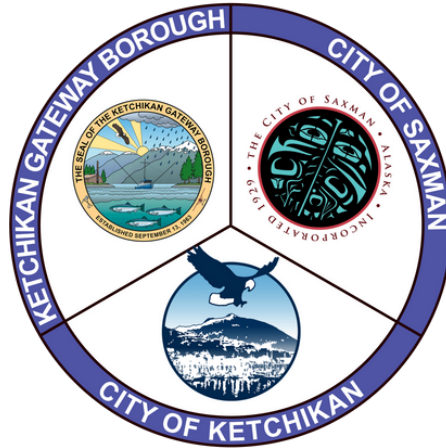
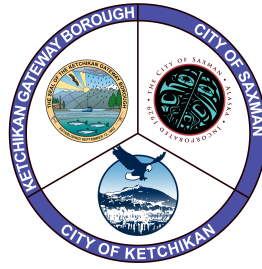


Greater Ketchikan Community Policy Issues & Capital Priority Projects FY2027



The Top Community Policy Issues are Listed Below	Page
Urging Continuance of the Current Arrangement for Sharing of the State of Excise Tax on Commercial Passenger Vessels (CPV)	XX
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Thanking the Legislature for Increasing the BSA and Opposing Actions by the State of Alaska to Shift Costs of its Constitutional Obligation to Maintain a System of Public Schools Open to All Children of the State, as Called for in Resolutions 2817 and 2982	XX
Make Permanent the Mandatory Exemption from Municipal Property Taxes for Leasehold Interests by a Private Shipyard Operator Under Agreement with AIDEA	XX
Urging the State to Streamline Processes at the Department of Natural Resources, Division of Mining, Land and Water to Expedite the Transfer of DNR Land into Borough or Private Ownership to Facilitate the Development of Housing	XX

Community of Ketchikan Fiscal Year 2027



Community Policy Issue For State Administrative or Legislative Action Encouraging Continuance of the Current Arrangement for Sharing of the State Excise Tax on Commercial Passenger Vessels (CPV)

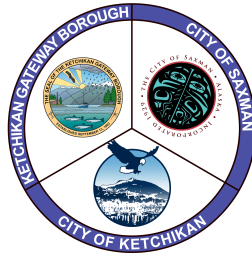
The community of Ketchikan encourages continuance of the current arrangement for sharing of the State Excise Tax on Commercial Passenger Vessels.

The community of Ketchikan expects to welcome and serve more than 1,400,000 excise-tax-paying cruise passengers each year, more than 100 cruise passengers for every resident of the Ketchikan Gateway Borough. State Commercial Passenger Vessel excise tax proceeds shared with the Borough and City are crucial in funding essential services to those visitors. These funds are used to finance capital improvements and vital services that directly benefit passengers and cruise ships that moor at four berths at the Port of Ketchikan and two berths in Ward Cove.

Continuance of the current arrangement is critical to the City of Ketchikan's need to meet debt service obligations and to provide funding for future waterside and upland improvements. As vessels increase in size, further strain is placed on Port of Ketchikan infrastructure, which much be maintained or enhanced to accommodate larger ships. Corresponding increases in passengers necessitate solutions to pedestrian and vehicle congestion along the Port and throughout downtown, additional restrooms, improved directional signage, and other uplands improvements to enhance safety and the visitor experience.

Continuance of this funding is also critical for the Borough to provide emergency medical services outside the City of Ketchikan municipal limits and transportation services which allow for the safe movement of passengers to and from the berths. The Ward Cove docks became operational in 2021, and EMS service to 350,000 passengers is provided by a service area of approximately 3,000 residents. Serving the ships and passengers has necessitated expansion into a second building and doubling the full-time response staff.

Community of Ketchikan Fiscal Year 2027



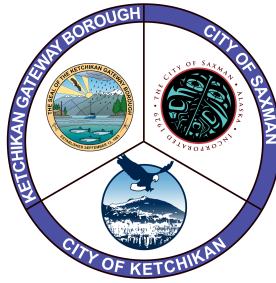
Community Policy Issue For State Administrative or Legislative Action Urging Continuance of Funding for the Alaska Marine Highway System (AMHS)

The community of Ketchikan urges the State of Alaska to continue funding for the Alaska Marine Highway System (AMHS). As noted in the 2024-2027 Alaska Statewide Transportation Improvement Program (STIP), “Alaska’s waterways are essential for transportation, especially where road access is limited or nonexistent. Enhancing these services is crucial for the mobility of residents and the transport of goods.” The continuation of the AMHS ferries is crucial for the economic viability of Southeast Alaska communities, and specifically for Ketchikan.

Further, the community of Ketchikan urges the following:

- a) “All ships, all the time.”
- b) Continued efforts to increase planned service weeks and port calls, eliminate remaining service gaps, and provide consistent service levels to all communities throughout the year.
- c) Additional increases in the AMHS capital budget to minimize interruptions of service as a result of vessels being out of service for unplanned maintenance.
- d) Supporting the expansion of services on the AMHS Bellingham Ferry Route and legislation establishing regional transportation planning organizations as called for in Borough Assembly Resolution 2302.
- e) Promoting the priority of close economic, social, and cultural ties with Prince Rupert by upgrading or designing new ferries to be SOLAS compliant and working with the City of Prince Rupert or other appropriate organizations to repair or replace the Prince Rupert dock.
- f) Continuing to supply matching funds in the State budget to maximize Federal funding opportunities that will maintain or upgrade the fleet and associated facilities.
- g) If, after exhausting all options, the Prince Rupert connection is not feasible, then evaluating the feasibility of an alternative location, such as Hyder for example, would sustain the close economic, social, and cultural ties with British Columbia.

Community of Ketchikan Fiscal Year 2027



Community Policy Issue For State Administrative or Legislative Action

Maintaining Access to Forestry Roads Post Extraction

The community of Ketchikan urges the Alaska Division of Forestry and the Alaska Legislature to reconsider current policies requiring the decommissioning of forestry roads following resource extraction. These roads are vital infrastructure that support public access, emergency response, and economic development across Southeast Alaska.

Under Alaska's Forest Resources and Practices Act (AS 41.17) and associated regulations (11 AAC 95), forestry roads built for timber and resource extraction must be "closed out" after operations end. This includes removing culverts, re-contouring terrain, and blocking access. While these measures aim to reduce maintenance costs, prevent erosion and environmental degradation, they also eliminate valuable infrastructure that could serve long-term public and economic interests.

Loss of access to forestry roads raises several policy concerns, including:

- Impacts on Subsistence – Many Alaskans, particularly in Southeast depend on legacy logging roads to access traditional hunting, fishing, and subsistence grounds that otherwise would only be accessible by air or water.
- Emergency Response – Forestry roads provide essential access for emergency response efforts. Road closure can delay or prevent timely response.
- Economic Development & Recreation – Recreational access to Alaska's forest lands supports tourism, hunting, trapping, fishing and off-road recreation – key drivers of local economies.

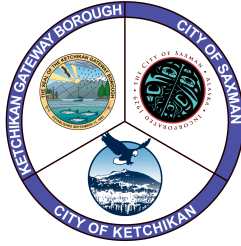
Maintaining access to forestry roads:

- Avoids costly decommissioning and future recommissioning.
- Supports rural access and economic diversification efforts.
- Enables erosion and habitat protection through managed maintenance.

The community of Ketchikan calls on the Alaska legislature to amend Alaska's Forest Resources and Practices Act (AS 41.17) to:

- Prioritize multi-use road management, recognizing the evolving value of forestry roads beyond timber harvesting;
- Allow case-by-case retention of forestry roads post-extraction;
- Require public input and environmental review before closure;
- Enable partnerships with municipalities, tribes, and user groups for road maintenance;
- Establish a "Public Access Road Registry" for retained roads.

Community of Ketchikan Fiscal Year 2027



Community Policy Issue For State Administrative or Legislative Action

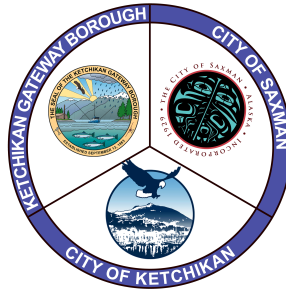
Thanking the Legislature for Increasing the BSA and Opposing Actions by the State of Alaska to Shift Costs of its Constitutional Obligation to Maintain a System of Public Schools Open to All Children of the State, as Called for in Resolutions 2817 and 2982

The community of Ketchikan thanks the 34th Legislature (2025-2026) for increasing the BSA by \$700 to \$6,660 and reducing funding uncertainty by making repeated “one-time grants” permanent.

The Community continues to oppose actions by the State of Alaska to shift the cost of its constitutional obligation to maintain a system of public schools open to all children of the state, and:

- a) Calls on the Governor and Legislature to inflation-proof the Public School Funding Formula as defined in AS 14.17.410.
- b) Urges continued full funding of the School Bond Debt Reimbursement (SBDR) program, with no further reduction in reimbursement levels.
- c) Opposes any effort by the State to shift its responsibilities for education to municipalities by reducing or allowing further erosion of the base student allocation by inflation, or by negatively altering the method of calculation of average daily membership (ADM), or the multipliers set forth in the Public School funding formula contained in AS 14.17.410, et seq.
- d) Opposes any legislation which would increase the burden on PERS and TRS employers beyond the current employer contribution limits of 22 percent for PERS and 12.56 percent for TRS, including reducing on-behalf rates, imposition of termination study costs, and efforts to shift more of the net pension liability for PERS or TRS onto municipalities.
- e) Opposes the Required Local Contribution (RLC), which unfairly saddles some residents of the State with a requirement to fund a State obligation; and which selective imposition has no rational basis in law and opposing any effort by the State to increase the RLC.

Community of Ketchikan Fiscal Year 2027



Community Policy Issue For State Administrative or Legislative Action

Make Permanent the Mandatory Exemption from Municipal Property Taxes for Leasehold Interests by a Private Shipyard Operator Under Agreement with AIDEA

The community of Ketchikan urges the State of Alaska to extend and make permanent the mandatory property tax exemption in AS 29.45.030(a)(1) and to ensure it applies to current and future operators under agreement with AIDEA.

The 30th Legislature (2017-2018) passed HB 119, providing a mandatory property tax exemption for leasehold operators of the Ketchikan Shipyard, a facility owned by the Alaska Industrial Development and Export Authority. Prior to passage of HB 119, the property tax exemption on the leasehold interest had been optional only, thus burdening the local municipalities and taxpayers for the benefit of the operator of the AIDEA-owned asset. The current exemption expires on November 30, 2027.

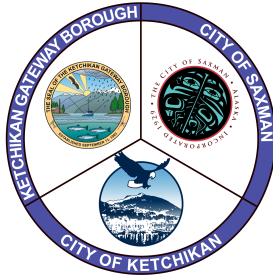
The desired change will make the current sunset exemption a permanent exemption and will allow the Ketchikan shipyard to continue to be treated in a manner consistent with the DeLong Mountain Transportation System. The Ketchikan shipyard is a vital part of the Ketchikan economy and until very recently was operated by Vigor, Alaska. JAG Marine Group, a successful shipyard operator in Seward, has recently reached a tentative agreement with AIDEA to take over operations of the Ketchikan shipyard.

Ketchikan shipyard was acquired by AIDEA in 1997 and has served as a critical provider of repair and new-build services to the Alaska Marine Highway System, serves the Southeast maritime with needed local shipyard services, and is a significant employer in the Ketchikan economy. The City of Ketchikan and Ketchikan Gateway Borough have benefited AIDEA and the shipyard operators via property tax exemption and utility subsidies to foster the success of the shipyard.

Making the current exemption permanent will:

1. Maintain equity in the treatment of the Ketchikan shipyard in the manner long-provided to the DeLong Mountain Transportation System;
2. Foster the long-term ability of the AIDEA-owned shipyard to provide ship-building and repair services in the State of Alaska (AMHS), provide employment opportunities for Alaskan workers in the skilled trades, and preserve the manufacturing and industrial capacity of an important in-state facility; and
3. Facilitate the continued diversification and growth of the Ketchikan economy by providing steady, living-wage employment to workers and families in surrounding Southeast Alaska communities.

Community of Ketchikan Fiscal Year 2027



Community Policy Issue For State Administrative or Legislative Action

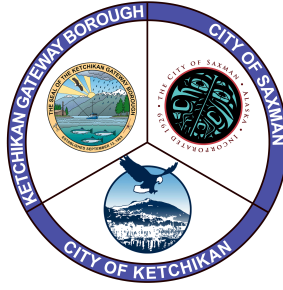
Urging the State to Streamline Processes at the Department of Natural Resources, Division of Mining, Land and Water to Expedite the Transfer of DNR Land into Borough or Private Ownership to Facilitate the Development of Housing

The community of Ketchikan urges the State of Alaska to streamline process at the Department of Natural Resources, Division of Mining, Land and Water to expedite the review and transfer of State-owned parcels into municipal or private ownership.

The community further urges the State to transfer into Borough ownership various parcels of land owned by State agencies to facilitate the development of housing as follows:

- a) Transfer into Borough ownership the green spaces inside the Mud Bight subdivision created in 1980 by the State through Alaska State Land Survey 79-243, Plat No. 80-35, which will enable the Borough to make progress towards completion of the subdivision, per Resolution 2952. The Borough has submitted an .810 conveyance application to the Department of Natural Resources, serialized as ADL 234300.
- b) Expedite Department of Natural Resources approval of the Borough's .810 Conveyance application ADL No. 109314, for lot 78 of the Mountain Point Group of Homesites which is the only parcel required for completion of a right of way between Roosevelt and Whitman drives.
- c) The community of Ketchikan further urges the State of Alaska to transfer into private ownership any parcels of land owned by various State agencies that are suitable for development of housing.

Community of Ketchikan Fiscal Year 2027



Community Policy Issue For State Administrative or Legislative Action

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