



THE STATE  
of **ALASKA**  
GOVERNOR BILL WALKER

## Department of Transportation and Public Facilities

Design & Engineering Services  
Port & Harbors Section

3132 Channel Drive  
Juneau, Alaska 99811-2500  
Main: 907-465-2960  
Fax: 907-465-2460

February 18, 2016

Mark Jensen, Mayor  
Petersburg Borough  
P.O. Box 329  
Petersburg, Alaska 99833

Dear Mayor Jensen:

As a follow-up to the Commissioner's letter dated February 11, 2016, the department is prepared to transfer ownership and maintenance responsibilities at the Papke's Landing Float, the Kupreanof Float, and the Entrance Island Float ("the harbor facilities") to the Petersburg Borough. In exchange for the borough's acceptance to this offer, the department will make a lump sum payment of \$732,883 to the borough to address the deferred maintenance condition of the above three harbor facilities.

Some have questioned why we are including the Entrance Island Float, which is in Hobart Bay. To that, I would say that the borough's recent successful argument in front of the Alaska Supreme Court justifying an expansion of the borough's northern boundary was based upon inclusion of all current and future borough properties northward to Holkham Bay. In addition, the most recent Comprehensive Plan has identified Hobart Bay as an Intensive Use Area and future Development Reserve, signifying that transportation facilities, which a harbor float is, are important and valuable to the borough.

As a long-standing policy, the Department of Transportation and Public Facilities has been under direction from the Alaska Legislature to encourage local ownership of public ports and harbors to the maximum extent possible. The State Constitution asks the state to maximize local self-governmental. According to Alaska Statute 35.10.120, the Petersburg Borough is eligible to accept ownership of the above harbor facilities from the department in order to legally enforce municipal ordinances and legally assess fees to meet maintenance costs.

During our first meeting on December 29, 2015, I presented you and the borough manager with a preliminary harbor transfer offer of \$548,115 in harbor deferred maintenance funds to address the deferred condition of the harbor facilities. After that meeting you asked me to re-assess our figures. Upon review, we are now willing to provide \$732,883 in harbor deferred maintenance funds after the borough agrees to a harbor transfer for the Papke's Landing Float, the Kupreanof Float, and the Entrance Island Float harbor facilities.

Upon acceptance of ownership, you may be interested to learn that the borough will be eligible to apply for a 50/50 matching grant through the department's Municipal Harbor Facility Grant Program. One very encouraging aspect about this grant program is that it allows the borough to use the above harbor

*"Keep Alaska Moving through service and infrastructure."*

transfer funds as local match, therefore reducing the borough's financial burden and providing potentially up to \$732,788 in state matching aid, subject to appropriation by the Alaska Legislature, which would result in a grand total of \$1,465,766 million of state financial aid toward harbor work at any of the borough's harbors. The Papke's Landing Float, the Kupreanof Float, and the Entrance Island Float harbor facilities will each have a Tier I status for the purposes of the harbor grant program, which makes them eligible to apply for either a Tier I or a Tier II grant. Tier I applications, which can only be used once, have funding priority per statute over all Tier II applications. Tier II applications can be made multiple times.

In order to complete the harbor transfer, enclosed are draft versions of the Bill of Sale and Transfer Agreement for your review and approval. If it is helpful, I have also prepared a draft harbor transfer resolution for use by the Petersburg Borough Assembly.

If you have any questions as to how the harbor deferred maintenance and community transfer program or the Harbor Facility Grant program works, please call me at (907) 465-3979.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael", with a long horizontal flourish extending to the right.

Michael Lukshin, P.E.  
State Ports and Harbor Engineer

Enclosures

1. Bill of Sale
2. Transfer Agreement
3. Draft resolution

## BILL OF SALE

THIS SALE, is made this \_\_\_\_\_ day of \_\_\_\_\_, 2016, by and between the STATE OF ALASKA, DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES, hereinafter referred to as the STATE, whose mailing address is 6860 Glacier Avenue, Juneau AK 99801, and the Petersburg Borough, a Municipal Corporation, incorporated under A.S. 29.05.011 et seq., hereinafter referred to as the Municipality, whose mailing address is P.O. Box 329, Petersburg, AK 99833.

NOW THEREFORE, in consideration of one dollar (\$1.00) and other valuable consideration paid, the receipt of which is hereby acknowledged, the STATE does hereby sell, transfer and deliver to the Municipality, for continued use as a public facility, all the STATE'S interest, if any, in the following personal property:

ANY and ALL personal property that the STATE owns or has interest in including, but not limited to docks, flotation devices, dolphins, piers, piling, approaches and approach ramps, grids, seaplane floats, helicopter pads, bulkheads, walkways, and any and all other related personal property whatsoever located in: the Papke's Landing Float Harbor Facility, all within Alaska Tidelands Survey 251 and unsurveyed tidelands, located within Section 14, Township 60 South, Range 79 East, Copper River Meridian, Petersburg Recording District, 1<sup>st</sup> Judicial District, Alaska; the Kupreanof Float Harbor Facility, all within Alaska Tidelands Survey 250 and unsurveyed tidelands, located within Section 28, Township 58 South, Range 79 East, Copper River Meridian, Petersburg Recording District, 1<sup>st</sup> Judicial District, Alaska; and the Entrance Island Float Harbor Facility, all within unsurveyed tidelands, located within Section 30, Township 51 South, Range 75 East, Copper River Meridian, Juneau Recording District, 1<sup>st</sup> Judicial District, Alaska; ("the harbor facilities") as shown on Attachments A, B, and C.

TO HAVE, and to hold all the facilities and aforesaid items to the Municipality, its executors, administrators, heirs and assigns to its use and administration as a public facility forever.

The STATE makes no covenant, representation, or warrantee as to the suitability of the personal property or as to the physical condition of the personal property for any purpose. The Municipality acknowledges that it has inspected the property, observed its physical characteristics and existing conditions, and has been afforded the opportunity to conduct such investigation and study on and of the personal property as it deems necessary for the purpose of acquiring the personal property for the Municipality's intended use. The Municipality hereby waives all objections to or claims with respect to the physical characteristics and existing conditions of the personal property including hazardous materials in, at, on or under or related to the personal property. The Municipality further acknowledges and agrees that the personal property is sold and conveyed to, and purchased and accepted by, the Municipality in its present condition "as is" with all its faults, and the Municipality hereby assumes the risk that an adverse past, present, or future physical characteristics and conditions may not have been revealed by the Municipality's inspection or investigation. The Municipality shall indemnify and hold harmless the STATE from and against all claims, damages, or liabilities (whether or not caused by negligence), including civil or criminal fines, arising out of or relating to the physical characteristics and existing conditions of the personal property from the date of the sale forward.

For the Alaska Department of Transportation  
and Public Facilities

For the Petersburg Borough

\_\_\_\_\_  
Michael J. Coffey  
Southcoast Regional Director  
Date \_\_\_\_\_

\_\_\_\_\_  
Stephen Giesbrecht  
Borough Manager  
Date \_\_\_\_\_

# THE ALASKA HARBOR DIRECTORY

## PETERSBURG PAPKE'S LANDING

**Attachment A**

Latitude 56-40.659N Longitude 132-56.129W

OPERATED BY: State of Alaska DOT&PF, telephone no. 465-1781

HARBORMASTER: no

BERTHING FEES: open moorage

TRANSIENT FEES: open moorage

DISTANCE FROM CITY CENTER: 13 miles

LIGHTS ON FLOAT: no

POWER ON FLOATS: no

POTABLE WATER ON FLOATS: no

GRID FACILITIES: see South Harbor

MARINE WAY: in town

FUEL AVAILABLE: in town

COMMUNICATIONS: in town

GROCERY/LODGING: in town

LAUNDROMAT: in town

SEWER PUMPOUT: no

REPAIR FACILITIES: in town

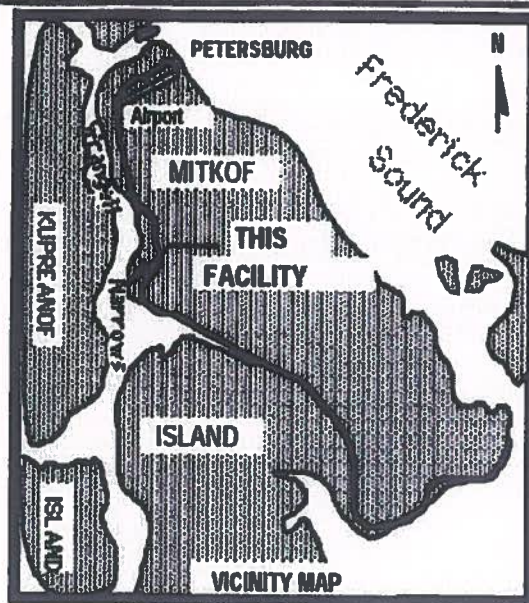
REMARKS: All marine services and supply outlets are located in Petersburg

**EMERGENCY**  
772-3638

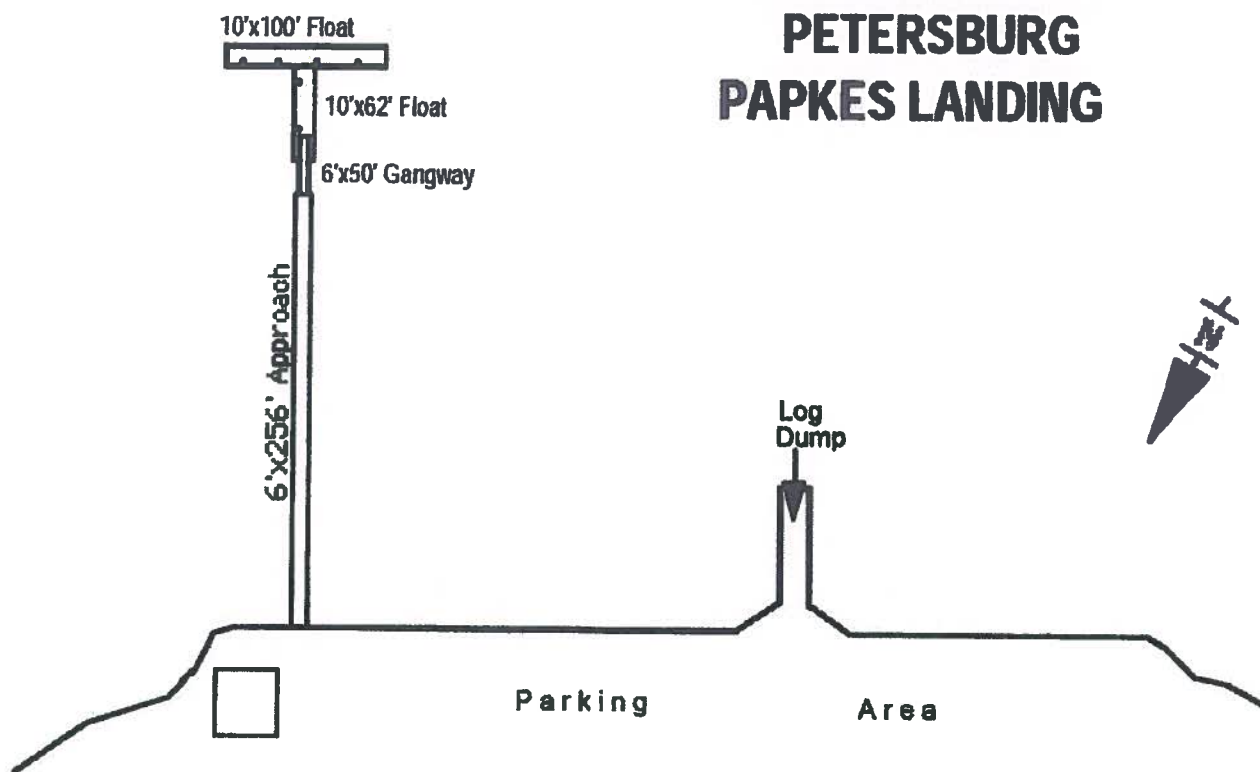
AIRPORT: yes, 13 miles

STATE FERRY: yes, 12 miles

HARBOR CAPACITY 9



## PETERSBURG PAPKES LANDING



©



## THE ALASKA HARBOR DIRECTORY

## PETERSBURG KUPREANOF FLOAT

Latitude 56-48.844N Longitude 132-58.728W

OPERATED BY: State of Alaska DOT&amp;PF, telephone no. 465-1781

HARBORMASTER: no

BERTHING FEES: open moorage

TRANSIENT FEES: open moorage

DISTANCE FROM CITY CENTER: across Wrangell Narrows from Petersburg

LIGHTS ON FLOAT: no

POWER ON FLOATS: no

POTABLE WATER ON FLOATS: no

GRID FACILITIES: no

MARINE WAY: no

FUEL AVAILABLE: no

COMMUNICATIONS: no

GROCERY/LODGING: no

LAUNDROMAT: no

SEWER PUMPOUT: no

REPAIR FACILITIES: no

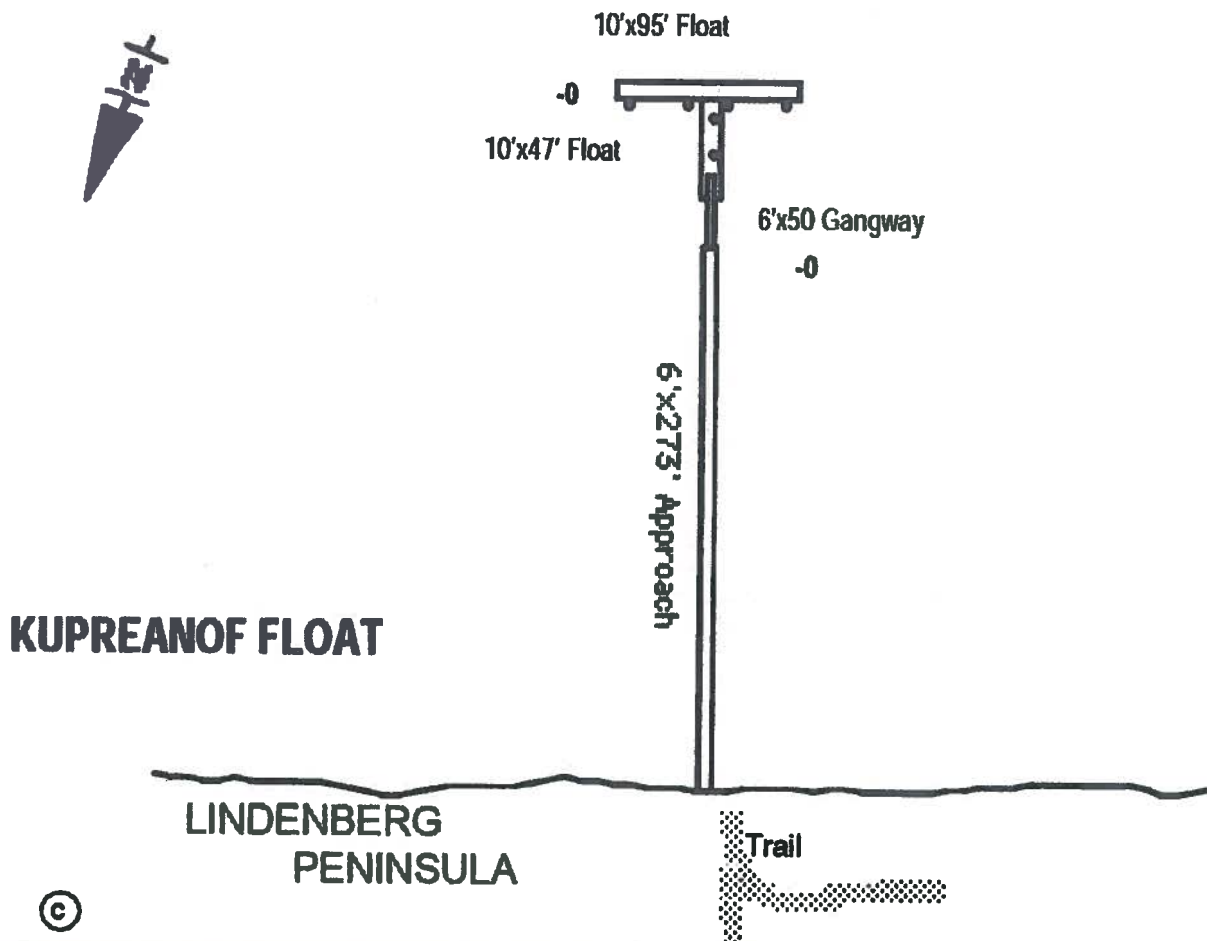
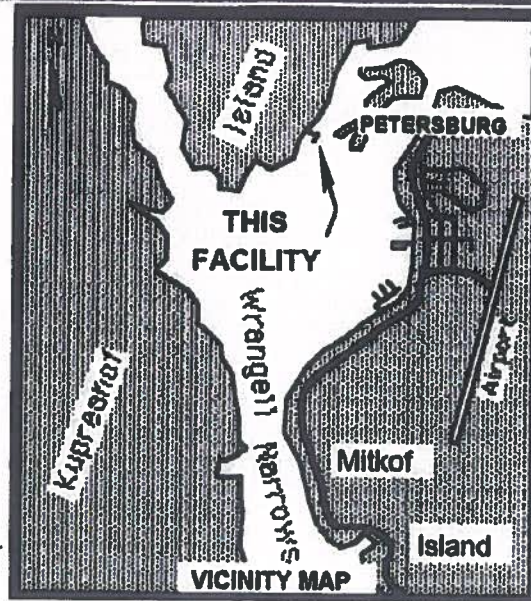
**EMERGENCY**  
no

AIRPORT: in Petersburg

STATE FERRY: in Petersburg

HARBOR CAPACITY 8

REMARKS: This float serves residents in the Kupreanof area. No roadways connect this area with the City of Petersburg. The face of the float is reserved for the school boat. All basic services are in Petersburg



# THE ALASKA HARBOR DIRECTORY

Attachment C

## ENTRANCE ISLAND REFUGE FLOAT

Latitude 57-24.746N Longitude 133-26.502W

OPERATED BY: State of Alaska DOT&PF, telephone no. 465-1781

HARBORMASTER: no

BERTHING FEES: open moorage

TRANSIENT FEES: open moorage

DISTANCE FROM CITY CENTER: No

LIGHTS ON FLOAT: no

POWER ON FLOATS: no

POTABLE WATER ON FLOATS: no

GRID FACILITIES: no

MARINE WAY: no

FUEL AVAILABLE: no

COMMUNICATIONS: no

GROCERY/LODGING: no

LAUNDROMAT: no

SEWER PUMPOUT: no

REPAIR FACILITIES: no

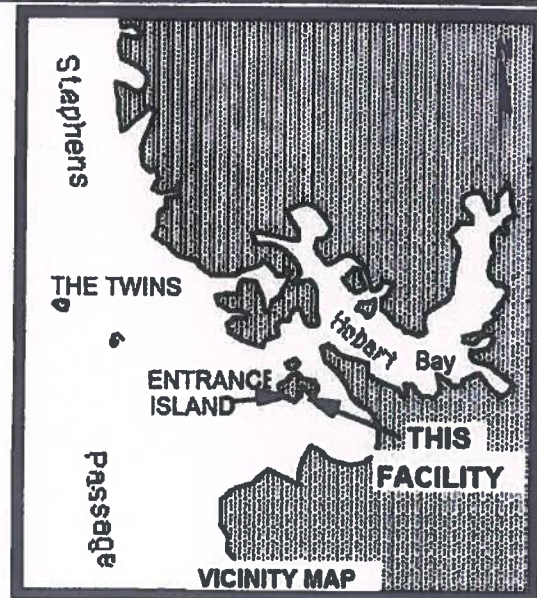
**EMERGENCY**  
no

AIRPORT: no

STATE FERRY: no

HARBOR CAPACITY 6

REMARKS: Remote refuge float used primarily for layover during bad weather. There are no garbage or waste oil facilities. Vessels must retain all waste.



HOBART BAY →

12'x100' Float



## ENTRANCE ISLAND REFUGE FLOAT



©

## TRANSFER PROJECT AGREEMENT

This transfer agreement is made between the State of Alaska, Department of Transportation and Public Facilities ("the State") and the Petersburg Borough ("the Municipality"). The State and the Municipality enter into this agreement under the authority of AS 35.10.120.

WHEREAS, the State has constructed the Papke's Landing, Kupreanof, and Entrance Island Float harbor facilities and that they have been operated by the State since construction, more particularly described below ("the harbor facilities");

WHEREAS, the Municipality owns or is eligible to own, subject to approval of the Department of Natural Resources, management authority of the tidelands beneath the harbor facilities;

WHEREAS, the State desires to transfer the harbor facilities to the Municipality;

WHEREAS, the Municipality desires to acquire ownership of the harbor facilities from the State;

WHEREAS, the Alaska Legislature appropriated funds to pay for the deferred maintenance of the harbor facilities; and

WHEREAS, it is in the interest of the State, the Municipality, and the public to transfer ownership of the harbor facilities to the Municipality;

NOW THEREFORE, in consideration of the mutual promises in this agreement, the State and the Municipality agree to transfer ownership of the harbor facilities from the State to the Municipality as follows:

Governing Provisions: The laws of the State of Alaska shall govern this transfer agreement.

Transfer of Harbor facilities: The State shall transfer, by bill of sale, all of its right, title, and interest in the harbor facilities described below. The Municipality agrees to accept the interests that the State transfers. The interests in harbor facilities are more particularly described as:

ANY and ALL personal property that the STATE owns or has interest in including, but not limited to docks, flotation devices, dolphins, piers, piling, approaches and approach ramps, grids, seaplane floats, helicopter pads, bulkheads, walkways, and any and all other related personal property whatsoever located in: the Papke's Landing Float Harbor Facility, all within Alaska Tidelands Survey 251 and unsurveyed tidelands, located within Section 14, Township 60 South, Range 79 East, Copper River Meridian, Petersburg Recording District, 1<sup>st</sup> Judicial District, Alaska; the Kupreanof Float Harbor Facility, all within Alaska Tidelands Survey 250 and unsurveyed tidelands, located within Section 28, Township 58 South, Range 79 East, Copper River Meridian, Petersburg Recording District, 1<sup>st</sup> Judicial District, Alaska; and the Entrance Island Float Harbor Facility, all within unsurveyed tidelands, located within Section 30, Township 51 South, Range 75 East, Copper River Meridian, Juneau Recording District, 1<sup>st</sup> Judicial District, Alaska; ("the harbor facilities") as shown on Attachments A, B, and C.

Warranties and Condition of Facilities: The State makes no warranties, express or implied, regarding the condition of the harbor facilities transferred or their suitability for continued public use. The State transfers the harbor facilities "as is, where is." The Municipality has inspected the harbor facilities and accepts the harbor facilities in their existing condition without any warranty from the State of their condition or suitability for continued public use.

No Subsequent Transfer: The Municipality agrees covenants and warrants that it shall not transfer title to or control of the harbor facilities without the prior written approval of the State. The Municipality further agrees, covenants and warrants that any transfer title to or control of

the harbor facilities without the prior written approval of the State will be void and of no effect.

**Deferred Maintenance Funds:** The Alaska Legislature has appropriated the sum of \$732,883 to perform repairs and upgrades upon the harbor facilities (the "project"). The State shall pay the funds (less State direct and indirect costs, currently 3.34%) to the Municipality upon the execution by the Municipality and the State of this agreement.

**Record Keeping:** The Municipality shall retain for a period of six years after completion of the project all contracts, invoices, materials, payrolls, personnel records, conditions of employment, and other data relating to matters covered by the Transfer Agreement project work. The Municipality shall insert a clause in any contracts with third-party contractors also requiring a six-year retention schedule. Such materials shall be made available for review, inspection, and copying upon the State's request.

**Public Purpose:** Upon conveyance of the State's interest, the Municipality shall operate and maintain the harbor facilities for the use and benefit of the public. In the event the Municipality fails or ceases to administer, maintain, and operate the harbor facilities as public facilities, title to the harbor facilities shall revert to the State of Alaska, if, but only if, the State of Alaska elects to reassume title.

**Approvals and Permits:** The Municipality shall coordinate all regulatory agency reviews and obtain all necessary written approvals from all governmental agencies having jurisdiction when operating, managing, performing maintenance upon or undertaking any other activities on the harbor facilities. The State shall notify the U.S. Army Corps of Engineers of the conveyance of the State's interest and coordinate the transference of existing Corps of Engineers permits to the Municipality.

**State Held Harmless:** The Municipality agrees to indemnify, defend, and hold harmless the State and the State's officers, agents, and employees from and against any and all suits, causes of action, claims, damages, losses, and expenses whatsoever relating to the Municipality's ownership, management, operation, and maintenance of the harbor facilities, including deferred maintenance, that arise on or after the date of this agreement.

**Third-Party Contractors:** If the Municipality contracts with third-party contractors for planning, design, or construction with regard to deferred maintenance on the harbor facilities using funds appropriated by the Alaska Legislature, the Municipality shall select the contractors using competitive procurement principles consistent with the State Procurement Code, AS 36.30. The Municipality shall require third-party contractors to comply with all the applicable federal, state, and local laws, including but not limited to AS 36.05 (wages and hours of labor), AS 36.10 (employment preference), AS 36.15.010 through 36.15.050 (forest products preference) and AS 36.25 (contractor's bonds).

The Municipality shall provide the State with documentation, if requested, to verify compliance with the terms of the agreement.



This Agreement entered into as of the later day and year written below:

\_\_\_\_\_  
Stephen Giesbrecht, Borough Manager  
Petersburg Borough

\_\_\_\_\_  
Date

State of Alaska  
\_\_\_\_\_  
First Judicial District

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
Notary Public  
My Commission expires: \_\_\_\_\_

\_\_\_\_\_  
Michael J. Coffey, Regional Director  
Alaska Department of Transportation and Public Facilities

\_\_\_\_\_  
Date

State of Alaska  
\_\_\_\_\_  
First Judicial District

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
Notary Public  
My Commission expires: \_\_\_\_\_

**THE ALASKA HARBOR DIRECTORY**  
**PETERSBURG PAPKE'S LANDING**

**Attachment A**

Latitude 56-40.659N Longitude 132-56.129W

OPERATED BY: State of Alaska DOT&PF, telephone no. 465-1781

HARBORMASTER: no

BERTHING FEES: open moorage

TRANSIENT FEES: open moorage

DISTANCE FROM CITY CENTER: 13 miles

LIGHTS ON FLOAT: no

POWER ON FLOATS: no

POTABLE WATER ON FLOATS: no

GRID FACILITIES: see South Harbor

MARINE WAY: in town

FUEL AVAILABLE: in town

COMMUNICATIONS: in town

GROCERY/LODGING: in town

LAUNDROMAT: in town

SEWER PUMPOUT: no

REPAIR FACILITIES: in town

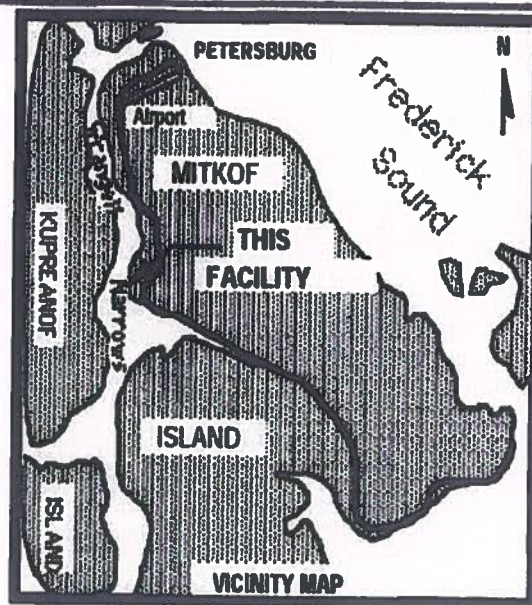
REMARKS: All marine services and supply outlets are located in Petersburg.

**EMERGENCY**  
772-3638

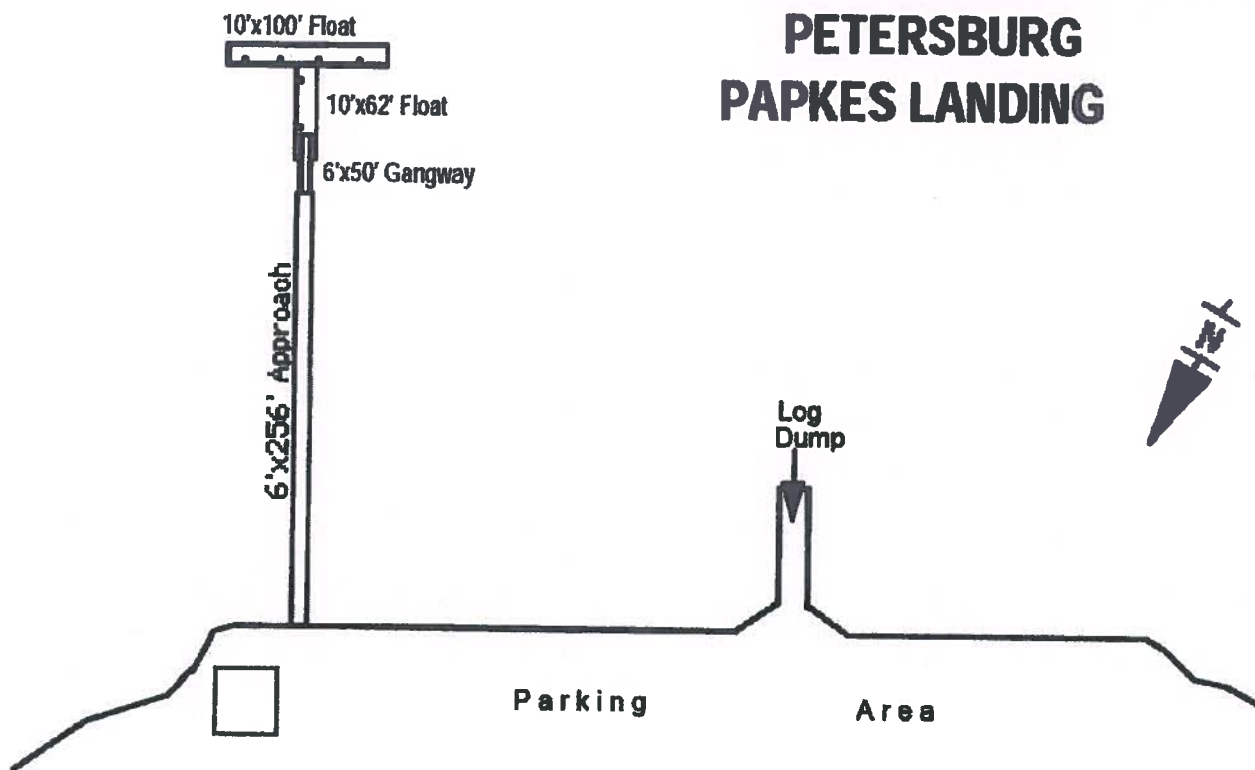
AIRPORT: yes, 13 miles

STATE FERRY: yes, 12 miles

HARBOR CAPACITY 9



**PETERSBURG  
PAPKES LANDING**



©

## THE ALASKA HARBOR DIRECTORY

## PETERSBURG KUPREANOF FLOAT

Latitude 56-48.844N Longitude 132-58.728W

OPERATED BY: State of Alaska DOT&amp;PF, telephone no. 465-1781

HARBORMASTER: no

BERTHING FEES: open moorage

TRANSIENT FEES: open moorage

DISTANCE FROM CITY CENTER: across Wrangell Narrows from Petersburg

LIGHTS ON FLOAT: no

POWER ON FLOATS: no

POTABLE WATER ON FLOATS: no

GRID FACILITIES: no

MARINE WAY: no

FUEL AVAILABLE: no

COMMUNICATIONS: no

GROCERY/LODGING: no

LAUNDROMAT: no

SEWER PUMPOUT: no

REPAIR FACILITIES: no

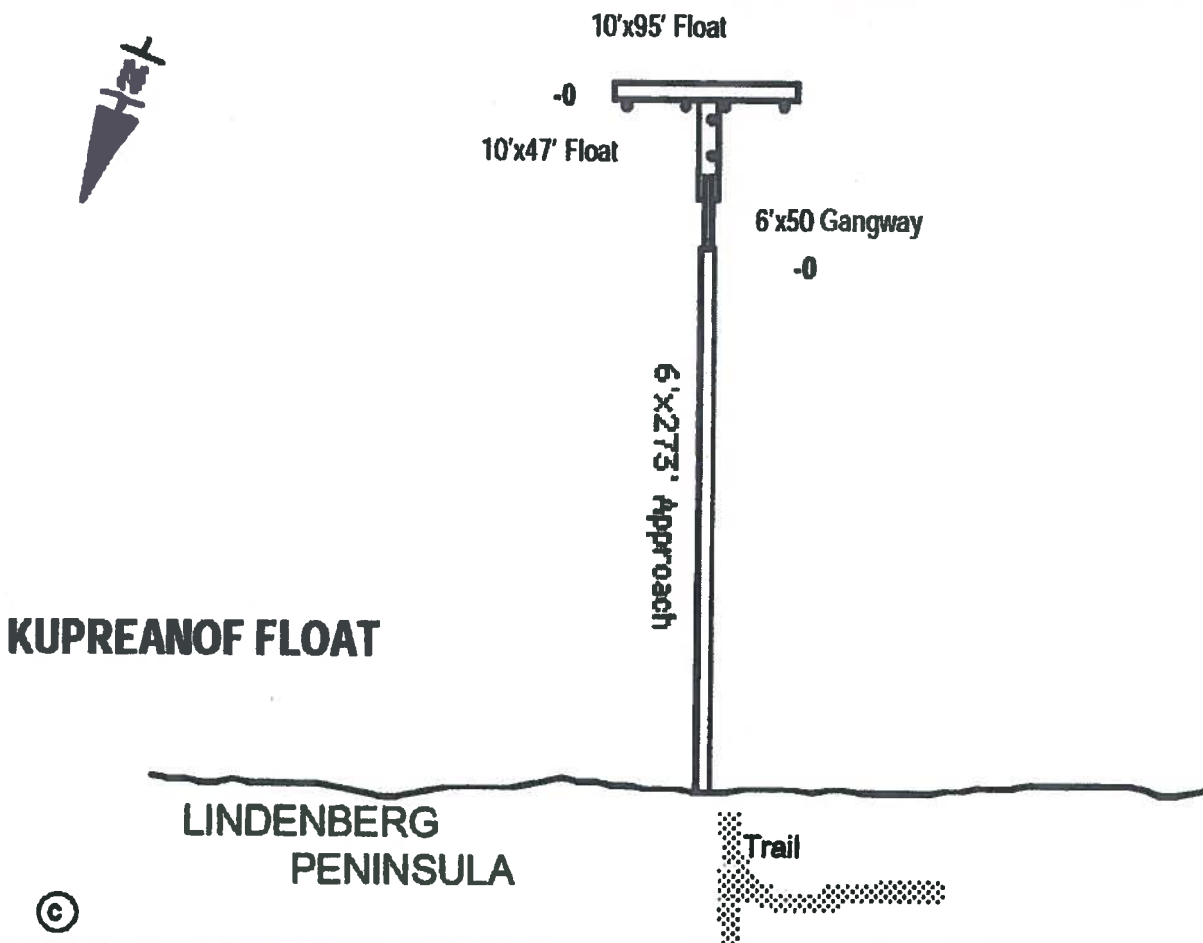
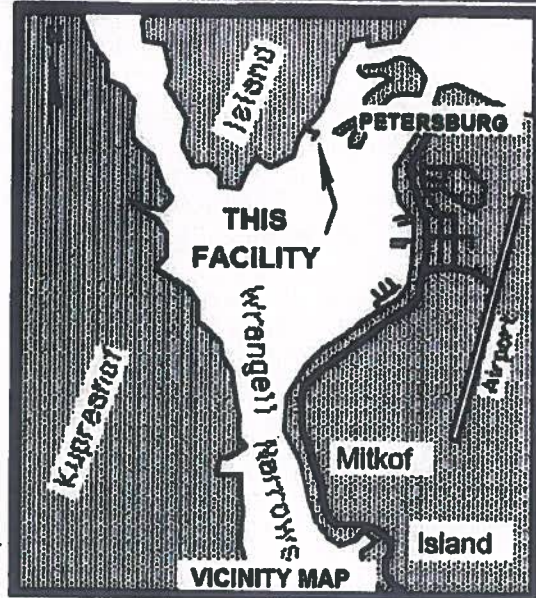
**EMERGENCY**  
no

AIRPORT: in Petersburg

STATE FERRY: in Petersburg

HARBOR CAPACITY 8

REMARKS: This float serves residents in the Kupreanof area. No roadways connect this area with the City of Petersburg. The face of the float is reserved for the school boat. All basic services are in Petersburg



## THE ALASKA HARBOR DIRECTORY

## ENTRANCE ISLAND REFUGE FLOAT

Latitude 57-24.746N Longitude 133-26.502W

OPERATED BY: State of Alaska DOT&amp;PF, telephone no. 465-1781

HARBORMASTER: no

BERTHING FEES: open moorage

TRANSIENT FEES: open moorage

DISTANCE FROM CITY CENTER: No

LIGHTS ON FLOAT: no

POWER ON FLOATS: no

POTABLE WATER ON FLOATS: no

GRID FACILITIES: no

MARINE WAY: no

FUEL AVAILABLE: no

COMMUNICATIONS: no

GROCERY/LODGING: no

LAUNDROMAT: no

SEWER PUMPOUT: no

REPAIR FACILITIES: no

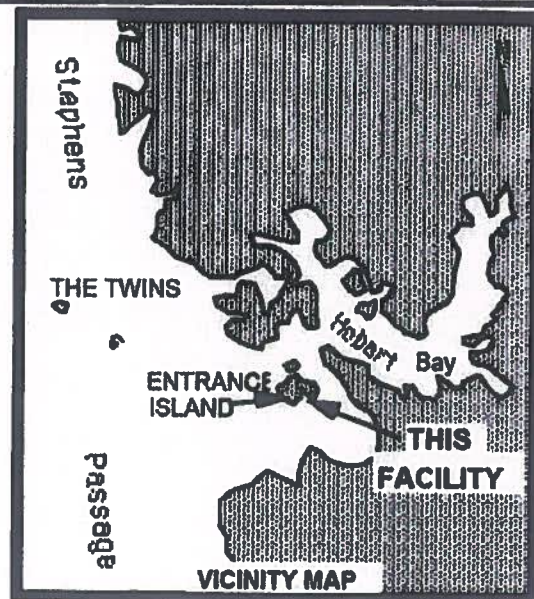
**EMERGENCY**  
no

AIRPORT: no

STATE FERRY: no

HARBOR CAPACITY 6

REMARKS: Remote refuge float used primarily for layover during bad weather. There are no garbage or waste oil facilities. Vessels must retain all waste.

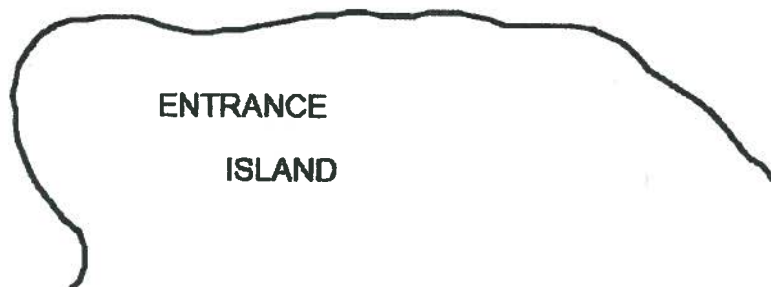


HOBART  
BAY →

12'x100' Float



# ENTRANCE ISLAND REFUGE FLOAT



©

## **PETERSBURG BOROUGH**

**Resolution No. \_\_\_\_\_**

**A RESOLUTION OF THE PETERSBURG BOROUGH ACCEPTING FROM THE STATE OF ALASKA THE TRANSFER IN OWNERSHIP OF THE PAPKE'S LANDING FLOAT, KUPREANOF FLOAT, AND THE ENTRANCE ISLAND FLOAT HARBOR FACILITIES FOR STATE DEFERRED MAINTENANCE FUNDS (\$732,883.00).**

**Whereas, the State of Alaska designed and built many of the public harbor facilities in Alaska's communities, and**

**Whereas, the State of Alaska, Department of Transportation and Public Facilities (DOT&PF), owns the Papke's Landing Float, Kupreanof Float, and the Entrance Island Float harbor facilities ("the harbor facilities"); and**

**Whereas, under DOT&PF ownership, the maintenance and repair of these harbor facilities was minimal; and**

**Whereas, Alaska Statute 35.10.120 provides for the sale of harbor facilities to incorporated areas, so that they may enforce municipal ordinances and legally assess fees to meet maintenance costs; and**

**Whereas, the harbor facilities are within the Petersburg Borough's municipal boundaries; and**

**Whereas, the borough expressed a willingness to assume financial and maintenance responsibility at the above harbor facilities in a letter to DOT&PF dated January 21, 2016; and**

**Whereas, the borough has existing ordinances in place regarding harbor usage rules, procedures, a harbor fees structure, and a harbor staff to inspect and maintain its harbors; and**

**Whereas, the borough's harbor rates support the maintenance, operation, repair and replacement of its harbor facilities; and**

**Whereas, DOT&PF is willing to provide the borough with a lump sum payment of \$732,833 in harbor deferred maintenance funds if the borough agrees to the transfer of ownership and maintenance responsibilities at the above harbor facilities from DOT&PF to the borough; and**

**Whereas the Alaska State Legislature established the 50/50 Municipal Harbor Facility Grant Program to provide state financial assistance for municipal owned harbor facilities in order to prevent Alaska's harbor facilities from falling into disrepair; and**

**Whereas, the above \$732,833 in harbor transfer funds can be used as local matching funds for the Municipal Harbor Facility Grant thereby lessen the financial burden on the borough for future harbor repair and replacement project work at any of the borough's harbor facilities.**

**NOW THEREFORE BE IT RESOLVED that the Petersburg Borough Assembly accepts the transfer of ownership of the Papke's Landing Float, the Kupreanof Float, and the Entrance**



Island Float harbor facilities for the amount of \$732,883 in State of Alaska harbor deferred maintenance funds payable to the Petersburg Borough upon transfer of ownership.

PASSED AND ADOPTED BY A DULY CONSTITUTED QUORUM OF THE  
PETERSBURG BOROUGH ASSEMBLY, PETERSBURG, ALASKA, THIS \_\_\_\_\_ DAY  
OF \_\_\_\_\_, 2016.

ATTEST:

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Printed name, Clerk

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Printed name, Mayor