

MEMORANDUM

Thomas Bay Service Area | Ordinance No. 2026-17

TO:	Petersburg Borough Assembly
FROM:	Liz Cabrera, Community Development Director
DATE:	June 22, 2026
RE:	Ordinance No. 2026-17 - Establishment of the Thomas Bay Service Area

Purpose & Background

This memorandum supports the Assembly's review of Ordinance No. 2026-17, which establishes the Thomas Bay Service Area (TBSA) within the Petersburg Borough. The ordinance creates the legal and fiscal framework necessary for the Borough to respond to future service needs in Thomas Bay as parcels are considered for sale, conveyed into private ownership or as public use increases. Establishing the service area now preserves the Assembly's ability to authorize, fund, or coordinate services such as emergency response, access improvements, road maintenance, and recreation-related improvements if future conditions warrant. Adoption of the ordinance does not itself require immediate service delivery, set a tax rate, or obligate Borough expenditures absent later Assembly appropriation.

The proposed service area encompasses all real property within Alaska State Land Survey No. 81-235 (Plat No. 82-16, recorded October 21, 1982, Petersburg Recording District), excluding the federally owned Tract B-2 (Plat No. 93-2). The Petersburg Borough currently owns 154 lots, while the State of Alaska owns 4 parcels. No voters currently reside within the proposed service area.

The Thomas Bay subdivision was conveyed to the Borough in 2023, and the Borough has received public interest in purchasing parcels within the area. Establishing the TBSA before parcel sales occur allows the Assembly to address future emergency response, access, road maintenance, and recreation-related needs within a defined service-area structure. This approach preserves future options while leaving service levels, funding methods, and expenditures subject to later Assembly action.

Legal Authority & Consent Requirements

The ordinance derives authority from the Petersburg Borough Home Rule Charter, Sections 14.03 and 14.04, which authorize the Assembly to create service areas to provide services not delivered on an areawide basis, provided two conditions are met:

- Need and economic operating efficiency justify creation of a distinct service area; and
- The proposed services cannot reasonably be provided by an existing or altered service area.

Because no voters reside within the proposed area, Charter subsection 14.03A(2) permits creation by Assembly ordinance with written consent of all real property owners in lieu of a public election. The Petersburg Borough (as property owner) consents through the ordinance itself. The Alaska Department of Natural Resources has provided written consent on behalf of the State of Alaska (Exhibit B). Consent is thereby legally complete.

Proposed Services

If adopted, the Thomas Bay Service Area would be authorized — subject to annual Assembly appropriation — to provide the following services:

- Fire and Emergency Medical Services

- Police Services
- Road Construction (anticipated to be accomplished primarily through contracts with private-sector contractors; may also be provided through Local Improvement Districts under Charter Article 16)
- Road Repair and Maintenance (anticipated to be accomplished primarily through private-sector contracts)
- Parks and Recreation

Assembly Discretion Preserved

What this Ordinance Does and Does Not Require

Authorization of services listed does not mandate or guarantee any specific response model in Thomas Bay. The level and form of services — if any — is determined subsequently by the Assembly through the annual budgeting process (§ 4.85.020.B). The authorization simply ensures the Borough has the proper service-area authority to fund and direct fire, EMS, law-enforcement assistance when emergency response in Thomas Bay makes it necessary, as well as providing the other services listed in the ordinance.

Rationale for Including Services in the TBSA

A. Fire and EMS Services

The Thomas Bay subdivision is newly acquired Borough property and may transition into private ownership over time; the Borough should establish service-area authority before parcel sales and development create new emergency-response expectations. Including fire and EMS authority gives the Borough a lawful structure to support emergency response when needed, while preserving the Assembly's discretion over whether, when, and how any service is funded.

B. Police Services

Including police services in the TBSA authorization recognizes that some fire and EMS responses may require law-enforcement support before responders can safely proceed. EMS personnel must assess whether a scene is safe before initiating patient contact and may need to wait for law-enforcement assistance if a scene presents safety concerns or if a criminal matter becomes apparent during the response. Examples may include domestic violence and assault calls, intoxicated or combative patients, weapons on scene, death investigations and unattended deaths and calls initially reported as medical that turn out to involve criminal activity.

Authorizing police services does not require the Borough to establish a specific law-enforcement response model for Thomas Bay. Rather, it preserves the Assembly's ability to fund or coordinate law-enforcement support if future fire, EMS, or public-safety needs make that appropriate.

Because Thomas Bay is remote, timely outside law-enforcement support may not always be available. The closest blue-shirt Alaska State Trooper patrol posts in Southeast Alaska are in Juneau, Sitka, and Ketchikan. Petersburg has Alaska Wildlife Troopers, but their availability and role may differ from a local AST patrol post for general law-enforcement backup. Including police services in the TBSA therefore gives the Borough flexibility to evaluate and coordinate appropriate support if service needs develop.

C. Road Construction

Road construction authority is needed because the subdivision includes existing roads, but not all lots have practical road access. As parcels are sold or considered for sale, the Borough should have authority to address future access needs through private-sector contracts and, where appropriate, Local Improvement Districts so benefited property owners can help fund capital improvements without requiring immediate general service-area expenditures.

D. Road Repair and Maintenance

Road repair and maintenance authority is included to allow the Borough to address access, safety, drainage, and preservation needs as public use, parcel ownership, and development interest evolve. Work is expected

to be contracted as needed, rather than supported by Borough equipment staged in Thomas Bay, which keeps the authorization flexible and cost-conscious.

E. Parks and Recreation

Parks and recreation authority is appropriate because Thomas Bay is used primarily for outdoor recreation, including hiking, fishing, hunting, and related low-impact activities. The authorization would allow the Borough to consider future trails, picnic areas, signage, or other modest recreational improvements if future demand and funding justify them.

Financing Structure

Under Charter Section 14.03 and the proposed Chapter 4.85.030, the Assembly would be authorized to levy taxes, assessments, or other charges to fund TBSA operations and capital needs. Fiscal safeguards include:

- Tax levy rates may not cause real property taxes to exceed the maximum set under Charter Section 12.03.
- All TBSA revenue must be segregated and used exclusively for TBSA costs — capital, operating, and administrative.
- Local Improvement Districts may now be created within the TBSA for property owner-funded capital projects under the amended § 4.12.010 — an expansion of LID authority beyond its current scope. Currently, LID authority under Chapter 4.12 is limited to Service Area 1. The amendment to § 4.12.010.C expands that authority to include the Thomas Bay Service Area, giving the Borough a new tool to fund capital improvements — such as road construction — through assessments on benefited properties rather than general TBSA taxation alone.

Governance Structure

The assembly may provide an appointed or elected board to supervise the furnishing of services in a service area or may exercise such supervision by itself. The assembly or board shall determine the cost and levels of service, the means, methods and facilities for providing the service and all requirements for receiving the service. Long-term governance of the TBSA (e.g., service area board) is not addressed and may warrant future action.

Sectional Analysis

The table below summarizes each section of Ordinance No. 2026-17 and its significance for Assembly decision-making.

Section	Title	Key Provision	Decision Impact
Sec. 1	Classification	Declares the ordinance general and permanent; requires codification in the Petersburg Municipal Code.	Permanent legal effect — not temporary or administrative.
Sec. 2	Purpose	Establishes the TBSA to provide services not available on an areawide basis within the defined boundary.	Sets the statutory rationale and geographic scope.
Sec. 3.A (§ 4.12.010)	LID Applicability Amendment	Expands Local Improvement District (LID) authority — currently limited to Service Area 1 — to include the Thomas Bay Service Area. LIDs enable property owner-funded capital improvements such as road construction.	Provides a financing tool for TBSA capital projects.
Sec. 3.B (§ 4.85.010)	Creation & Boundaries	Creates the TBSA within ASLS 81-235, excluding federally owned Tract B-2.	Defines the legal boundary. See Exhibit A map.
Sec. 3.B (§ 4.85.020)	Authorized Services	Lists five service categories: fire/EMS, police services, road construction, road	Assembly retains full budget discretion — no

		maintenance, and parks and recreation. No service level is guaranteed; all subject to Assembly appropriation.	expenditure is required by adoption of the ordinance alone.
Sec. 3.B (§ 4.85.030)	Financing Authority	Authorizes taxes, assessments, and charges; mandates revenue segregation; caps levy per Charter § 12.03.	Mechanism exists but no rate is set for area services.
Sec. 4	Consent	Borough consents on behalf of itself; combined with State of Alaska consent, satisfies Charter § 14.03A(2).	Legally completes the consent requirement — no voter election is required.
Sec. 5	Effective Date	Ordinance takes effect immediately upon adoption.	

Prepared by Borough Administration