Util Lineman Chief, Apprentice Lineman
PCR	3	Lifeguards, Head Lifeguard

Fire	3	Firefighter (2), Administrative Assistant II
Planning	1	Grants Management Coordinator
Finance	1	Controller
TOTAL	22	

City of Unalaska
UNALASKA PLANNING COMMISSION

P.O. Box 610 • Unalaska, Alaska 99685
(907) 581-1251
www.ci.unalaska.ak.us

Unalaska City Hall
Council Chambers
43 Raven Way

Regular Meeting
Thursday, January 18,
2024
6:00 p.m.

Commission Members
Ian Bagley
Virginia Hatfield

Travis Swangel, Chairman

Commission Members
Caroline Williams
Rainier Marquez

MINUTES

1. Call to order. Swangel called the Regular Meeting of the Unalaska Planning Commission to order at 6:28p.m. on January 18, 2024 in the Unalaska City Hall Council Chambers.
2. Roll Call:

<u>Present:</u>	<u>Absent:</u>
Travis Swangel	Caroline Williams
Virginia Hatfield	Rainier Marquez
Ian Bagley	
3. Revisions to Agenda: Election of Chairman and Vice-Chairman
 Commissioner Hatfield nominated Commissioner Swangel to Chair, seconded by Commissioner Williams. No other nominations for Chair. Nomination confirmed 5-0
 Commissioner Hatfield nominated Commissioner Bagley to Vice-Chair, seconded by Commissioner Williams. No other nominations for Chair. Nomination confirmed 5-0
4. Appearance requests: None
5. Announcements: Museum is back open.
6. Minutes: December 21, 2023 regular meeting minutes were adopted with no corrections and objections.
7. Public Hearing:

Resolution 2024-01 A RESOLUTION APPROVING THE PLANNING COMMISSION & PLATTING BOARD 2023 ANNUAL REPORT AND FILING THE SAME WITH THE UNALASKA CITY COUNCIL. No public comment.

Resolution 2024-02 A RESOLUTION APPROVING A FINAL PLAT OF PUREVSUREN SUBDIVISION, A RESUBDIVISION OF LOT 3, HAWLEY SUBDIVISION, PLAT 95-13, AIRD. No public comment.
8. Old Business: None
9. New Business:

Resolution 2024-01 A RESOLUTION APPROVING THE PLANNING COMMISSION & PLATTING BOARD 2023 ANNUAL REPORT AND FILING THE SAME WITH THE UNALASKA CITY COUNCIL. – Motion made by Commissioner Bagley, seconded by Commissioner Marquez. Planning presented the annual report for review. A motion to amend the number of plats was made by Commissioner Bagley, seconded by Commissioner Hatfield and approved 5-0. Amended resolution was approved 5-0.

Resolution 2024-02 A RESOLUTION APPROVING A FINAL PLAT OF PUREVSUREN SUBDIVISION, A RESUBDIVISION OF LOT 3, HAWLEY SUBDIVISION, PLAT 95-13 AIRD. -Motion made by Commissioner Bagley, seconded by Commissioner Hatfield. Roufos presented to the Commissioners to review the plat. Swangel's main concern is the driveway that it's a tight easement access and will have issues in the future. Roufos mentioned that parking and garage are in the resolution. - Resolution was approved 5-0.

10. Work session: None

11. Adjournment: Having completed the agenda, the meeting was adjourned without objection at 7:10 p.m.



Cameron Dean
Secretary of Commission

7-18-24

Date



Travis Swangel
Commission Chairman

7-18-24

Date

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Marjie Veeder, Deputy City Manager
Through: William Homka, City Manager
Date: August 13, 2024
Re: Response to Council Directive regarding Senior Citizen Sales Tax Refund Program

SUMMARY: On June 25, 2024, Council directed the City Manager to bring forward a review of the senior citizen sales tax refund language and possible changes to address concerns of public comment on June 11, 2024 by Peggy McLaughlin. Tonight's discussion and the attached memo from City Attorney Sam Severin accomplish this directive.

PREVIOUS COUNCIL ACTION:

- June 25, 2024 Council issued a directive to the City Manager
- June 11, 2024 Council heard public comment from Peggy McLaughlin
- April 11, 2023 Council adopted Ordinance 2023-02 increasing the amount of the refund to \$400 and amending the residency requirement language in code
- March 9, 2023 Council discussed the senior citizen sales tax refund program in work session in response to the February 14 directive
- February 14, 2023 Council directed the City Manager to "Conduct research and provide information to Council at a future meeting regarding the senior citizen sales tax refund, so Council has information necessary to determine if the refund amount should be increased due to increases in the cost of living; and whether Council should consider tightening eligibility requirements for the refund. Please include the number of applicants per year for the last five years, the present eligibility requirements and any proposed additional eligibility requirements."

BACKGROUND & DISCUSSION: On March 19, 2024, Peggy McLaughlin applied for the refund for the estate of her deceased husband. The application was not approved. Ms. McLaughlin appealed, and the City Manager denied the appeal by letter dated April 11, 2024. Ms. McLaughlin then brought her issues to the City Council via public comment on June 11, 2024.

The City Attorney was involved in this matter during Ms. McLaughlin's appeal process; and subsequently wrote the attached memorandum in response to the directive issued by Council.

Council is directed to the attached memorandum titled Analysis of Senior Sales Tax Refund, authored by Sam Severin of Munson, Cacciola & Severin LLP.

Mr. Severin plans to join the Council Meeting via Zoom to present his memorandum, and to respond to inquiries from Council.

ATTACHMENTS:

- July 9, 2024 memorandum from City Attorney Sam Severin
- June 11, 2024 letter from Peggy McLaughlin

MUNSON, CACCIOLA & SEVERIN LLP

ATTORNEYS AT LAW
SUITE 402
1029 WEST THIRD AVENUE
ANCHORAGE, ALASKA 99501
TELEPHONE: (907) 272-8401
bcf@bcfaklaw.com

TO: Unalaska City Council

FROM: Sam Severin


RE: Analysis of Senior Sales Tax Refund

DATE: July 9, 2024

On June 25, Council directed the City Manager to “Bring forward to Council a review of the senior citizen sales tax exemption and possible changes to address concerns of public comment on June 11, 2024 by Peggy McLaughlin.” I am familiar with the issue. I was also provided a June 11, 2024 letter with attachments submitted to Council by Ms. McLaughlin.

The clearest way to look at this is to consider the specific case of Campbell McLaughlin first, then to analyze the efficacy of the ordinance independently.

Mr. McLaughlin passed away in 2023. The application for the senior citizen refund was filed on his behalf on March 19, 2024. UCO 6.40.050 C(1) requires that a person be a resident of the city for at least thirty (30) days prior to their application. A person who passed away in July of 2023 cannot be a resident in February or March of 2024. Eligibility also requires that “the consumer be at least sixty-five years of age or older by March 31 of each year.” Mr. McLaughlin did not qualify. A person who passed away the prior year cannot meet the code’s age requirements, which are based in the current year.

Mr. McLaughlin’s application was filed by his wife. The argument, as I understand it, is that because it is possible for an estate to apply for and receive a State of Alaska Permanent Fund Dividend (PFD), an estate should be allowed to apply for and receive Unalaska’s senior tax refund even if the city code requirements are not met. There is no correlation between an estate’s eligibility for a PFD and Unalaska’s senior citizen refund. In fact, the plain language of the code says otherwise. The code specifies that “natural persons” are entitled to the refund.¹ An estate is a legal entity, not a natural person.

The amount of the refund was adjusted from \$200 to \$400 in 2023. When the amount of the refund was increased in 2023, it was considered necessary to heighten the standards for proving residency. The ordinance uses eligibility for the PFD solely as a method to prove residency in

¹ UCO § 6.40.050 (C) *SENIOR CITIZEN REFUND*. Natural persons of at least sixty- five (65) years of age on or before March 31 of each year shall be entitled to receive a yearly sales tax refund in the amount of four hundred dollars (\$400).

Unalaska. PFD eligibility requires a sworn statement of prior residency and an intent to remain in Alaska indefinitely. The applicant is required to provide their residential address. While someone seeking the refund may be willing to check a box on a city form saying they are a bona fide resident under the code, they are less likely to attempt to mislead the State of Alaska. The reference to the PFD is solely an effort to increase the formality of the evidence required to qualify for Unalaska's senior citizen refund. Nowhere does the code suggest that someone who is eligible for the dividend is necessarily qualified for the senior citizen sales tax refund.

Nearly any city code will evolve over time. Modifications can be driven by changes in policy at the local level, state or federal legislation necessitating change, or improvements to avoid implementation or interpretation issues which were not foreseen initially. The arguments raised by Ms. McLaughlin are all addressed in the current code. There is no conflict with state law. However, it does not mean there is not room for improvement.

The clerk's office, having now had the benefit of one cycle of applications, did not note any problems with implementing the refund this year that could or should be improved.

Ms. McLaughlin's comment that the refund is more of a credit does resonate. It would require significant expenditures in a single month for someone to actually be entitled to a \$400 sales tax refund. The qualifying period could be expanded to ninety days, six months, or even a year. Such a change would require reviewing the entire section to ensure no other changes are necessary. It might not be as simple as lining through the existing 30-day language and replacing it. But there is no reason the qualifying time period could not be made longer. That said, there is no obvious legal impact from calling it a refund when it is arguably a credit. Whether to enlarge the qualifying period is a policy question rather than a legal necessity.

There are, of course, very minor grammatical amendments that one only notices upon significant scrutiny. For example, the second comma in the following sentence could be omitted if the ordinance were amended: The application form may require the consumer-applicant to provide proof of age and of residency, along, with other information reasonably necessary to administer this refund. The comma does not create any ambiguity or legal concerns. It is simply an example of the constant room for improvement that can but does not need to occur.

Peggy McLaughlin
PO Box 920944
Dutch Harbor AK 99692

June 11, 2024

City of Unalaska
43 Raven Way- PO Box 610
Unalaska, AK 99685

RE: Senior Citizen Sales Tax Refund UCO 6.40.050 (C)

Dear Honourable Mayor Tutiakoff and Unalaska City Council Members:

I am writing to seek clarification regarding the Senior Citizen Sales Tax Refund authorized under UCO 6.40.050 (c). The code, as written, is inconsistent and possibly contradictory, resulting in Senior Citizens being denied refunds that they might otherwise have qualified for and received. I am respectfully requesting the City Council to clarify this section of code for future applicants.

Please also find attached additional documentation: correspondence related to a recently denied application and appeal for a Senior Citizen Sales Tax Refund. The attachment includes correspondence between the applicant, City officials, and the City attorney.

The language as written under UCO 6.40.050 (c) was reviewed by Council in March and April in 2023. Stated on the record during those meetings, and specific to the intent of the edits that were adopted, Council wanted to strengthen eligibility requirements, to solidify year-round residency requirements, and to reduce the opportunity for fraudulent applications. Council Chose to add section (5) as new qualifying language which states:

“Applicants shall prove residency in Unalaska by providing to the City Clerk evidence of either current voter registration in the State of Alaska, at an address in Unalaska or evidence of approved eligibility for the State of Alaska Permanent Fund Dividend for the current year, at an address in Unalaska. At the City Clerk’s discretion, other proof of residency in Unalaska may be accepted”

This section of code defines a mandatory requirement for proof of residency, and gives applicants two options by which to provide this proof. The State of Alaska Permanent Fund Dividend is one of the options that satisfies this mandatory proof. Further, the Alaska State Statutes have defined the qualifiers for residency for the PFD program to include defining eligible applications on behalf of an estate.

The attached denial letter states that, “actual eligibility for the senior refund is dictated by the Unalaska Code Ordinances not State statutes or regulations.” This becomes a circular argument when the Unalaska Code of Ordinance uses a qualifying program with defined criteria under Alaska State Statute as proof of qualifying for the Unalaska program.

Additional contradiction surfaces in the language describing qualified residency in the current year and a process for proving residency based on criteria from the previous year. The qualifying language under UCO 6.40.050 (c)

- (1) *To be eligible for the refund, the consumer must be sixty-five (65) years of age or older by March 31 of each year, be a resident of the City for at least thirty (30) days prior to their application, and file a timely application for refund with the City. The application form may require the consumer-applicant to provide proof of age and of residency, along, with other*

information reasonably necessary to administer this refund. The claim for refund may be made only by filing a timely application with the City Clerk.”

In theory, with a qualifying age one could move to the island at the beginning of the application period, live in Unalaska for 30 days, and qualify for the refund without having been a resident in the previous year. The payment thus becomes a credit rather than a refund for sales tax actually paid to the City of Unalaska.

It appears that one could live in Unalaska – and actually pay City of Unalaska sales tax -, for the qualifying time required to receive a PFD, die, and use the qualified PFD application as the mandatory proof of residency per UCO. However, the recent application filed on behalf of an estate and using this definition to prove residency, was ruled ineligible to receive the refund even though the application meets the residency requirement as described in the State of Alaska Permanent Fund Dividend qualifying criteria.

Council has made clear on numerous occasions, that this ordinance is intended to provide after-the-fact relief for senior citizens who live in Unalaska and who were paying City of Unalaska sales tax during the previous qualifying year. The current inconsistencies make it difficult to ensure that the intent of the Council to provide senior citizens with a sales tax refund and the literal meaning of the code are implemented consistently.

I respectfully ask Council to review this section of code to clarify Council’s intent as to whether this is a refund or a credit, and whether Council’s intent is clearly and consistently represented in the language of the code.

Sincerely,



Peggy McLaughlin

Estate of Campbell Charles McLaughlin
PO BOX 920944
Dutch Harbor, AK 99692

3/31/2024

RE: Senior Citizen Sales Tax Refund Appeal

To Whom it May Concern:

Please consider this a letter of appeal and a formal request for the City of Unalaska to reconsider the application for the Estate of Campbell Charles McLaughlin for 2023 Senior Citizen Sales Tax Refund. I appreciate the City of Unalaska soliciting legal counsel for their decision to deny the original application and I will frame this appeal around legal Counsel's expressed opinion.

The basis of this appeal is conflicting language in UCO 6.40.050 (C) that defines eligibility criteria for Senior Citizen Sales Tax Refund. It is also worth acknowledging the lengthy, on-the-record, discussion regarding proof of residency and eligibility criteria during Council meetings held in March and April of 2023. This matter was discussed during three different Council meetings: Work session March 9, 2023; and Ordinance 2023-02 first reading March 28, 2023 and second reading and adoption April 11, 2023. These meetings resulted in new Code Language for UCO 6.40.050 (C) which I intend to address.

During these meetings Council made clear their intentions to: increase the amount of sales tax to be refunded, strengthen the eligibility requirements to solidify year-round residency, and reduce the opportunity for fraudulent applications.

The Legal Opinion provided to the City of Unalaska cited two primary sections that excluded the Campbell McLaughlin estate from eligibility:

"UCO 6.40.050(C):

1. *To be eligible for the refund, the consumer must be sixty-five (65) years of age or older by March 31 of each year, be a resident of the City for at least thirty (30) days prior to their application, and file a timely application for refund with the City. The application form may require the consumer-applicant to provide proof of age and of residency, along, with other information reasonably necessary to administer this refund. The claim for refund may be made only by filing a timely application with the City Clerk."*

This application for Campbell McLaughlin's estate meets the required three components in UCO 6.40.050 (C) 1: Campbell McLaughlin was 66 years and 3 months upon his death, he was a legal resident in Unalaska for 30 years with the same physical address for 24 years, and the application was filed timely on behalf of his estate, as is this appeal letter. He also qualified for the Sales Tax Refund the previous year. Proof of legal residency for 2023 is available upon request as per code and a copy of his death certificate was filed with the application for the sales tax refund.

The legal opinion also cited: ("UCO 6.40.050(C):

- 4) *"Resident of the City," for the purposes of this subsection, means a person who is physically present in the City with the intent to remain indefinitely in the City and to make a home in the City. The individual must also have maintained a principal place of abode in the City for at least thirty (30) consecutive days immediately preceding the date of application for a refund. A person demonstrates the intent required under this section through establishing and maintaining customary ties indicative of residence in the City and through the absence of*

those ties elsewhere. Physical presence in the City is not, by itself, sufficient to establish residency.

The application for the estate of Campbell McLaughlin met the criteria for this section of code with the exception of:

"The individual must also have maintained a principal place of abode in the City for at least thirty (30) consecutive days immediately preceding the date of application for a refund."

Campbell died more than 30 days prior to the application opportunity, but his principal place of abode was in the City limits for more than 30 days immediately preceding his death. The timing of Campbell's death kept him from meeting the literal meaning of the words, though he met the intent: Proof of legitimate residency and bona fide application. Council remained silent in their discussions regarding applications on behalf of estates and it is unknown whether this topic has ever been formally discussed.

However, Ordinance 2023-02 incorporated new language and an additional section in UCO 6.40.050(C):

(5) Applicants shall prove residency in Unalaska by providing to the City Clerk evidence of either current voter registration in the State of Alaska, at an address in Unalaska or evidence of approved eligibility for the State of Alaska Permanent Fund Dividend for the current year, at an address in Unalaska. At the City Clerk's discretion, other proof of residency in Unalaska may be accepted.

In 2008 a lawsuit was filed against the State of Alaska because of a denied application for a PFD based on residency requirements and timing of death. This lawsuit wound its way through the court system and ultimately resulted in legislation that set eligibility criteria for PFD applications on behalf of an estate. Simply stated the person must have met all other criteria and must not have died prior to June 30 of the qualifying year to file for a PFD.

Campbell Charles McLaughlin meets the City of Unalaska residency requirement by fulfilling this qualification in section 5, "applicants shall prove residency by evidence of approved eligibility for the State of Alaska Permanent Fund Dividend for the current year at an address in Unalaska."

The Alaska PFD program has already determined eligibility requirements for a PFD application for a deceased person. The City of Unalaska has codified using a qualified PFD application as a proof of residency. Campbell McLaughlin has a qualified PFD application for 2023. The logical conclusion is that Campbell McLaughlin has met the City's requirements for proof of residency, and thus meets the requirements for the Senior Citizen Sales Tax Refund.

I respectfully await your reply.

Regards,

Peggy McLaughlin

CITY OF UNALASKA
43 Raven Way - P.O. Box 610
Unalaska, Alaska 99685
TEL (907) 581-1251 FAX (907) 581-4469



April 11, 2024

Peggy McLaughlin
Estate of Campbell Charles McLaughlin
P.O. Box 920944
Dutch Harbor, AK 99692

Re: Senior Citizen Sales Tax Refund Appeal

Dear Peggy:

On March 19, 2024 you submitted an application for the Senior Citizen Sales Tax Refund on behalf of the estate of your deceased husband, Campbell McLaughlin. The City Clerk did not approve the application for refund. On March 31, 2024 you sent an e-mail to the City Clerk with an attached letter titled Senior Citizen Tax Refund Appeal. In your March 31 letter you requested the City reconsider the denial.

The requested reconsideration has taken place, and the City Clerk's denial of the application will not be overturned.

The relevant code is UCO 6.40.050(C):

SENIOR CITIZEN REFUND. Natural persons of at least sixty-five (65) years of age on or before March 31 of each year shall be entitled to receive a yearly sales tax refund in the amount of four hundred dollars (\$400).

(1) To be eligible for the refund, the consumer must be sixty-five (65) years of age or older by March 31 of each year, be a resident of the City for at least thirty (30) days prior to their application, and file a timely application for refund with the City. The application form may require the consumer-applicant to provide proof of age and of residency, along, with other information reasonably necessary to administer this refund. The claim for refund may be made only by filing a timely application with the City Clerk.

(2) An application for a senior citizen refund must be filed with the City between January 1 and March 31 of each year. Claims for refund filed after March 31 of each year shall be denied.

(3) Any eligible applicant who has a delinquent account of any kind with the City shall not be entitled to receive their refund directly. The City shall, instead, apply the refund to the delinquency. Only once the delinquency is paid may any surplus refund be directed to the eligible recipient.

(4) "Resident of the City," for the purposes of this subsection, means a person who is physically present in the City with the intent to remain indefinitely in the City and to make a home in the City. The individual must also have maintained a principal place of abode in the City for at least thirty (30) consecutive days immediately preceding the date of application for a refund. A person demonstrates the intent required under this section through establishing and maintaining customary ties

indicative of residence in the City and through the absence of those ties elsewhere. Physical presence in the City is not, by itself, sufficient to establish residency.

(5) Applicants shall prove residency in Unalaska by providing to the City Clerk evidence of either current voter registration in the State of Alaska, at an address in Unalaska, or evidence of approved eligibility for the State of Alaska Permanent Fund Dividend for the current year, at an address in Unalaska. At the City Clerk's discretion, other proof of residency in Unalaska may be accepted.

I understand Campbell passed away on July 12, 2023. Thus, under the code, he would not have been a resident of the city for at least 30 days prior to the 2024 application on March 19, 2024. A deceased person cannot have an intent to remain in the city. Nor can someone who died in 2023 maintain a principal place of abode in the city in 2024.

The code is designed around an annual application, considering criteria applicable in the current year. It requires the consumer to be sixty-five years or older "by March 31 of each year," and it requires the principal place of abode to be in the City "for at least thirty (30) consecutive days immediately preceding the date of application for a refund." Subsection (2) makes it abundantly clear this is an annual application for the current year. While information dating back to the prior year may have relevance to the decision, a person's actions in the prior year are not dispositive of eligibility in the current year.

I am aware of the permanent fund dividend changes in AS 43.23.005 permitting dividends to be paid for people who were alive for a certain portion of the "qualifying" or preceding year. However, actual eligibility for the senior refund is dictated by the Unalaska Code of Ordinances, not state statutes or regulations. Additionally, the Unalaska City Code makes the refund available to "natural persons." On the other hand, AS 43.23.005(h) specifically refers to the personal representative of the estate. In city code, permanent fund eligibility is used as one means of proving residence. It cannot, however, override clear substantive requirements, such as the requirement that the person be a natural person and be a resident of the city for at least thirty days prior to their application.

This reading is supported by looking at the intent of the code. It would make little sense that the 2023 changes to the code would expand eligibility by making it so people who qualified in a prior year would be qualified in the current year. The intent of referencing permanent fund eligibility as proof of residence was to tighten the eligibility requirements, not expand them, "particularly in light of the increased amount of the refund."

The intent of the ordinance is clear. It applies to natural persons residing in the city in the current year. Accordingly, I find the City Clerk's denial of the application was sound and supported by Unalaska's Code of Ordinances. I will not direct the clerk to grant the refund application.

Sincerely,

CITY OF UNALASKA



Marjie Veeder
Acting City Manager

Peggy McLaughlin

From: Peggy McLaughlin
Sent: 31 March 2024 10:32
To: Estkarlen Magdaong
Subject: Senior Citizen Sales Tax Refund Appeal Letter
Attachments: Sales Tax Refund Appeal- Campbell McLaughlin.pdf

Estkarlen,

Please find attached an appeal letter for the application of the Estate of Campbell McLaughlin Sales Tax Refund. Thank you for following through on this and of course if you have any questions feel free to reach out.

Regards,
Peggy

From: Estkarlen Magdaong <emagdaong@ci.unalaska.ak.us>
Sent: 20 March 2024 10:46
To: Peggy McLaughlin <pmclaughlin@ci.unalaska.ak.us>
Subject: FW: Senior citizen sales tax refund for a deceased person?

Peggy,

Here is Sam's response to my inquiry..

Estkarlen P. Magdaong



City Clerk
(907) 581-1251 | emagdaong@ci.unalaska.ak.us

From: Sam Severin <SSeverin@bcfaklaw.com>
Sent: Wednesday, January 24, 2024 10:46 PM
To: Estkarlen Magdaong <emagdaong@ci.unalaska.ak.us>
Subject: RE: Senior citizen sales tax refund for a deceased person?

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Estkarlen – It's good to hear from you. I hope all is well. As I see it, an application theoretically could be filed on behalf of the estate, but the refund would be denied.

UCO 6.40.050(C):

- (1) To be eligible for the refund, the consumer must be sixty-five (65) years of age or older by March 31 of each year, be a resident of the City for at least thirty (30) days prior to their application, and file a timely application for refund with the City. The application form may require the consumer-applicant to provide proof of age and of residency, along, with other information reasonably necessary to administer this refund. The claim for refund may be made only by filing a timely application with the City Clerk.

....
(4) "Resident of the City," for the purposes of this subsection, means a person who is physically present in the City with the intent to remain indefinitely in the City and to make a home in the City. The individual must also have maintained a principal place of abode in the City for at least thirty (30) consecutive days immediately preceding the date of application for a refund. A person demonstrates the intent required under this section through establishing and maintaining customary ties indicative of residence in the City and through the absence of those ties elsewhere. Physical presence in the City is not, by itself, sufficient to establish residency.

A person who passed away in July cannot satisfy the eligibility requirements, such as residence. It sounds like this was a verbal inquiry, so a verbal response such as a phone call is in order? I'm viewing this as a pretty dry legal analysis - please let me know if you want some help working up an explanation that sounds a little more friendly and appropriate. If you choose to respond in writing, I am glad to review a draft.

Sam

From: Estkarlen Magdaong <emagdaong@ci.unalaska.ak.us>
Sent: Wednesday, January 24, 2024 4:43 PM
To: Sam Severin <SSeverin@bcfaklaw.com>
Subject: Senior citizen sales tax refund for a deceased person?

Hi Sam,

We have someone who asked if she could apply for a sales tax refund for her husband who passed away last July 12, 2023? Last year was his first application, and he was a long time resident of Unalaska. She asked because she was able to file an estate application for a PFD and so she was curious if she could also do the same for the sales tax refund offered by the City to its senior citizens.

When my deputy relayed the question, at first I thought that wouldn't be possible because code says, first word, *Natural* persons of at least sixty-five years of age on or before March 31 of each year shall be entitled to receive a yearly sales tax refund in the amount of four hundred dollars (\$400). But the more I thought about it, the more I questioned myself that there might be a possibility that she could, since the State allows it for PFD. What's your take on this? How should I respond to her inquiry?

Thank you!



Estkarlen P. Magdaong
City of Unalaska
City Clerk
P.O. Box 610 Unalaska, AK 99685
Phone (907) 581-1251
Fax (907) 581-1417
emagdaong@ci.unalaska.ak.us

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Estkarlen P. Magdaong, City Clerk
Through: William Homka, City Manager
Date: August 13, 2024
Re: Liquor License Renewal Applications – Alaska Ship Supply and The Norwegian Rat Saloon

SUMMARY: Liquor licenses must be renewed with the State of Alaska every two years. Council reviews the renewal applications and determines whether or not the City, as the local governing body, will protest renewal of the licenses.

Western Pioneer Inc. dba Alaska Ship Supply and M & M Holdings, LLC dba The Norwegian Rat Saloon have applied to renew their liquor licenses. Staff recommends no protest.

PREVIOUS COUNCIL ACTION: Council reviews liquor license renewals as they are submitted to us by the State. Council discussed protesting specific license renewals in the past due to delinquent utility bills but did not file any protests. In 2010 Council protested the renewal of a liquor license due to delinquent sales tax, property tax and utility bills, and because the business had no physical location due to fire.

BACKGROUND: AS 04.11.400 defines the distribution of liquor licenses based on population and location:

- For every 1,500 or fraction thereof in population, one restaurant/eating place license is authorized. Such licenses allow the establishment to serve only beer and wine.
- For every 3,000 or fraction thereof of population, one beverage dispensary license is authorized and one package store license is authorized.
- Beverage dispensary and restaurant/eating place licenses that are designated as tourism, convenience or airport do not count as licenses based on population.

The City of Unalaska has the following breakdown of licenses authorized:

Establishment	License Type	Explanation
Alaska Ship Supply	Package Store	One of two package store licenses allowed by population
Harbor View Liquor Store	Package Store	One of two package store licenses allowed by population
Amelia's Restaurant	Restaurant/Eating Place – Public Convenience	Restaurant/Eating Place – Public Convenience is not counted in population per AS 04.11.400(g)
San Diego Tacos To Go	Restaurant/Eating Place	One of three restaurant/eating place licenses allowed by population
The Norwegian Rat Saloon	Beverage Dispensary	One of the two beverage dispensary licenses allowed by population
J&G Airport Restaurant LLC	Beverage Dispensary Tourism	Beverage Dispensary – Tourism is not counted in population per AS 04.11.400(d)(2)

Grand Aleutian Hotel	Beverage Dispensary Tourism	Beverage Dispensary – Tourism is not counted in population per AS 04.11.400(d)(2)
Grand Aleutian Hotel – Chart Room	Multiple Fixed Counter Endorsement	Beverage Dispensary – Tourism is not counted in population per AS 04.11.400(d)(2)
Harbor View Bar & Grill	Beverage Dispensary Tourism	Beverage Dispensary – Tourism is not counted in population per AS 04.11.400(d)(2)
Harbor Sushi	Beverage Dispensary	One of the two beverage dispensary licenses allowed by population

DISCUSSION: Alaska Ship Supply has applied to transfer their liquor license to Three Bears Alaska on August 15, 2023. Due to short staffing, the State was only able to notify the City on January 4, 2024. The liquor transfer application was included on the January 23, 2024 Council meeting with no protest from the Council.

On November 30, 2023 Alaska Ship Supply applied to renew their license however, AMCO was only able to notify the City on July 25, 2024. Typically, renewals happen before the transfer of license however this was an exception due to how behind the State was with their renewal process.

The Norwegian Rat Saloon applied for renewal of their beverage dispensary liquor license on December 31, 2023. The business is current in reporting and payment of sales tax, tobacco excise tax and property tax, and is current in their utility payments.

Council also considers the number of public safety calls made to an establishment each year. According to Police Chief Hankins based on the report that they ran, there were no liquor law violation for Alaska Ship Liquor Store in 2023, and no liquor law violations in 2024 for Alaska Ship/ 3 Bears Liquor Store.

In 2023, there were two calls from the Norwegian Rat Saloon to public safety for service for minor consuming and serving alcohol to a minor and for an intoxicated person on premise, while in 2024 there was a drunk disturbance call with two intoxicated individuals fighting in the parking lot.

ALTERNATIVES: Council may choose to protest the license renewal, but must provide the applicant an opportunity to present a defense to the protest at a future council meeting. This must be accomplished no later than September 23, 2024.

FINANCIAL IMPLICATIONS: Loss of tax revenue if a license is not renewed.

LEGAL: None

STAFF RECOMMENDATION: Staff recommends no protest.

PROPOSED MOTION: No action is necessary unless Council wishes to lodge a protest.

CITY MANAGER COMMENTS: I support the staff's recommendation.

ATTACHMENTS:

- License # 2721 Notice to Local Governing Body
- License # 2721 Renewal Application
- Email correspondence with Alcohol and Marijuana Control Office
- License # 5264 Renewal Notice
- License # 5264 Application Summary



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community,
and Economic Development

ALCOHOL & MARIJUANA CONTROL OFFICE
550 West 7th Avenue, Suite 1600
Anchorage, AK 99501
Main: 907.269.0350

July 25, 2024

From: Alcohol.licensing@alaska.gov ; amco.localgovernmentonly@alaska.gov

Licensee: Western Pioneer, Inc
DBA: Alaska Ship Supply
VIA email: larrys@wpioneer.com
Local Government 1: Unalaska
Local Government 2:
Via Email: emagdaong@ci.unalaska.ak.us
Community Council:
Via Email:

RE: Package Store - #2721 Combined Renewal Notice

License Number:	2721
License Type:	Package Store
Licensee:	Western Pioneer, Inc
Doing Business As:	Alaska Ship Supply
Physical Address:	487 Salmon Way
Designated Licensee:	Lawrence J Soriano
Phone Number:	206-781-4777
Email Address:	larrys@wpioneer.com

License Renewal Application

Endorsement Renewal Application

Dear Licensee:

Our staff has reviewed your application after receiving your application and required fees. Your renewal documents appear to be in order, and I have determined that your application is complete for purposes of AS 04.11.510, and AS 04.11.520.

Your application is now considered complete and will be sent electronically to the local governing body(ies), your community council if your proposed premises is in Anchorage or certain locations in the Matanuska-Susitna Borough, and to any non-profit agencies who have requested notification of applications. The local governing body(ies) will have 60 days to protest the renewal of your license.

Your application will be scheduled for the **September 10, 2024**, board meeting for Alcoholic Beverage Control Board consideration. The address and call-in number for the meeting will be posted on our home page. The

board will not grant or deny your application at the meeting unless your local government waives its right to protest per AS 04.11.480(a).

Please feel free to contact us through the Alcohol.licensing@alaska.gov email address if you have any questions.

Dear Local Government:

We have received completed renewal applications for the above listed licenses within your jurisdiction. This is the notice required under AS 04.11.480. A local governing body may protest the issuance, renewal, relocation, or transfer to another person of a license with one or more endorsement, or issuance of an endorsement by sending the director and the applicant a protest and the reasons for the protest in a clear and concise statement within 60 days of the date of the notice of filing of the application. A protest received after the 60-day period may not be accepted by the board, and no event may a protest cause the board to reconsider an approved renewal, relocation, or transfer.

To protest any application(s) referenced above, please submit your written protest for each within 60 days to AMCO and provide proof of service upon the applicant and proof that the applicant has had reasonable opportunity to defend the application before the meeting of the local governing body.

If you have any questions, please email amco.localgovernmentonly@alaska.gov.

Sincerely,

A handwritten signature in blue ink that reads "Joan M. Wilson". The signature is written in a cursive, flowing style.

Joan M. Wilson, Director
907-269-0350



AMCO
 NOV 30 2023

Alaska Alcoholic Beverage Control Board

Form AB-17: 2024/2025 General Renewal Application

- This form and any required supplemental forms must be completed, signed by the licensee, and postmarked no later than January 2, 2024 per AS 04.11.270, 3 AAC 305.050, with all required fees paid in full, or a non-refundable \$500.00 late fee applies.
- Any complete application for renewal or any fees for renewal that have not been postmarked by February 28, 2024 will be expired per AS 04.11.540, 3 AAC 305.050(e).
- All fields of this application must be deemed complete by AMCO staff and must be accompanied by the mandatory fees and all documents required, or the application will be returned without being processed, per AS 04.11.270.
- Receipt and/or processing of renewal payments by AMCO staff neither indicates nor guarantees in any way that an application will be deemed complete, renewed, or that it will be scheduled for the next ABC Board meeting.

Section 1 - Establishment Contact Information

Doing Business As:	Alaska Ship Supply	License #:	2721
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If your mailing address has changed, write the NEW address below:

Mailing Address:	PO Box 70438		
City:	Seattle	State:	WA
		ZIP:	98127-0438

Section 2 - Licensee Contact Information

Contact Licensee: The individual listed below must be part of the ownership structure of the licensee listed in Section 1. This person will be the designated point of contact regarding this license unless the Optional contact is completed.

Contact Licensee:	Lawrence J. Soriano	Contact Phone:	206-781-4777
Contact Email:	larrys@wpioneer.com		

Optional: If you wish for AMCO staff to communicate with anyone other than the Contact Licensee (such as legal counsel) about your license, list their information below:

Name of Contact:		Contact Phone:	
Contact Email:			

Section 3 - for Package Stores ONLY: Written Order Information

Do you intend to sell alcoholic beverages and ship them to another location in response to written solicitation in calendar years 2024 and/or 2025? If so, you will need to apply for a Shipping Endorsement here:
<https://accis.elicense365.com/#>

YES NO

Section 4 - Ownership Structure Certification

Did the ownership structure of the licensed business change in 2022/2023?

YES NO

If Yes, and you have **NOT** notified AMCO, list the updated information on form AB-39: Change of Officers and submit with your renewal application. If No, certify the statement below by initialing the box to the right of the statement:

I certify that the ownership structure of the business who owns this alcohol license did not change in any way during the calendar years 2022 or 2023.

L.J.S.



AMCO
NOV 30 2023

Section 5 – License Operation

Unless you operated more than 240 hours in 2022 or 2023, check ONE BOX for EACH CALENDAR YEAR that best describes how this alcoholic beverage license was operated as set forth in AS 04.11.330:

- | | 2022 | 2023 |
|---|--------------------------|--------------------------|
| 1. The license was only operated during a specified time each year. (Not to exceed 6 months per year)
<i>If your operation dates have changed, list them below:</i>
_____ to _____ | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. The license was only operated to meet the minimum requirement of 240 total hours each calendar year.
<i>A complete AB-30: Proof of Minimum Operation Checklist, and all documentation must be provided with this form.</i> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. The license was not operated at all or was not operated for at least the minimum requirement of 240 total hours each year, during one or both calendar years. <i>A complete Form AB-29: Waiver of Operation Application and corresponding fees must be submitted with this application for each calendar year during which the license was not operated.</i> | <input type="checkbox"/> | <input type="checkbox"/> |

Section 6 - Violations and Convictions

- | | YES | NO |
|--|--------------------------|-------------------------------------|
| Have any Notices of Violation been issued for this license in 2022 or 2023? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Has any person or entity in this application been convicted of a violation of Title 04, 3AAC 304 or a local ordinance adopted under AS 04.21.010 in 2022 or 2023?
<i>If you checked YES, you MUST attach a list of all Notices of Violation and/or Convictions per AS 04.11.270(a)(2). If you are unsure if you have received any Notices of Violation, contact the office before submitting this form.</i> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Section 7 – Certifications

As an applicant for a liquor license renewal, I declare under penalty of perjury that I have read and am familiar with AS 04 and 3 AAC 305, and that this application, including all accompanying schedules and statements, are true, correct, and complete.

- I agree to provide all information required by the Alcoholic Beverage Control Board or requested by AMCO staff in support of this application and understand that failure to do so by any deadline given to me by AMCO staff will result in this application being returned and the license being potentially expired if I do not comply with statutory or regulatory requirements.
- I certify that in accordance with AS 04.11.450, no one other than the licensee(s), as defined in AS 04.11.260, has a direct or indirect financial interest in the licensed business.
- I certify that this entity is in good standing with Corporations, Business and Professional Licensing (CBPL) and that all entity officials and stakeholders are current and I have provided AMCO with all required changes of the ownership structure of the business license and have provided all required documents for any new or changes of officers.
- I certify that all licensees, agents, and employees who sell or serve alcoholic beverages or check identification of patrons have completed an alcohol server education course approved by the ABC Board and keep current, valid copies of their course completion cards on the licensed premises during all working hours, if applicable for this license type as set forth in AS 04.21.025 and 3 AAC 305.700.
- I hereby certify that I am the person herein named and subscribing to this application and that I have read the complete application, and I know the full content thereof. I declare that all of the information contained herein, and evidence or other documents submitted are true and correct. I understand that any falsification or misrepresentation of any item or response in this application, or any attachment, or documents to support this application, is sufficient grounds for denying or revoking a license/permit. I further understand that it is a Class A misdemeanor under Alaska Statute 11.56.210 to falsify an application and commit the crime of unsworn falsification.



Form AB-17: 2024/2025 License Renewal Application

AMCO
NOV 30 2023

Lawrence J Soriano

Printed name of licensee

Lawrence J. Soriano
Signature of license

Restaurant and Eating Place applications must include a completed AB-33: Restaurant Receipts Affidavit

Recreational Site applications must include a completed AB-36: Recreational Site Statement

Tourism applications must include a completed AB-37: Tourism Statement

Wholesale applications must include a completed AB-25: Supplier Certification

Common Carrier applications must include a current safety inspection certificate

All renewal and supplemental forms are available online:

<https://www.commerce.alaska.gov/web/amco/AlcoholLicenseApplication.aspx>

FOR OFFICE USE ONLY

License Fee:	\$1,500.00	Application Fee:	\$ 300.00	Misc. Fee:	\$
Total Fees Due:					\$1,800.00

#100726286

Estkarlen Magdaong

From: AMCO Local Government Only (CED sponsored)
<amco.localgovernmentonly@alaska.gov>
Sent: Thursday, July 25, 2024 10:07 AM
To: Estkarlen Magdaong
Subject: RE: #2721 dba Alaska Ship Supply 2024-2025 Renewal Notice

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

No, you won't see this transfer come through again. Typically, renewals happen before transfers, but this is an exception due how behind on renewals we were with the new Title 4 and transition to our online system.

From: Estkarlen Magdaong <emagdaong@ci.unalaska.ak.us>
Sent: Thursday, July 25, 2024 9:54 AM
To: AMCO Local Government Only (CED sponsored) <amco.localgovernmentonly@alaska.gov>
Subject: RE: #2721 dba Alaska Ship Supply 2024-2025 Renewal Notice

Thank you for that information. Does that mean that we will see another application for a transfer after this?

Estkarlen P. Magdaong, CMC



City Clerk
(907) 581-1251 | emagdaong@ci.unalaska.ak.us

From: AMCO Local Government Only (CED sponsored) <amco.localgovernmentonly@alaska.gov>
Sent: Thursday, July 25, 2024 9:50 AM
To: Estkarlen Magdaong <emagdaong@ci.unalaska.ak.us>
Subject: RE: #2721 dba Alaska Ship Supply 2024-2025 Renewal Notice

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hello,

Sorry for the confusion. The renewal was sent to us here at AMCO late last year before the transfer was effectuated, and due to short staffing, we are just now able to get to the renewal. So this renewal must be processed with the previous owner for '24 – '25.

Gabriel Gonzales
Local Government Specialist
DCCED - Alcohol and Marijuana Control Office
550 W. 7th Avenue, Suite 1600
Anchorage, AK 99501

(907) 334-2195
gabriel.gonzales@alaska.gov

From: Estkarlen Magdaong <emagdaong@ci.unalaska.ak.us>
Sent: Thursday, July 25, 2024 9:40 AM
To: AMCO Local Government Only (CED sponsored) <amco.localgovernmentonly@alaska.gov>
Subject: RE: #2721 dba Alaska Ship Supply 2024-2025 Renewal Notice

You don't often get email from emagdaong@ci.unalaska.ak.us. [Learn why this is important](#)

CAUTION: This email originated from outside the State of Alaska mail system. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Regina,

I thought that the license #2721 has already been transferred from Alaska Ship Supply to Three Bears Alaska? It was included in a council meeting we had in January of this year.

Could you please provide some clarification on this?

Estkarlen P. Magdaong, CMC



City Clerk
(907) 581-1251 | emagdaong@ci.unalaska.ak.us

From: AMCO Local Government Only (CED sponsored) <amco.localgovernmentonly@alaska.gov>
Sent: Thursday, July 25, 2024 9:22 AM
To: larrys@wpioneer.com; Estkarlen Magdaong <emagdaong@ci.unalaska.ak.us>
Cc: CED ABC Alcohol Licensing (CED sponsored) <alcohol.licensing@alaska.gov>; Cruz, Regina T (CED) <regina.cruz@alaska.gov>
Subject: #2721 dba Alaska Ship Supply 2024-2025 Renewal Notice

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Good afternoon, Applicant, Local Governing Body(ies),

I have attached the LGB Renewal Notice for the above referenced license and the complete renewal packet and notice for your consideration in your jurisdiction.

Thank you,

Best,
Regina Cruz
Licensing - AMCO



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community,
and Economic Development

ALCOHOL & MARIJUANA CONTROL OFFICE
550 West 7th Avenue, Suite 1600
Anchorage, AK 99501
Main: 907.269.0350

July 25, 2024

From: Alcohol.licensing@alaska.gov ; amco.localgovernmentonly@alaska.gov

Licensee: **M & M Holdings, Llc**
DBA: The Norwegian Rat Saloon
VIA email: owner@norwegianratsaloon.com; andrew@pacsteve.com
CC: None
Local Government 1: Unalaska
Local Government 2: Unorganized Borough
Via Email: emagdaong@ci.unalaska.ak.us

Community Council: n/a
Via Email:

Re: Beverage Dispensary #5264 Combined Renewal Notice

License Number:	#5264
License Type:	Beverage Dispensary
Licensee:	M & M Holdings, Llc
Doing Business As:	The Norwegian Rat Saloon
Physical Address:	1906 Airport Beach Rd, Dutch Harbor, AK 99692
Designated Licensee:	M & M Holdings, Llc
Phone Number:	907-581-4455
Email Address:	owner@norwegianratsaloon.com ; andrew@pacsteve.com

License Renewal Application Endorsement Renewal Application

Dear Licensee:

Our staff has reviewed your application after receiving your application and required fees. Your renewal documents appear to be in order, and I have determined that your application is complete for purposes of AS 04.11.510, and AS 04.11.520.

Your application is now considered complete and will be sent electronically to the local governing body(ies), your community council if your proposed premises is in Anchorage or certain locations in the Matanuska-

Susitna Borough, and to any non-profit agencies who have requested notification of applications. The local governing body(ies) will have 60 days to protest the renewal of your license.

Your application will be scheduled for the **September 10th, 2024** board meeting for Alcoholic Beverage Control Board consideration. The address and call-in number for the meeting will be posted on our home page. The board will not grant or deny your application at the meeting unless your local government waives its right to protest per AS 04.11.480(a).

Please feel free to contact us through the Alcohol.licensing@alaska.gov email address if you have any questions.

Dear Local Government:

We have received completed renewal applications for the above listed licenses within your jurisdiction. This is the notice required under AS 04.11.480. A local governing body may protest the issuance, renewal, relocation, or transfer to another person of a license with one or more endorsement, or issuance of an endorsement by sending the director and the applicant a protest and the reasons for the protest in a clear and concise statement within 60 days of the date of the notice of filing of the application. A protest received after the 60-day period may not be accepted by the board, and no event may a protest cause the board to reconsider an approved renewal, relocation, or transfer.

To protest any application(s) referenced above, please submit your written protest for each within 60 days to AMCO and provide proof of service upon the applicant and proof that the applicant has had reasonable opportunity to defend the application before the meeting of the local governing body. If you have any questions, please email amco.localgovernmentonly@alaska.gov.

Dear Community Council (Municipality of Anchorage and Mat-Su Borough only)

We have received a completed renewal application for the above listed license (see attached application documents) within your jurisdiction. This letter serves to provide written notice to the above referenced entities regarding the above application, as required under AS 04.11.310(b) and AS 04.11.525.

Please contact the local governing body with jurisdiction over the proposed premises for information regarding review of this application. Comments or objections you may have about the application should first be presented to the local governing body. If you have any questions, please email Alcohol.licensing@alaska.gov

Sincerely,



Joan M. Wilson, Director
907-269-0350



Document reference ID : 1895

Licensing Application Summary

Application ID: 1895

Applicant Name: M & M Holdings, Llc

License Type applied for: Beverage Dispensary License(BDL) (AS 04.09.200)

Application Status: In Review

Application Submitted On: 12/29/2023

Entity Information

Business Structure: Limited liability company

Alaska Entity Number (CBPL): 10013351

Entity Contact Information

Entity Address: PO Box 920554, Dutch Harbor, AK, 99692, USA

Ownership / Principal Party Details

Principal Parent Entity	Principal Party	Role	%Ownership
M & M Holdings, Llc	Rogue Properties, Llc	Member	50
M & M Holdings, Llc	Weak Link, Llc	Member	50

Premises Address

Nearest municipality, city, and/or borough: Unalaska

Country, State, Zip:

AK, United States,

Basic Business information

Business/Trade Name:

The Norwegian Rat Saloon

Local Government and Community Council Details

City/Municipality

Unalaska

Borough

Unorganized Borough

Public Notice Posting Attestation and Publishers Affidavit

Attestations

I certify that all proposed licensees (as defined in AS 04.11.260) and affiliates have been listed on this application.

I certify that I understand that providing a false statement on this form or any other form provided by AMCO is grounds for rejection or denial of this application or revocation of any license issued.

I certify that all licensees, agents, and employees who sell or serve alcoholic beverages or check the identification of a patron will complete an approved alcohol server education course, if required by AS 04.21.025, and, while selling or serving alcoholic beverages, will carry or have available to show a current course card or a photocopy of the card certifying completion of approved alcohol server education course, if required by 3 AAC 305.700.

I agree to provide all information required by the Alcoholic Beverage Control Board in support of this application.

I hereby certify that I am the person herein named and subscribing to this application and that I have read the complete application, and I know the full content thereof. I declare that all of the information contained herein, and evidence or other documents submitted are true and correct. I understand that any falsification or misrepresentation of any item or response in this application, or any attachment, or documents to support this application, is sufficient grounds for denying or revoking a license/permit. I further understand that it is a Class A misdemeanor under Alaska Statute 11.56.210 to falsify an application and commit the crime of unsworn falsification.

I certify that all proposed licensees have been listed with Division of Corporation, Business, and Professional Licensing.

I certify that I and any individual identified in the business entity ownership section of this application, has or will read AS 04 and its implementing regulations.

Signature

Electronic Signature not collected; application submitted based on paper form.

Payment Info

Payment Type : CC

Payment Id: bd7974df-48ef-4cc6-916e-29f8e9d8ec3b

Receipt Number: 100742646

Payment Date: 12/29/2023 7:51:45 AM

License Renewal

Is this application being made by you for the benefit of someone else? If "YES," indicate below or attach explanation.

No

Has the applicant, applicant's spouse, partner, officer, director or stockholders, of the licensed entity become disqualified by law or by facts and conditions from holding a license or permit under the Alcohol and Cannabis Control Information System Alcoholic Beverage Code ? If "YES," indicate below or attach explanation.

No

Have there been changes since your original application that have not been reported on this or previous applications ? If "YES," indicate below or attach explanation.

No

How many hours did you operate in 2022 as set forth in AS 04.11.330?

Operated to meet the minimum 240 hrs.

How many hours did you operate in 2023 as set forth in AS 04.11.330?

Operated to meet the minimum 240 hrs.

Are you a seasonal license and has your operation times/dates/seasons changed?

No

Has any person or entity in this application been convicted of a violation of Title 04, 3AAC 304 or a local ordinance adopted under AS 04.21.010 in 2022 or 2023.?

No

Have any Notices of Violation been issued for this license in 2022 or 2023?

No

License Number:
5264

License Expiration Date:
12/31/2023

License Trade Name:
The Norwegian Rat Saloon

Mailing Address:
 PO Box 920554
Dutch Harbor , AK
99692

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2024-35

A RESOLUTION OF THE UNALASKA CITY COUNCIL AMENDING CITY HOUSING POLICIES
AND ADJUSTING RENTS

WHEREAS, the Unalaska City Council considers the housing shortage within the community critical and deems it necessary to provide some housing accommodations for employees; and

WHEREAS, Unalaska Code of Ordinances § 3.60.80 requires City Council to periodically review housing policies; and

WHEREAS, Council determines that an update to the City's housing policies is needed; and

WHEREAS, a rent market study was conducted by the Planning Department to survey local landlords to gather rent costs and other information about rental properties; and

WHEREAS, historically, the Housing Proprietary Fund has operated at a loss; and

WHEREAS, Council determines that increases in rents charged is necessary in order to keep rents in line with the local market and to properly manage the Housing Proprietary Fund; and

WHEREAS, increases to rental amounts will be spread over a three-year period so as to lessen financial impact on tenants.

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council adopts the City Housing Policy & Procedures, Policy Number 12.0701, effective August 15, 2024, a copy of which is attached to this resolution, which contains rent increases and the three-year schedule during which rents shall be increased.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on August 13, 2024.

Vincent M. Tutiakoff, Sr.
Mayor

ATTEST:

Estkarlen P. Magdaong, CMC
City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Marjie Veeder, Deputy City Manager; Debra Hanson Zueger, Risk Management Coordinator; and Cameron Dean, Planning Director
Through: William Homka, City Manager
Date: August 13, 2024
Re: Rental Market Survey; City Housing Policy Update & Proposed Rent Increases; and Potential Building Sites for new City Housing

SUMMARY: Employee Housing is an essential recruitment tool used to attract talent to our remote, high cost area. Employee housing is also used for employee retention. Proper management and development of our housing resources is critical to maintain the city's workforce. Housing policy updates, rent studies, rent adjustments and consideration of additional housing are all important elements in effectively managing city housing.

Tonight, we will discuss the results of a recent rental market survey and related rent increase recommendations, a proposed update to our housing policies and potential building sites for new housing.

PREVIOUS COUNCIL ACTION: The following are past council actions regarding housing policies:

- Resolution 2012-24 Housing Policies and Rent Amendment
- Resolution 2011-56 Establishment of Standards and Rent for 8-Plex City Housing
- Resolution 2002-82 Amending Existing Housing Policies
- Resolution 1997-04 Amending Existing Housing Policies
- Resolution 1994-62 Adopting Housing Policies

BACKGROUND:

AVAILABLE HOUSING

The city owns 16 apartments: the 8-Plex on Ptarmigan; the 4-Plex on Loop Road; and two duplexes on Lear Road. There is a mixture of two-bedroom and three-bedroom units. Just 12 units are used for employee housing because in the 8-Plex, four units are subleased to the school district under the terms of the grant that funded construction. That grant requirement was for 10 years, which has now expired. Therefore, the city may choose to discontinue providing four units to the school district. The City Manager has agreed to provide the school district with at least one year's notice if we intend to no longer sublease to the school.

Twelve housing units means we are able to offer housing to about 6-7% of our employees.

While finding housing in Unalaska has always been a challenge, emerging trends in the local housing market are making it even more difficult to find housing. These trends include the following factors:

1. **Bed and breakfast units:** Several homes that were private rentals have converted to a bed and breakfast, short-term rental format.
2. **Renting to companies:** More landlords are seeking to rent to companies or employers, rather than to individuals.
3. **Not publicly advertising vacant units:** While some landlords advertise, a good number do not, and also prefer not to be listed on any local landlord resource lists.
4. **High rent:** Units with lower rent tend to be snapped up quickly and available units tend to be the most expensive. Generally, these are the only option for new residents and those off-island searching for housing in Unalaska.
5. **Land is expensive or unavailable; and houses are expensive to build:** Procuring an affordable lot, plus increased costs of construction supplies, shipping and labor may make building a home out of the reach for many people.

These factors reduce housing options, which are already limited. The recent rent study revealed there was only one vacant unit available for private rental.

RENT STUDY

The city's policy requires that the Planning Department perform a Rent Market Study every three years to determine if city rental rates are in line with the local market. Such a study was performed in April and May 2024 to determine the median rent for two and three-bedroom multi-family units with heat and utilities included, and without heat and utilities included. The results indicate that city rates are below the local market median. Therefore, rent increases should be considered. City rents have not been adjusted since 2012 for the 8-Plex and 4-Plex, and since 1997 for the Lear Road duplexes.

POLICY REVIEW

UCO § 3.60.80 requires City Council to periodically review the established housing policies and to adopt any changes by resolution. Recommended amendments:

- Combine the 13 separate policies into one housing policy;
- Discontinue the employee housing waiting list; and
- Reimburse the Housing Proprietary Fund when units are held vacant for recruitment purposes, and when units are provided at no cost to contract employees, along with associated cleaning costs, in order to properly manage the Housing Proprietary Fund.

POTENTIAL BUILDING SITES

During an earlier discussion with Council, a question came up about building more employee housing. Planning Department personnel examined several parcels of land owned by the city that may be suitable for such a purpose. Attached is a summary of ten potential sites, including both pros and cons:

1. Upper Lear Road
2. Lower Lear Road

3. Tennis Court
4. Steward Road
5. City Hall parcel
6. Haystack Bridge site
7. Haystack below City Hall
8. Library parcel
9. Eagle Cliff
10. Ski Bowl/Upper Ptarmigan Road

DISCUSSION:

POLICY REVIEW

Housing policies have not been significantly updated since 2012, with the exception of the Rental Agreements, which have been periodically updated to comply with the Alaska Landlord Tenant Act. Attached is the proposed new Housing Policy to which the following updates have been made:

- a. Combine 13 separate policies into one.
- b. Abolish the employee housing waiting list. Since housing is currently being used primarily for recruitment purposes, existing employees have been waiting on the list for years. Being on the waiting list is not truly a viable housing option. Instead, if a unit becomes available for existing employees, it will be advertised in-house and employees will have an opportunity to apply for it.
- c. The Housing Proprietary Fund will be reimbursed for rent, utilities, moving and cleaning expenses associated with holding units for recruitment, or units used for interim employees in order to bring revenue and consistency to the Housing Proprietary Fund.

HOUSING PROPRIETARY FUND

Traditionally, the Housing Proprietary Fund has not been profitable. The primary source of revenue is rents. Currently, two factors negatively impact housing revenue: (1) rents have not been adjusted for years; and (2) the fund is not paid for rent and other expenses when a unit is being held for recruitment purposes or is being used for an interim or contract employee.

The biggest increase in fund expenses have been increases in utilities and refuse services; and increases in employee salaries and benefits which are charged to the fund. Staff is presently reviewing and evaluating these salary allocations to determine their accuracy and appropriateness.

Currently the annual rent revenue possible when all housing units are full is \$293,760. Actual revenues, however, have been significantly lower:

FY24	\$242,058
FY23	\$229,043
FY22	\$258,766
FY21	\$257,616
FY20	\$234,735

The average annual revenue for the last five years is \$245,043.60.

Increasing rents will have a positive effect on the housing fund. Possible annual rent revenue when all housing units are full is \$293,760. With the new rents being spread over three years, we can anticipate the following revenue for the next three years:

October 1, 2024	\$314,400
October 1, 2025	\$334,800
October 1, 2026	\$350,400

Collecting this rent revenue, plus other expenses incurred while holding housing units may not put the housing fund in the black, but it will assist greatly in moving in that direction. The Finance Director recommends that the Housing Proprietary Fund be allocated enough additional funds from the General Fund to bring the fund back into the positive, and then each year at budget time an amount be added to the fund budget to account for units that are held for recruitment purposes, or for contract or interim employees. Administration Staff will bring a budget amendment to Council in order to request this additional funding for FY25. In future years, this funding will be requested when preparing the annual operating budget.

RENT STUDY

In April 2024 the Planning Department distributed a questionnaire to the 69 landlords holding a local business license and 28 landlords responded (40% response rate). While some did not provide their current rental rates, the landlords who did represent 142 individual rental units.

Unsurprisingly, very few units were vacant at the time of survey. Of 158 units, only 10 were vacant (6.3%), mirroring the national average. However, one and two-bedroom units, the most common types of housing surveyed, had almost no vacancies. Only one two-bedroom and zero one-bedrooms were vacant in April.

The survey distinguished housing by building type (apartments, duplex, single-family house, etc.) and number of bedrooms, but not by floor space. Multi-family buildings are the most similar to the city's current housing. If rents included heat, they also tended to include other utilities except electric. A summary of rates, excluding single-family houses, is as follows:

# Bedrooms	Heat Included	Minimum	Median	Mean	Maximum
1	No	950	1,664	1,730	2,900
	Yes	1,100	1,100	1,240	1,450
2	No	1,330	1,688	1,872	3,200
	Yes	1,700	1,850	1,945	2,625
3	No	1,800	2,250	2,219	2,500
	Yes	2,175	2,250	2,233	2,250
4	No	2,250	2,250	2,250	2,250

RENT INCREASE PROPOSAL

After reviewing the rental market study data, it has been determined that rent increases are in order for all city rentals. City rents have not been adjusted since 2012 for the 8-Plex and the 4-Plex, and since 1997 for the Lear Road duplexes. The median is recommended as a fair increase for rents because the median does not include very high or very low rents and provides a better

measure of the market. Other factors considered when determining rents is the size of the units. The units are much larger in the 8-Plex than the 4-Plex and Lear Road. Utilities are another factor. City policy states that units that pay utilities must be lower in rent than units in which the city pays the utilities. We recommend rent increases be spread out as to not cause financial hardship to tenants. Below are the recommended new rental rates, and the proposed schedule to increase rents:

Unit	Current Rent	Proposed Rent	Total Increase	Utilities
Lear Road 2 Bedroom	950	1,450	500	Heat will soon be included; tenant pays all other utilities (electric, water, wastewater, landfill)
Lear Road 3 Bedroom	1,150	1,650	500	Heat will soon be included; tenant pays all other utilities (electric, water, wastewater, landfill)
4-Plex 2 Bedroom	1,425	1,650	225	All included except electric
8-Plex 2 Bedroom	1,600	1,850	250	All included except electric
8-Plex 3 Bedroom	2,000	2,250	250	All included except electric

PROPOSED NEW RENTAL RATES & EFFECTIVE DATE			
UNIT	Effective 10/1/2024	Effective 10/1/2025	Effective 10/1/2026
Lear Road 2 Bedroom	1,150	1,300	1,450
Lear Road 3 Bedroom	1,350	1,500	1,650
4-Plex 2 Bedroom	1,500	1,575	1,650
8-Plex 2 Bedroom	1,700	1,800	1,850
8-Plex 3 Bedroom	2,100	2,200	2,250

NEW CITY HOUSING - POTENTIAL BUILDING SITES

The city receives benefits from offering employee housing. These benefits include improved employee retention, increased productivity and the ability to attract talent to our remote, high cost area. Employees receive stable housing and potentially better living conditions.

Attached to this memo is a list of potential city-owned sites for building new housing, listed in rough descending order of suitability and ease of development. The city owns several large lots, for example, on Lear Road near its existing housing above the Public Works building. These parcels are near existing utilities, would require minimal site work and are zoned high-density residential. The parcels could accommodate a large number of units. Numerous other properties owned by the city could be developed for housing if desired.

Construction of new housing carries a considerable price tag. When the 8-Plex was built in 2010-2011 on land owned by the city, the total cost was more than \$4.6 million, which was constructed largely with grant funding. In contrast, there is 10-unit apartment building in Unalaska listed for \$2.4 million, which consists of eight 3-bedroom and two 2-bedroom units.

ALTERNATIVES: The only action requested of Council this evening will be to adopt the updated housing policy. The alternatives include adopting the new housing policy as presented, which

includes rent increases; or to propose amendments to the policy or rental amounts. Council could also choose to take no action, which is not recommended by Staff.

FINANCIAL IMPLICATIONS: Updating the housing policy to include reimbursing the housing fund for its services will increase revenue in the Housing Proprietary Fund and ensure the fund is managed as a true proprietary fund, making its revenues and expenses more straightforward and understandable. A budget amendment will be requested for FY25 once the amount is determined and in future years, this funding will be requested when preparing the annual operating budget.

Raising rents to be in line with the local market will increase revenue in the housing fund. Raising rents will also impact tenants' finances.

Exploring building sites for potential city housing poses no financial implications at this point.

LEGAL: Landlords, including the City of Unalaska, are within their right to raise rents and manage their properties in accordance with the Alaska Landlord Tenant Act. Since the city's rental agreements are month-to-month, with 30 days' notice, the city can make changes to rents, rental agreements, etc.

Exploring building sites for potential city housing poses no legal issues at this point.

STAFF RECOMMENDATION:

- a) Staff recommends adoption of Resolution 2024-35 to update housing policy and increase rents.
- b) Staff seeks further direction regarding potential additional housing units, whether to explore purchasing an existing building or construction of new housing.

PROPOSED MOTION: I move to adopt Resolution 2024-35.

CITY MANAGER COMMENTS:

- a) As rents have not been increased in years, I recommend that Council adopt Resolution 2024-35 to update the city's housing policy and increase rents; and
- b) I also recommend the Council approve a future budget amendment to "true up" the Housing Proprietary Fund, so that it can be properly managed into the future; and
- c) It would be beneficial to have additional City employee housing for several reasons: recruitment and retention; use for interim and contract employees; and potential use for police officers as we explore the possibility of rotational police officer shifts. In light of the significant cost of constructing new housing, I recommend that the City consider purchasing additional rentals already in the city vs. undertaking a new construction project.

ATTACHMENTS:

- Proposed Housing Policy & Procedure
- Potential City Housing Building Sites

	Responsible Department: Administration
	Document Type: POLICY & PROCEDURE
	Number: 12.0701
	Title: City Housing Policy & Procedures
	Effective Date: September 1, 2024
	Re-evaluation Date: 3 years
	Reference: Unalaska Code of Ordinances § 3.60.080; Alaska Landlord Tenant Act, AS 34.03-010 – 34.03.380

POLICY STATEMENT: The City of Unalaska (hereafter “City”) owns several housing units, which are used primarily as a recruitment tool for new employees, especially for critical positions. Availability of City housing can be highly effective in recruitment, especially in a competitive job market where attracting top talent is crucial. Availability of housing can make the City’s employment opportunities more attractive to potential candidates, particularly those who may be relocating from other areas and facing the challenge of locating housing locally. Secondly, employee housing is used as a means to assist current employees in a tight housing market, or who may be facing challenges in finding appropriate housing. By providing housing options, the City aims to enhance the overall quality of life for employees and potentially improve retention rates by making it more feasible for them to remain in their positions long-term. The housing program benefits individual employees, but also contributes to the City’s ability to attract, retain, and support a skilled workforce, which in turn can have positive impacts on the community as a whole.

PURPOSE: The purpose is to establish policies and procedures for the management of employee housing units owned by the City.

SCOPE: This policy applies to all City owned employee housing.

ATTACHMENTS: None.

DETAILS: City housing policies and procedures are implemented by the Department of Administration (hereafter “Administration”). Administration is responsible for overall administration and operation of the housing program, policy determination and the development of rules and regulations in accordance with the Alaska Landlord Tenant Act and any other applicable laws, requirements, City ordinances and policies.

1) **GENERAL**

- a) Housing for employees shall be contingent upon the employee’s continued employment with the City.
- b) The City encourages employees to acclimate into the community and obtain housing in the private sector, or purchase or build housing in the community.
- c) The existence of City owned employee housing shall not constitute a guarantee that the City is responsible for providing housing for any employee.
- d) The City reserves the right to eliminate its housing program at any time for any reason. No decision to eliminate any or all housing will be implemented without providing employees in City housing with a notice period of at least six (6) months.

- e) Unless specific ordinances of the City or any local, state or federal laws would be violated by doing so, the City Manager has the right to waive any of these policies.
 - f) City housing must be the employee's primary residence.
- 2) **HOLDING OF UNITS FOR EMPLOYEE RECRUITMENT:** City owned housing may be held vacant for recruitment of critical positions, as determined by the City Manager. Rent, heating fuel, utilities, cleaning and maintenance costs related to recruitment vacancies shall be reimbursed to the Housing Proprietary Fund by the General Fund.
- 3) **UNITS USED BY CONTRACTORS OR INTERIM EMPLOYEES:** City owned housing may be provided for contracted employees or consultants, or for interim employees if approved by the City Manager. If housing is provided at no cost to such persons, rent, heating fuel, utilities, cleaning and maintenance costs related to such use shall be reimbursed to the Housing Proprietary Fund by the General Fund.
- 4) **DETERMINATION OF ELIGIBILITY AND SELECTION OF TENANT**
- a) Administration will no longer maintain a waiting list for City owned housing.
 - b) If City owned housing becomes available, the vacancy shall be advertised to current City employees, who may submit a housing application to Administration.
 - c) Eligibility for City owned housing is based on the following factors, in descending order of importance:
 - i) Regular full-time employees in positions considered critical, as determined by the City Manager.
 - ii) Full-time employees in positions not considered critical, as determined by the City Manager.
 - iii) Part-time employees.
 - iv) Less than part-time employees.
 - d) Applicants will be selected using the eligibility criteria in the preceding section, as well as the following:
 - i) Family size appropriate to the size of the housing unit:
 - (a) 2-bedroom unit: minimum 1 person; maximum 4 persons
 - (b) 3-bedroom unit: minimum 2 persons; maximum 6 persons
 - (c) Other family sizes will be considered on a case by case basis.
- 5) **ESTABLISHMENT OF RENTS FOR CITY HOUSING**
- a) The rental amounts established by the City will be those amounts determined by a housing rental market study, which shall be completed every three years by the Planning Department, assisted by Administration. Rental amounts shall be approved by resolution of the Unalaska City Council.

- b) In addition to the rental market study, rents may be adjusted based on whether some or all utilities are included in the rental amount. If heat and some or all utilities come with the unit, the rent will be a higher than for a similar unit in which the tenant bears the cost of heat or utilities.
- c) Rent amounts may also be increased for administrative fees or increases in the cost of heating fuel, utilities, refuse removal, property insurance or other services. Changes in rental amounts shall be communicated to tenants in accordance with the rental agreement and the Alaska Landlord Tenant Act.
- d) Based on a rental market study recently conducted, monthly rent amounts are hereby increased, effective October 1, 2024, and shall be gradually increased over a period of three years, as follows:

RENTAL RATES & EFFECTIVE DATE			
UNIT	Effective 10/1/2024	Effective 10/1/2025	Effective 10/1/2026
Lear Road 2 Bedroom	1,150	1,300	1,450
Lear Road 3 Bedroom	1,350	1,500	1,650
4-Plex 2 Bedroom	1,500	1,575	1,650
8-Plex 2 Bedroom	1,700	1,800	1,850
8-Plex 3 Bedroom	2,100	2,200	2,250

6) ESTABLISHMENT OF SECURITY AND PET DEPOSITS

- a) The Security Deposit shall equal one month’s rent. When rent increases, the security deposit shall be increased to match the monthly rental amount.
- b) The Pet Deposit shall be five hundred dollars (\$500) for each pet. Two pets are allowed per unit. Pets other than cats or dogs shall be evaluated on a case-by-case basis to determine acceptability, which acceptability shall be determined by Administration. Execution of a Separate Pet Agreement is required.
- c) Security deposits and Pet deposits will be refundable upon the tenant’s vacancy of the unit pursuant to the Alaska Landlord Tenant Act, after final inspections by Administration to determine that no property damage has been caused by the tenant or pets.
- d) During occupancy, a tenant must notify Administration if there is no longer a pet on the premises.

7) PAYMENT METHODS FOR RENTS AND DEPOSITS

- a) The City requires payment of rent via payroll deduction. Employee tenants shall complete the Payroll Deduction Authorization Form. Rent will be deducted in two (2) equal installments each month.
- b) Security and pet deposits shall be due and owing on the effective date of occupancy. In cases of financial hardship, tenant may request a payment plan of not more than 4 consecutive pay periods via payroll deduction.
- c) Rents for partial months of occupancy shall be prorated on the basis of the actual number of days in the month. The first day of occupy shall be considered a day of occupancy for

the purpose of prorating. The day on which the tenant vacates the unit shall not be considered a day of occupancy for the purpose of proration. When possible, rental terms shall commence on the first or sixteenth day of the month.

- d) Under no circumstances shall the employee be relieved of the responsibility to pay rent due to a lack of wages. If the amount of wages is insufficient, the employee shall make other arrangements to promptly pay the rent balance due.

8) **TENANCY**

- a) All tenants shall enter into a month-to-month rental agreement.
- b) This policy does not provide a guarantee to length of tenancy, and with thirty (30) days' notice either party may end tenancy.
- c) If a tenant's employment with the City ends, tenancy in City owned housing ends no more than 30 days following the end of employment. Employee is responsible for paying rent until tenancy ends and arranging a move out inspection with Administration.

- 9) **REGULAR AND EMERGENCY UNIT REPAIRS:** Tenants shall request repairs using a Housing Work Order Request Form emailed to the proper designated contact(s) in Administration. For after-hours emergencies and emergencies on weekends, tenants should contact the designated after-hours contacts. Whenever conditions exist where a delay in reporting or repairing the initial damage could cause further damage (e.g. water leaks) tenants shall take reasonable action to mitigate damage until repairs can be made.

10) **PREVENTATIVE MAINTENANCE AND INSPECTIONS**

- a) Move-in Inspections: The Move in Inspection Report shall be completed by the tenant to document existing damages and submitted to Administration within the first week of occupancy.
- b) Occupied Unit Inspections: Preventative maintenance inspections shall be carried out at least annually. Inspections for purposes of preparation of the maintenance budget, for safety (e.g. fire extinguishers), for improvements, etc., shall be arranged with proper notice to tenants. Access to an occupied unit shall be governed by the rental agreement and the Alaska Landlord Tenant Act.
- c) Move-Out Inspections: An inspection shall be completed at move-out with the tenant or their representative. An inspection report shall be prepared detailing the condition of the unit and any needed cleaning or repairs. Conditions beyond normal wear and tear shall be considered damage to the property. Additional cleaning and damage repair costs shall be charged to the tenant's deposit(s) pursuant to the Alaska Landlord Tenant Act. Tenant shall be liable for any charges exceeding the security and pet deposits.

11) **ADDITIONAL PROVISIONS**

- a) Keys: at the time of move-in tenants shall be issued two keys. Additional keys may be requested.
- b) Vendors: Tenant is responsible for arranging all utilities (those not supplied by the City at the particular unit), internet, telephone or other services. Tenants may choose their own vendors and are not required to utilize vendors used by the City.

c) Complaints: Tenant complaints about housing units, rules, other tenants, etc. may be submitted to Administration using a Tenant Complaint Form.

12) **HOUSING SEARCH ASSISTANCE:** In order to assist new employees for whom City housing is not available, Administration will provide a Housing Search Packet to new and existing employees.

APPROVED:

Marjie Veeder, Deputy City Manager

Date

William Homka, City Manager

Date

Note: This policy was approved by the Unalaska City Council on August 13, 2024, and replaces all prior city housing policies and procedures, including prior versions of policy 12.0701 Housing Program, 12.0702 Establishment of Rents, 12.0703 Establishment of Security and Pet Deposit, 12.0704 8-Plex Policies, 12.0730 Tenant Selection of Vendors and 12.0731 Housing Procedures



Site 1: Upper Lear Road

Tax ID: 06-04-070, 06-04-080, 06-04-090



Pros:

- Total Area: 113,043 sf
- Existing 40,000 sf Pad
- 46 units by right across 3 parcels
- Zoned High Density Residential
- Existing utilities in Lear Road
- Minimal Site Work Needed

Cons:

- Elevation changes approximately 30-40 feet across lot.
- Plat to combine parcels to maximize parcels totaling 53 units by right





Site 2: Lower Lear Road

Tax ID: 06-04-040, 06-04-070



Pros:

- Total Area: 91,380 sf
- Existing 25,338 sf Pad
- 43 units by right across 3 parcels
- Zoned High Density Residential
- Existing utilities in Lear Road
- Minimal Site Work Needed

Cons:

- Access through existing Lear Road housing driveway
- Plat to combine parcels to maximize parcels totaling 53 units by right



Site 3: Tennis Court

Tax ID: 06-09-090



Pros:

- Total area 198,633 sf
- Existing 68,354 sf pad
- 92 units by right if rezoned
- Existing utilities in East Broadway
- Minimal Site Work Needed

Cons:

- Zoned Public/Quasi-Public, needs Re-zoning to High Density Residential
- Loss of recreation area
- Loss of driving test area
- River on property





Site 4: Steward Road

Tax ID: 06-05-580



Pros:

- Total area: 26,595 sf
- Duplex by right, with re-zoning could yield 5 units
- Relatively flat area
- Utilities in Steward Road

Cons:

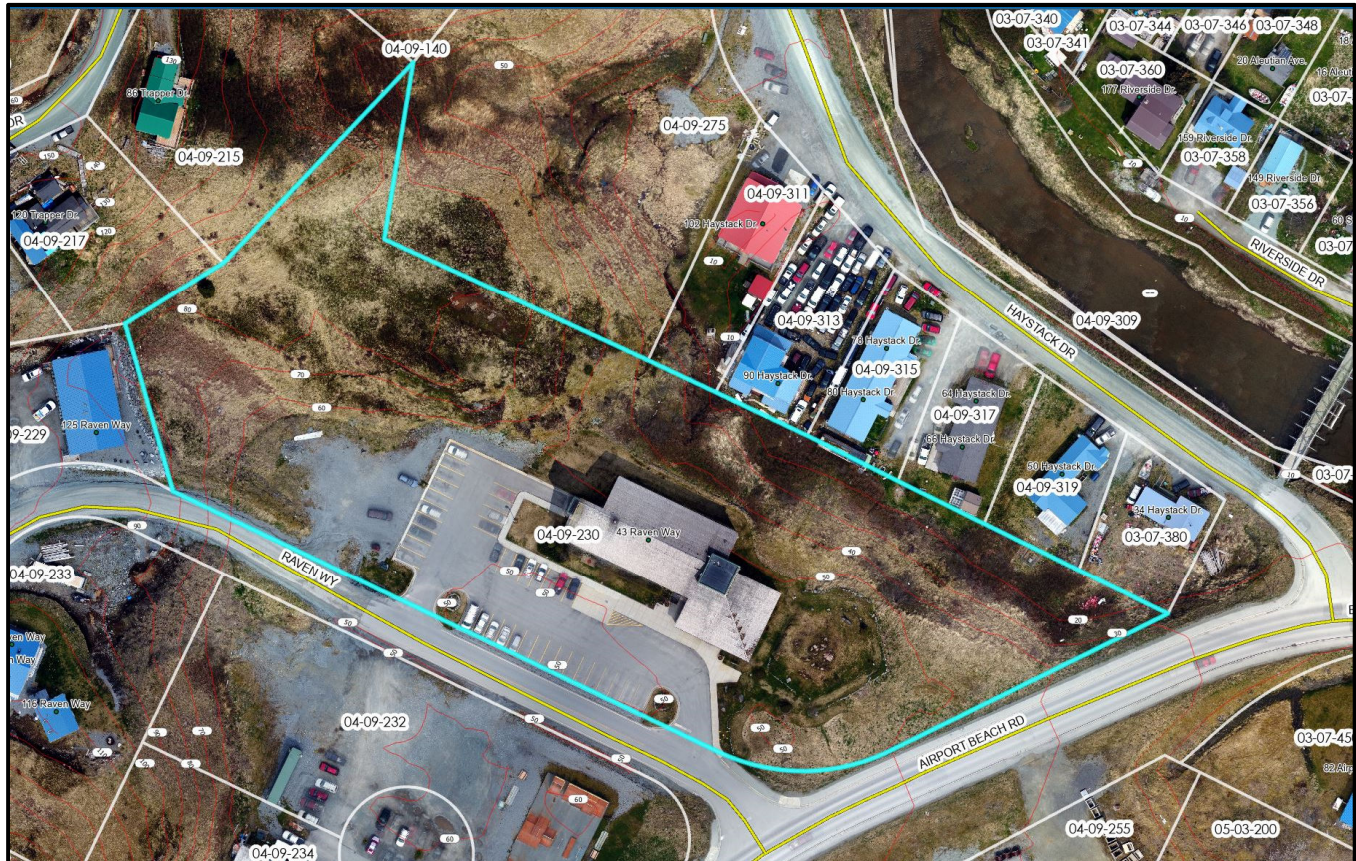
- Requires re-zoning to avoid duplex maximum
- Smaller buildable footprint
- River may flood property
- Needs a pad





Site 5: City Hall Parcel

Tax ID: 04-09-230

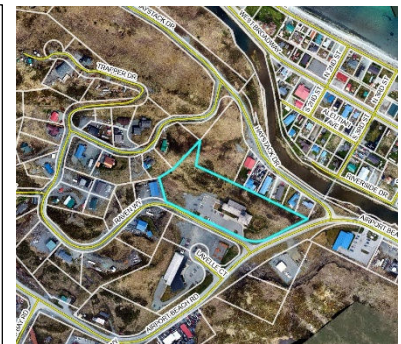


Pros:

- Total 48,000 sf unused area between Chiropractic Office and City Hall
- Short commute

Cons:

- Lack of Dedicated Parking
- Requires site work for elevation and drainage.
- Requires re-zoning
- Needs pad





Site 6: Haystack Bridge Side

Tax ID: 04-09-120



<p>Pros:</p> <ul style="list-style-type: none"> • Total 193,533 sq.ft • Existing pad about 12,000 sf • Amazing views • Outside tsunami zone • City Owned Unused Space 	<p>Cons:</p> <ul style="list-style-type: none"> • Access issues, steep unfinished access • Utility runs are complicated needs lift station for sewer. • Requires Site Work to build out pads. • Requires re-zoning
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Site 7: Haystack Below City Hall

Tax ID: 04-09-275

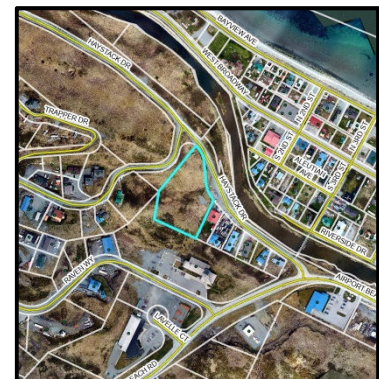


Pros:

- 70,871 sf
- Short commute to City Hall
- Large parcel, up to 31 units after re-zoning
- Easy utility access
- Could be combined with portion of City Hall parcel to increase buildability and max parcel size

Cons:

- No existing pad
- Requires site work for elevation and drainage.
- Requires re-zoning
- Needs pad
- Significant elevation changes
- Not all outside tsunami zone





Site 8: Library Parcel

Tax ID: 03-07-650



Pros:

- Total 159,059 sf
- Approximately 70,000 sf buildable area depending on site work.
- Existing utilities
- Lake-front property and access

Cons:

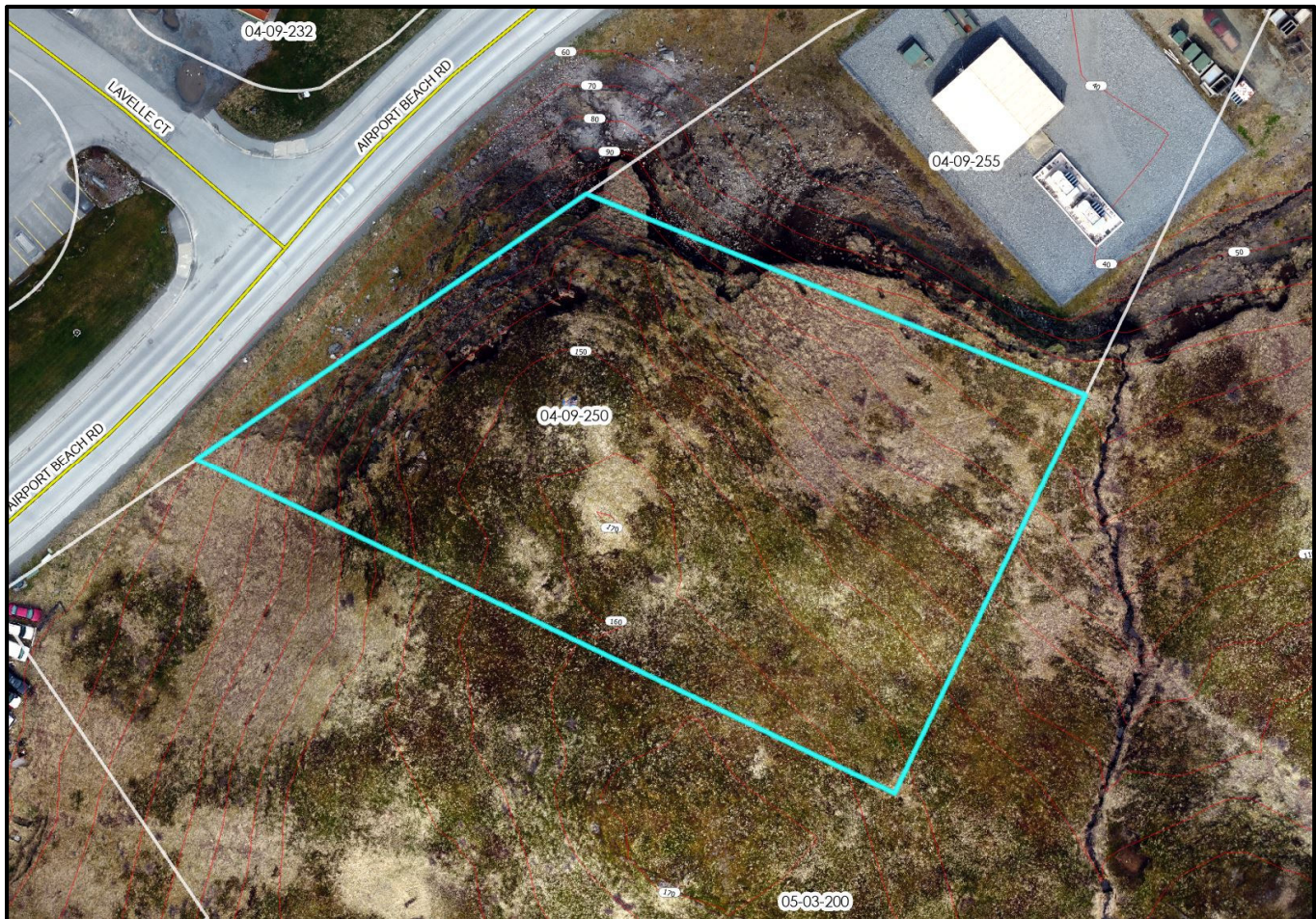
- Site work required to take down cliffside
- Conditional Use Permit required
- Needs new pads
- Shares land with Library
- Awkward Lot Shape





Site 9: Eagle Cliff

Tax ID: 04-09-250



Pros:

- Total area 52,276 sf
- 22 potential units
- Easy utility access
- Close to City Hall
- Outside Tsunami zone

Cons:

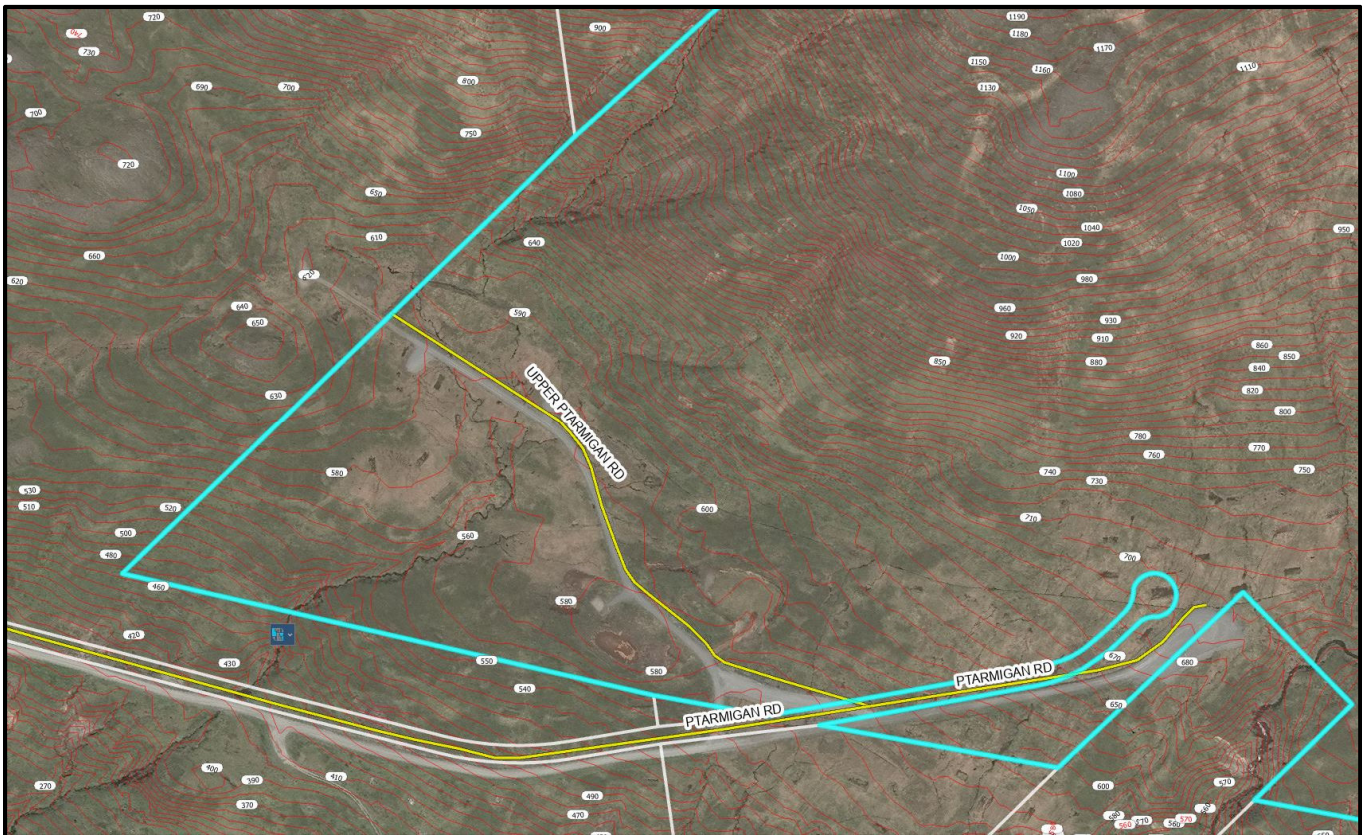
- Requires extensive site work/blasting
- No existing pad
- Requires re-zoning





Site 10: Ski Bowl/Upper Ptarmigan Rd.

Tax ID: 06-03-300



Pros:

- 7,545,195 sf
- Significant flat areas exist from old WW2 housing
- Virtually unlimited housing units after re-zoning
- Outside tsunami zone

Cons:

- Requires re-zoning
- Significant snow issues
- Utilities far and need lift station for water
- Road is steep but passable in winter
- Possibility for WW2 contaminants
- Recommend parceling out
- Will require site work despite existing flat areas

