

Planning Commission Staff Report & Finding of Fact

Meeting Date: December 10, 2024

APPLICANT/AGENT:

Petersburg Borough

OWNER(S), IF DIFFERENT:

I. APPLICANT REQUEST: Applicant requests development of a Marine Industrial Overlay for industrial property currently (or recently) owned by the borough in the Port Dock and Scow Bay areas.

II. APPLICABLE CODES:

19.84 AMENDMENTS

III. FINDINGS:

- a. On August 23, 2023, the Borough Assembly agreed to the sale of borough-owned tidelands located at 103a Dock St to Wikan Enterprises. The sale was the first-time leased tideland parcels on Dock St were sold out of public ownership.
- b. On February 15, 2024, the Borough Assembly held a work session with the Harbor Board to discuss harbor tideland leases, the effect of private ownership on tidelands, and future uses of these properties. The work session included a discussion of creating a marine industrial overlay to guide development in these specific waterfront areas.
- c. On February 21, 2024, the Harbor Advisory Board held a meeting to craft a definition of "Marine Industrial" to include the allowable uses of waterfront property in Petersburg and make recommendation to the Assembly.
- d. On April 15, 2024, the Borough Assembly approved the sale of borough-owned tidelands to Island Refrigeration. The sales agreement included the following language:
"In the event that the Borough Assembly subsequently approves a zoning ordinance adopting a Marine Industrial Overlay Zone and the parcel is located either wholly or partially within this Zone, the Buyer agrees that the uses, prohibitions, development standards, and other restrictions and conditions of that Zone will apply to the parcel; Buyer hereby waives in full, permanently and without reservation, any nonconforming status of the land, and any structure(s) or use(s), which may otherwise be applicable under Chapter 19.68 of the Petersburg Municipal Code. This waiver will be placed in the deed to notify any subsequent purchaser."
- e. On November 16, 2024, the Harbor Advisory Board met to review the draft ordinance for a Marine Industrial Overlay. The Board recommended the Borough Assembly approve the draft ordinance. Motion passed 6-0.
- f. The stated need for the ordinance is that lease or sale of tidelands without ensuring that those parcels are used for marine industrial purposes may limit the availability of land for essential facilities like boatyards, processing plants, and public docks; make it difficult for marine industrial businesses to establish or expand; or lead to development that may not be compatible with marine industrial uses.
- g. The creation of a dedicated marine industrial overlay zone can ensure tidelands properly remain available for essential commercial fishing and other marine industrial uses.
- h. The borough's Comprehensive Plan includes a Waterfront Master Plan (2016). The Waterfront Plan's goal and strategies include *"Changing zoning policies to be more strategic about the use of waterfront land for water-dependent uses; focusing on commercial fishing, but also including tourism*

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and high-value residential uses.” (p.19). The proposed ordinance would dedicate the subject properties to water-dependent uses, especially commercial fishing uses, as recommended in the plan.

- i. The Marine Industrial Overlay includes borough-owned tidelands, many of which are leased, as well as to three parcels that were recently sold by the borough to private parties.

IV. PUBLIC NOTICE

The borough provided public notice consistent with PMC 19.84.040. Notice was mailed by first class mail to the owner of record of the property within six hundred feet of the exterior boundary of the property that is the subject of the application.

V. APPLICATION REVIEW

- a. The application is classified as a request to amend Title 19 Zoning by creating a new section titled '19.50. Marine Industrial Overlay'.
- b. Criteria – Per 19.84.030, The Planning Commission’s report to the Assembly shall include findings as to need and justification for the proposed change, including findings as to the effect which the proposed change would have on the objective of the comprehensive plan.

VI. ACTION

Proposed motion: I move to recommend to the Borough Assembly that Title 19 be amended by adding Section 19.50 Marine Industrial Overlay, attached here for reference along with the findings of fact as presented.

EXHIBITS

- A. Applicant materials
- B. Vicinity & Detail Maps
- C. Public Hearing Mailout
- D. Public Comments

PETERSBURG BOROUGH

ORDINANCE #2024-XXX

AN ORDINANCE AMENDING CHAPTER 19, ZONING, OF THE PETERSBURG MUNICIPAL CODE TO ESTABLISH OVERLAY ZONES WITHIN MUNICIPAL ZONING REGULATIONS, AND TO CREATE A MARINE-INDUSTRIAL OVERLAY ZONE

Whereas, overlay zones are special zoning subdistricts, which are placed over a portion of an underlying zoning district to modify the uses and standards for the area of that Zone; and

Whereas, the Borough Assembly believes that the adoption of provisions regarding overlay zones within Service Area No. 1 would be beneficial; and

Whereas, a portion of the waterfront area of Service Area No. 1 is currently located within the Industrial District (I-1), and a number of tideland parcels are located within that District, the majority of which are borough-owned and may be sold or leased in the future; and

Whereas, Petersburg has a long and rich history as a commercial fishing community, and the availability of tidelands for marine industrial uses is essential for the continued success of commercial fishing and for the economic well-being of our community; and

Whereas, the lease or sale of tidelands without ensuring that those parcels are used for marine industrial purposes may limit the availability of land for essential facilities like boatyards, processing plants, and public docks; make it difficult for marine industrial businesses to establish or expand; or lead to development that may not be compatible with marine industrial uses; and

Whereas, the creation of a dedicated marine industrial overlay zone can ensure tidelands properly remain available for essential commercial fishing and other marine industrial uses; and

Whereas, the Borough Assembly wishes to adopt zoning provisions applicable generally to the establishment of overlay zones, and further wishes to create, consistent with those provisions, a new marine industrial overlay zone within the Industrial (I) Zone of Service Area No. 1, the boundaries of which are reflected in attached Exhibit A; and

Therefore, the Petersburg Borough Ordains, Title 19, *Zoning*, of the Petersburg Municipal Code, is hereby amended as follows:

Section 1. Classification: This ordinance is of a general and permanent nature and shall be codified in the Petersburg Municipal Code.

Section 2. Purpose: The purpose of this ordinance is to allow for Overlay Zones under Title 19, *Zoning*, of the municipal code, and to establish the standards for a Marine Industrial Overlay Zone.

Section 3. Substantive Provisions: Title 19 of the Petersburg Municipal Code is hereby amended as follows. The language proposed for addition is **underlined and bold**, and the language proposed for deletion is ~~struck through~~.

A. **New Section.** Chapter 19.04, *Definitions*, is hereby amended by adding a new section 19.04.582, entitled **Overlay Zone**, to read as follows:

19.04.582 - Overlay Zone

An Overlay Zone is a special zoning subdistrict, placed over an existing zoning district or districts, which establishes special provisions applicable to the land located in the subdistrict in addition to those established for the underlying district. The Overlay Zone may add new standards or uses, or delete or modify existing standards or uses governing the underlying district. An Overlay Zone may share common boundaries with one or more districts, may overlay only part of an underlying district, or may overlap, in part, different district boundaries.

B. New Section. Chapter 19.08, *Districts*, is hereby amended by adding a new section 19.08.015, entitled Overlay Zones, to read as follows:

19.08.015 - Overlay Zones.

An Overlay Zone may be placed over any use district established under section 19.08.010, pursuant to the provisions of Chapter 19.50 of this Title.

C. New Chapter. A new Chapter, entitled Overlay Zones, is hereby added to Title 19, to read as follows:

Chapter 19.50. Overlay Zones

19.50.010 - Purpose

19.50.020 - Applicability

19.50.030 - Identification of Overlay Zones

19.50.040 - Marine Industrial Overlay (MIO) Zone.

19.50.010 - Purpose.

This Chapter establishes the Overlay Zones permitted under this Title. An Overlay Zone may, without limitation, be used to impose supplemental restrictions on uses in the underlying district, permit uses otherwise not permitted in the underlying district, or implement a site or architectural design program in order to fulfill specific community objectives.

19.50.020 - Applicability.

A. Overlay Zones shall be established, and thereafter amended, under the provisions of Chapter 19.84 of this Title. Overlay Zones shall be shown on the borough's official zoning map.

B. The standards of an Overlay Zone apply in addition to the standards of the underlying district. In the case of a conflict between the standards of the

underlying district and the Overlay Zone, the standards of the Overlay Zone shall apply.

C. An Overlay Zone may further establish Designated Specific Areas that are areas within the Zone subject to additional regulations aimed at preserving or enhancing the unique characteristics of the Zone.

D. Unless otherwise prohibited herein, a variance from the standards of an Overlay Zone may be granted by the planning commission under the procedures and conditions of Chapter 19.80 of this Title, except that a variance cannot be utilized to allow a use which is prohibited or otherwise not permitted within the Overlay Zone.

19.50.030 - Identification of Overlay Zones.

The following Overlay Zones are herein established:

A. Marine Industrial Overlay (MIO).

19.50.040 - Marine Industrial Overlay Zone.

A. Purpose. The Marine Industrial Overlay (MIO) Zone is established to protect and promote the maritime economy by restricting uses on certain land or tidelands to:

- 1. Protect the finite economic resources of marine waterfront and related land;**
- 2. Shield the maritime economy, including commercial fishing and marine industry, from incompatible uses; and**
- 3. Strengthen the maritime economy by reserving waterfront land for water-dependent marine industrial uses and marine industrial uses which directly provide goods and services to water-dependent uses. For purposes of this section, water-dependent uses are those uses and activities that can only be conducted on, in, or directly adjacent to the water body due to an inherent need for water access.**

B. MIO Zone Map. The MIO Zone is applicable within the following described areas, which shall be incorporated into an MIO Zone Map and made a part of the borough's official zoning map:

[Insert legal description]

C. Principal uses. The following are the only permitted principal uses in the MIO Zone:

- 1. Harbors, marinas, moorage facilities,**
- 2. Float plane and boat launch facilities;**

3. Cargo terminals for marine commerce or industry, and marine fuel dock terminals;
4. Construction, maintenance, and repair of vessels including marine engine repair, marine electronics, and marine refrigeration;
5. Harbormaster's offices;
6. Seafood processing plants and cold storage facilities;
7. Vessel sales and supply;
8. Vessel and fishing gear storage facilities;
9. Boat rigging operations;
10. Retail businesses whose predominant business is the sales of goods and services used in manufacturing, repairing, or servicing vessels or marine industrial facilities; and
11. Marine passenger terminals.

D. Accessory uses. The following are the only permitted accessory uses in the MIO Zone:

1. A watchman or caretaker dwelling that is no larger than eight hundred (800) gross square feet in size; and
2. Uses and structures that are clearly incidental and subordinate in size and scale to the principal use, and which are located on the same lot.

E. Prohibited uses. Any use that is not a principal or accessory use set out in paragraphs C and D above. For clarity purposes, any principal, accessory, conditional or other use that would otherwise be permitted in the Industrial (I-1) zone is specifically prohibited in the MIO Zone, excepting those uses expressly set out in the preceding paragraphs.

F. Existing Uses. Legally established uses existing prior to the adoption of the MIO Zone may be allowed to continue provided that they meet the requirements of Chapter 19.68 of this Title.

G. Development Standards within the MIO Zone.

1. Lot development standards in the MIO Zone will adhere to the requirements of Sections 19.44.050-.080 of this Title.
2. Notwithstanding the provisions of Chapter 19.64, off-street parking within the MIO Zone shall equal 40% of the spaces required under Section 19.64.010.

H. Designated Specific Areas within the MIO Zone.

1. Scow Bay Turnaround – In the Scow Bay Turnaround designated area, as shown on the MIO Zoning map, the only uses permitted are the principal uses set out in paragraph C above. All other uses are prohibited, including any accessory uses.

Section 4. Severability: If any provision of this ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected.

Section 5. Effective Date: This Ordinance shall become effective immediately upon final passage.

Passed and approved by the Petersburg Borough Assembly, Petersburg, Alaska this ____ day of _____, 2024.

Mark Jensen, Mayor

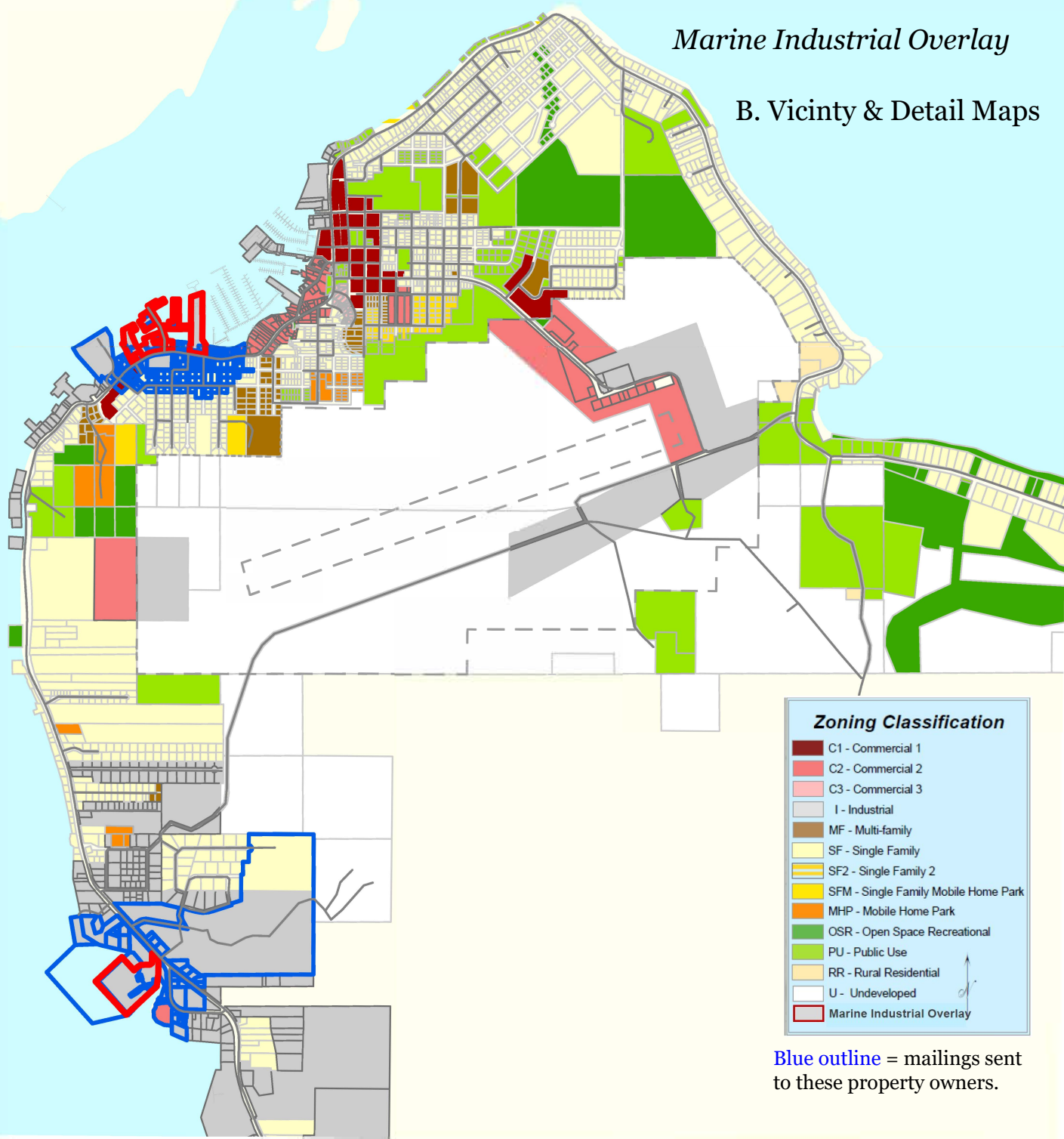
ATTEST:

Debra K. Thompson, Clerk

Adopted:
Noticed:
Effective:

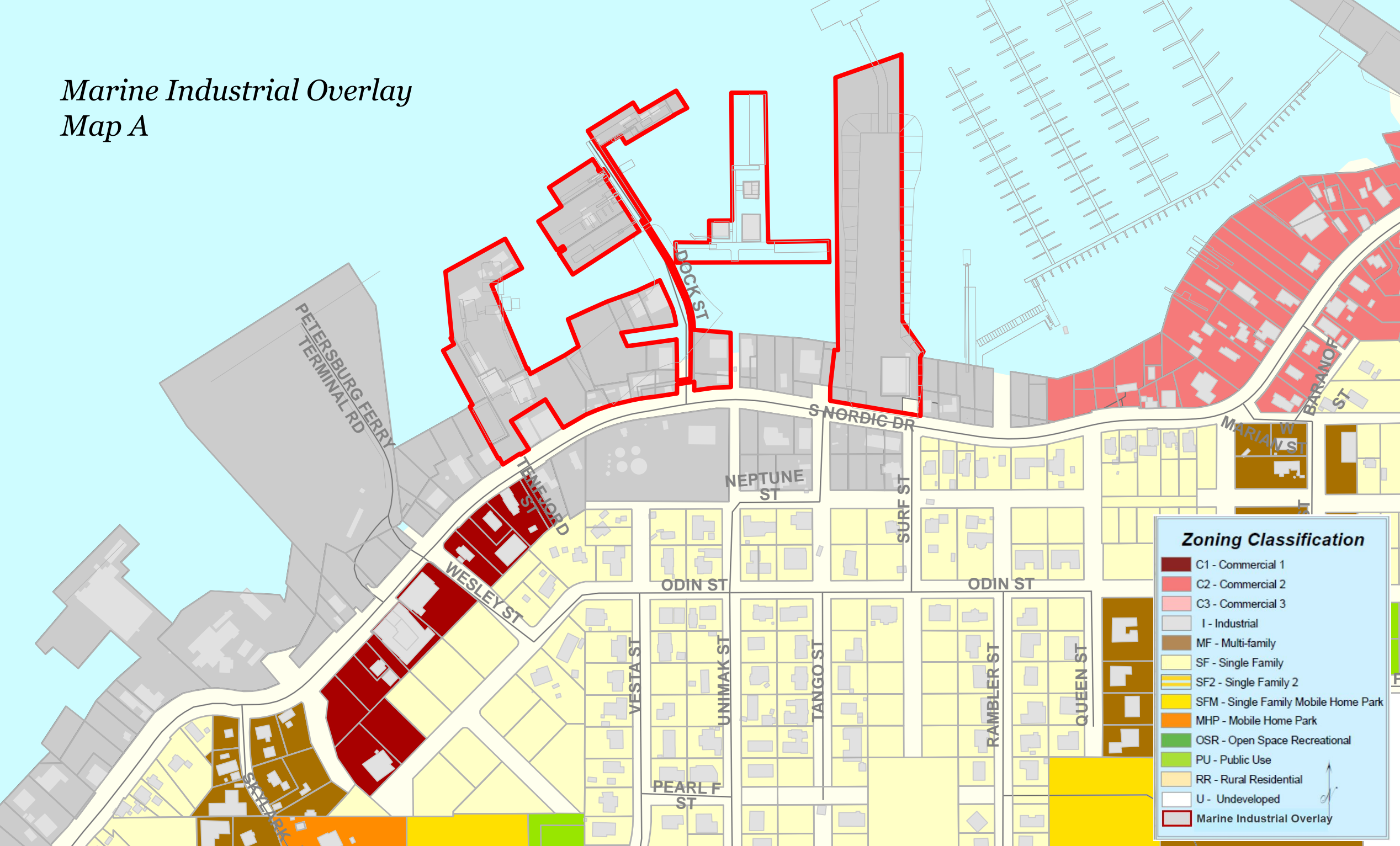
Marine Industrial Overlay

B. Vicinity & Detail Maps



Blue outline = mailings sent to these property owners.

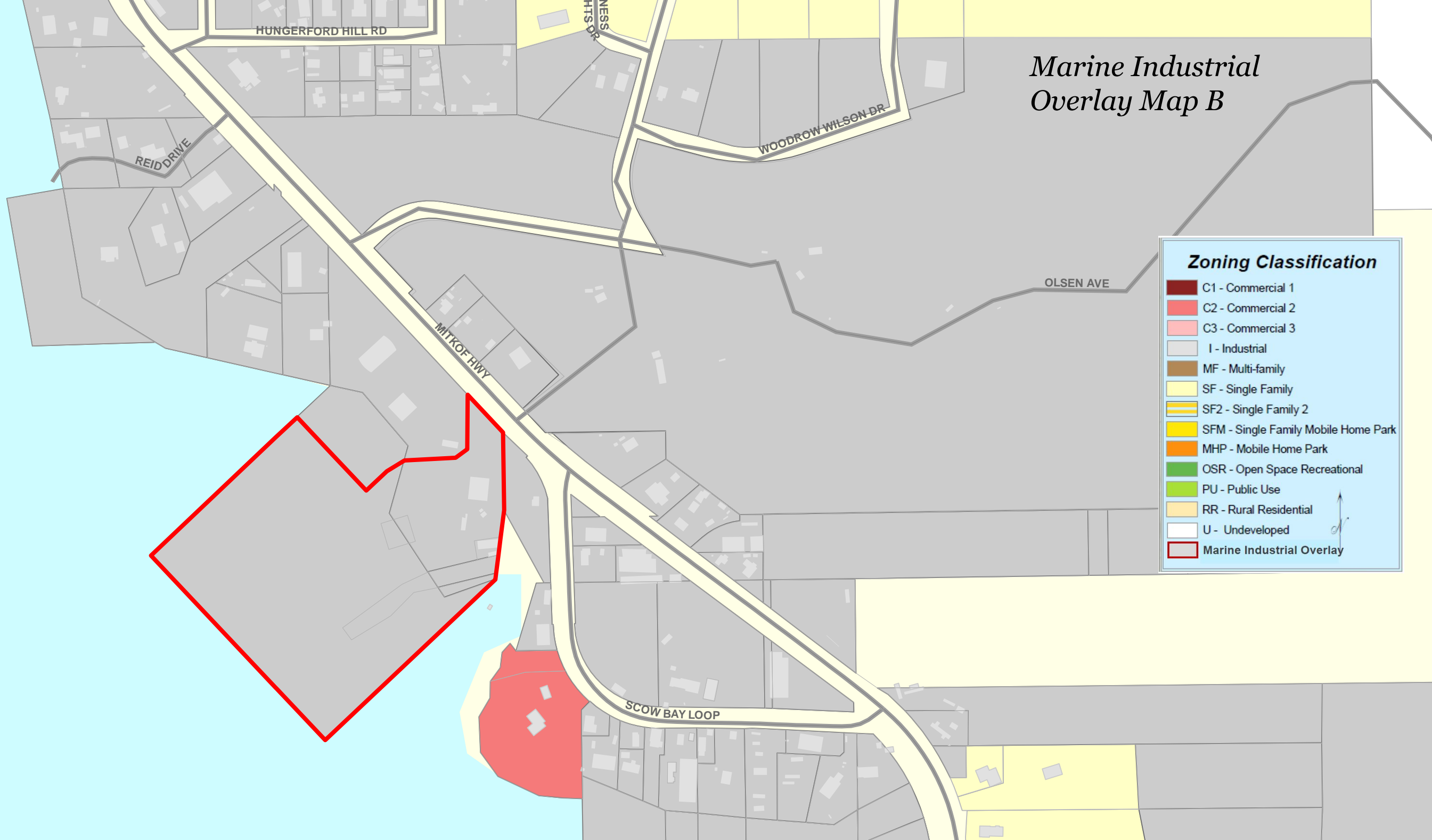
Marine Industrial Overlay Map A



Zoning Classification

- C1 - Commercial 1
- C2 - Commercial 2
- C3 - Commercial 3
- I - Industrial
- MF - Multi-family
- SF - Single Family
- SF2 - Single Family 2
- SFM - Single Family Mobile Home Park
- MHP - Mobile Home Park
- OSR - Open Space Recreational
- PU - Public Use
- RR - Rural Residential
- U - Undeveloped
- Marine Industrial Overlay

Marine Industrial Overlay Map B



Zoning Classification

- C1 - Commercial 1
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- PU - Public Use
- RR - Rural Residential
- U - Undeveloped
- Marine Industrial Overlay



November 18, 2024

**NORDIC HOUSE BED & BREAKFAST INC
PO BOX 469
PETERSBURG, AK 99833-0469**

NOTICE OF SCHEDULED PUBLIC HEARINGS

The Petersburg Borough Planning Commission has scheduled a public hearing to consider:

Recommendation to the Borough Assembly to establish a Marine Industrial Overlay District at the Port Dock area and Scow Bay Turnaround area.

The public hearing and consideration of the application will be held:	Tuesday, December 10th, 2024, at 12:00 PM Assembly Chambers, Municipal Building 12 South Nordic Drive, Petersburg, Alaska.
The meeting is open to the public. To attend via ZOOM , please contact Anna Caulum at 907-772-5409.	

Interested persons desiring to present their views on the applications, either in writing or verbally, will be given the opportunity to be heard during the above-mentioned hearing. Said hearing may be continued from time to time as necessary. If the Planning Commission is unable to meet at the date and time stated above, this application will be considered at a future meeting with no further notice provided except for the general notice provided to the public.

TO SUBMIT WRITTEN COMMENTS TO THE PLANNING COMMISSION	
By Mail:	PO Box 329, Petersburg, Alaska 99833
By Email:	acaulum@petersburgak.gov
Hand-Deliver:	Petersburg Municipal Building, 12 S. Nordic Dr.

The Petersburg Municipal Code (PMC) provides for an appeal of a Planning Commission decision to the Borough Assembly by the property owner or a governmental agency, or any property owner within 600' of the applicant property and requires that such an appeal be filed within 10 consecutive calendar days of the date the decision is made. For more information regarding appeal requirements, please see PMC Chapter 19.92.

Sincerely,

Liz Cabrera
Community & Economic Development Department

Name1	Name2	Address1	City	State	Zip
CHRIST FRY		PO BOX 1440	PETERSBURG	AK	99833-1440
HEATHER O'NEIL		PO BOX 1083	PETERSBURG	AK	99833-1083
JIM FLOYD		PO BOX 281	PETERSBURG	AK	99833-0281
JOHN JENSEN		PO BOX 681	PETERSBURG	AK	99833-0681
PHIL MEEKS		PO BOX 1514	PETERSBURG	AK	99833-1514
MARIETTA DAVIS		PO BOX 673	PETERSBURG	AK	99833-0673
ALASKA COMMERCIAL ELECTRONICS LLC		PO BOX 1144	PETERSBURG	AK	99833-1144
ALASKA STATE OF		550 W 7TH AVE STE 1050A	ANCHORAGE	AK	99501-3579
ANDERSON AMY E		PO BOX 1781	PETERSBURG	AK	99833-1781
BIRCHELL PROPERTIES LLC		PO BOX 12	PETERSBURG	AK	99833-0012
BOJORQUEZ-FELIX RICARDO		PO BOX 2011	PETERSBURG	AK	99833-2011
BUSCHMANN RONN	BUSCHMANN TINA L	PO BOX 1367	PETERSBURG	AK	99833-1367
CABRAL JAIME K	CABRAL HEIDI E	PO BOX 2087	PETERSBURG	AK	99833-2087
COOK JEROD		PO BOX 1262	PETERSBURG	AK	99833-1262
CRISTINA KARNA	CRISTINA NEIL	19504 SE 324TH ST	KENT	WA	98042
CURTISS KERRI		PO BOX 1532	PETERSBURG	AK	99833-1532
DAHL JEROME E	DAHL STACEY	PO BOX 1275	PETERSBURG	AK	99833-1275
DIAMANTE GIFT SHOPPE INC		PO BOX 1029	PETERSBURG	AK	99833-1029
EDDY STUART	EDDY KATIE	PO BOX 2085	PETERSBURG	AK	99833-2085
FINNEY BRANNON P		PO BOX 1755	PETERSBURG	AK	99833-1755
FLOYD JIM EDWARD	FLOYD MAUREEN KATHLEEN	PO BOX 281	PETERSBURG	AK	99833-0281
FRENTZ STEPHEN	FRENTZ MELANIE	PO BOX 66	PETERSBURG	AK	99833-0066
GARD TIMOTHY	GARD LISA	21700 WILDFLOWER DR	NEWBERG	OR	97132
GILPIN LEE	GILPIN KATHLEEN	PO BOX 1511	PETERSBURG	AK	99833-1511
HERMOSA HOLDINGS LLC		PO BOX 1393	PETERSBURG	AK	99833-1393
HONMA ALAN I	HONMA MERLITA	PO BOX 29	PETERSBURG	AK	99833-0029
HULEBAK ALICE	HULEBAK ERIK	PO BOX 632	PETERSBURG	AK	99833-0632
ISLAND REFRIGERATION LLC		PO BOX 2185	PETERSBURG	AK	99833-2185
KANDOLL BRIAN	KANDOLL CAROL	PO BOX 1363	PETERSBURG	AK	99833-1363
KIVISTO ROBERT S		PO BOX 1781	PETERSBURG	AK	99833-1781
LITSHEIM PETER	LITSHEIM THERESA	PO BOX 856	PETERSBURG	AK	99833-0856
LYONS DRAKE		PO BOX 1855	PETERSBURG	AK	99833-1855
MADSEN KENNETH G	MADSEN STACEY R	PO BOX 918	PETERSBURG	AK	99833-0918
MAIN KEVIN		PO BOX 1704	PETERSBURG	AK	99833-1704
MARSH KIRT	MARSH DONNA	PO BOX 1421	PETERSBURG	AK	99833-1421
MARTIN BROCK F	WEBB SUZANNE M	PO BOX 1398	PETERSBURG	AK	99833-1398
MENISH SCHONBERG LIVING TRUST		PO BOX 877	PETERSBURG	AK	99833-0877
MORRILL DANIEL	MORRILL ELLEN	112 BLACK POWDER RD	FOLSOM	CA	95630
MORRISON CHRISTINA TRUSTEE	ARNOLD G FREDRICKSEN	PO BOX 284	PETERSBURG	AK	99833-0284
NEIDIFFER KIMBERLY		PO BOX 1913	PETERSBURG	AK	99833-1913
NIEMI SAMUEL H	KESO NIEMI SHANNON L	PO BOX 1286	PETERSBURG	AK	99833-1286
NILSEN PETE	NILSEN SYLVIA	PO BOX 427	PETERSBURG	AK	99833-0427
NORDIC HOUSE BED & BREAKFAST INC		PO BOX 469	PETERSBURG	AK	99833-0469
OLSEN OLIVIA J		PO BOX 221	PETERSBURG	AK	99833-0221
ONEIL DENNIS	ONEIL HEATHER	PO BOX 1083	PETERSBURG	AK	99833-1083
OWENS DAVE M	OWENS STEPHANIE L	PO BOX 1853	PETERSBURG	AK	99833-1853
PARKER SAMMY	NEWTON LEEROY	PO BOX 1364	PETERSBURG	AK	99833-1364
PERRY DONALD E	PERRY LYNNE M	PO BOX 1566	PETERSBURG	AK	99833-1566
PETERSBURG FLYING SERVICES LLC		PO BOX 1348	PETERSBURG	AK	99833-1348
PETRO 49 INC	HARBOR ENTERPRISES INC	PO BOX 389	SEWARD	AK	99664
PISTON AND RUDDER SERVICE INC		PO BOX 1308	PETERSBURG	AK	99833-1308
RENO SEAIRA	SCHONBERG FRANZ	PO BOX 1434	PETERSBURG	AK	99833-1434
RIBICH ELI	RIBICH GAIL	PO BOX 110	PETERSBURG	AK	99833-0110
ROCKY'S MARINE INC.		PO BOX 690	PETERSBURG	AK	99833-0690
ROSVOLD ERIC		PO BOX 1144	PETERSBURG	AK	99833-1144
ROUNDTREE DANE T		PO BOX 963	PETERSBURG	AK	99833-0963
RUTHERFORD ANDREW		PO BOX 190498	ANCHORAGE	AK	99519-0498
SCRIBNER MARK E	SCRIBNER KARLA	PO BOX 733	PETERSBURG	AK	99833-0733
SEVERSON JODI MARIE	SEVERSON AARON STEWART JEFFREY	PO BOX 507	PETERSBURG	AK	99833-0507
SEVERSON MARK J	SEVERSON KAREN L	PO BOX 1502	PETERSBURG	AK	99833-1502
SHORT BRIDEY L		PO BOX 933	PETERSBURG	AK	99833-0933
SMITH LYNN M		PO BOX 841	PETERSBURG	AK	99833-0841
SMOLAR STEPHEN		PO BOX 906	PETERSBURG	AK	99833-0906
STUEBER NORIE	STUEBER GERALD M JR	PO BOX 102	PETERSBURG	AK	99833-0102
STROMDAHL JAMES	STROMDAHL MARY	PO BOX 1326	PETERSBURG	AK	99833-1326
TAIBER ANTHONY T	TAIBER MOLLY L	PO BOX 1861	PETERSBURG	AK	99833-1861
THE MILL INC		PO BOX 790	PETERSBURG	AK	99833-0790
TUCKER EMIL K	CHRISTENSEN CARIN L	PO BOX 1785	PETERSBURG	AK	99833-1785
US COAST GUARD		PO BOX 1290	PETERSBURG	AK	99833-1290
US FOREST SERVICE		PO BOX 1328	PETERSBURG	AK	99833-1328
VOLK EDWARD J	VOLK RENEE I	PO BOX 1564	PETERSBURG	AK	99833-1564
WAGEMAKER BRANDON	WAGEMAKER MARIA	PO BOX 1926	PETERSBURG	AK	99833-1926
WEATHERS ANDREA		PO BOX 167	PETERSBURG	AK	99833-0167
WIKAN JOHN B WIKAN SHERI L	WIKAN ENTERPRISES INC	PO BOX 929	PETERSBURG	AK	99833-0929
WORHATCH ERICA		PO BOX 986	PETERSBURG	AK	99833-0986
YOUNG ELROY L & ALICE H		PO BOX 2100	PETERSBURG	AK	99833-2100
REGULA RANDY R & REBECCA A		PO BOX 1687	PETERSBURG	AK	99833-1687
ALASKA DOT & PF		PO BOX 112505	JUNEAU	AK	99811-2505