

**PETERSBURG BOROUGH
RESOLUTION #2025-03 (Amended)**

**A RESOLUTION AUTHORIZING TEMPORARY LEASE OF BOROUGH OWNED TIDELANDS AT
THE SCOW BAY TURNAROUND TO ANDREW RUTHERFORD**

WHEREAS, Andrew Rutherford filed an application to temporarily lease 5,000 square feet of Borough-owned tidelands located at the Scow Bay Turnaround for demolition and rebuild of a floating airplane hangar; and

WHEREAS, the subject airplane hangar currently resides at the seaplane base located north of Petersburg's Port Dock and is in compromised condition and in danger of sinking; and

WHEREAS, Petersburg Municipal Code (PMC) Section 16.16.090 states the Assembly may, by resolution, authorize permits to applicants for the temporary use of tidelands and/or submerged lands, for any purpose compatible with the land use classification, and on terms and conditions as the Assembly shall determine; and

WHEREAS, the Borough is currently undertaking pre-construction activities for a major development project at the Turnaround site which will go out to bid in early 2026; and

WHEREAS, on February 11, 2025, a duly noticed public hearing was held by the Petersburg Borough Planning Commission on the application; and

WHEREAS, the Planning Commission considered and reviewed applicant materials and staff comments, and made recommendation to the Assembly to authorize the temporary lease with the following conditions:

1. Temporary lease shall terminate no later than June 30, 2025.
2. Prior to permit to lease being issued, the applicant shall provide to the Borough:
 - a. Timeline demonstrating project will be completed and the property cleaned and returned to original state by June 30, 2025.
 - b. Plan to ensure concrete ramp and 40' easement are open to the public.
 - c. Method for control and clean-up of all hangar materials, especially foam billets. The applicant demonstrates he has contacted the Sanitation Department to discuss materials to be accepted.
 - d. Cost estimate for demolition and disposal from a licensed contractor. The Borough will require a performance bond in this amount in the event of default and the Borough is required to clean-up and dispose of materials.

; and

WHEREAS, the project timeline showing completion before June 30, 2025, the exact project location at the Turnaround, the plan to ensure concrete ramp and easement are open to the public at all times, and the method for control and clean-up of all hangar materials shall be approved by the Community Development Director and the Harbormaster prior to the issue of a temporary lease permit; and

WHEREAS, proof that the applicant has discussed what demolished materials from the airplane float are acceptable to the Sanitation Department for disposal, a written cost estimate for demolition and disposal of

the airplane float from a licensed contractor, and proof of a performance bond in the estimated dollar amount for demolition and disposal shall be approved by the Borough Manager's office prior to the issue of a temporary lease permit.

THEREFORE, BE IT RESOLVED that the Petersburg Borough Assembly authorizes the temporary lease of Borough-owned land at the Scow Bay Turnaround to Andrew Rutherford to demolish and rebuild a floating airplane hangar, with the following conditions:

1. Temporary lease shall terminate no later than June 30, 2025.
2. Prior to permit to lease being issued, the applicant shall provide to the Borough:
 - a. Timeline demonstrating project will be completed and the property cleaned and returned to original state by June 30, 2025. Timeline shall be approved by the Community Development Director and the Harbormaster.
 - b. Plan to ensure concrete ramp and 40' easement are open to the public. Plan shall be approved by the Community Development Director and the Harbormaster.
 - c. Method for control and clean-up of all hangar materials, especially foam billets. Method shall be approved by the Community Development Director and the Harbormaster. Proof that the applicant has contacted the Sanitation Department to discuss materials to be accepted shall be provided to the Borough Manager.
 - d. Cost estimate for demolition and disposal from a licensed contractor. The Borough will require a performance bond in this amount in the event of default and the Borough is required to clean-up and dispose of materials. The cost estimate for demolition and disposal of the airplane float and a performance bond for the estimated dollar amount of demolition and disposal shall be provided to the Borough Manager.

BE IT FURTHER RESOLVED that the assessed value of tideland property at the Scow Bay Turnaround is currently \$5.48 per square foot, for a total assessed value for 5,000 square feet of \$27,400. Per PMC Section 16.16.050A, the annual rental rate shall be no less than 10% of the assessed value, or \$2,740. The annual rental rate shall be prorated to reflect actual land use time.

PASSED AND APPROVED by the Petersburg Borough Assembly, Petersburg, Alaska this 21st day of April, 2025.

Mark Jensen, Mayor

ATTEST:

Rebecca Regula, Borough Deputy Clerk