

## **Mayor's Report 8\_17\_2023**

### **Upcoming Budget and Assembly Discretion**

While port revenues are robust and are fully capable of maintaining port growth, second-quarter sales tax numbers do not reflect a massive windfall for the Municipality. With so many demands on the general fund, I urge the Assembly to heavily scrutinize general fund expenditures, especially for (pet) projects that are not absolutely necessary.

Come budget time, it seems highly likely that the school and clinic will require millions in municipal subsidies. The Assembly also approved moving forward with the West Creek Subdivision, which is also going to cost millions of dollars. The municipal website is obsolete and in dire need of a redesign which will cost hundreds of thousands of dollars. Discussions for new street signage are underway. The Dyea Advisory Board has a list of items they would like the Assembly to address and none of them are cheap. A much-needed new police officer is being hired. Anything related to Garden City RV Park is also going to cost millions of dollars (see below). The transfer station is a multi-million dollar project that is already underway.

The municipality also has a lot of aging infrastructure that needs attention. I suggest putting new projects that aren't absolutely necessary on hold until these issues are addressed. One thing is certain: the Assembly is going to have significant challenges during the upcoming budget cycle, regardless of whether the sales tax increase referendum passes. Establishing priorities now seems like a good idea, and it's also sound fiscal policy.

### **Garden City RV Park Land Disposal**

I appreciate Assemblyperson Bass bringing this forward and am encouraged to see any forward momentum in developing plans for this property. However, I have a lot of questions and concerns that I think should be thoroughly vetted through Planning & Zoning, suitable committees, and the public. First and foremost is how much it's going to cost the MOS to develop the land before lots can be sold. I'm guessing it won't be cheap and since we are still paying for the land, I'm guessing it's going to end up costing the MOS a large chunk of money it currently does not have.

Other questions I have regarding Garden City land disposal:

- Does zoning allow for high-density housing and if so, can it be adjacent to residential housing? Is this even a good idea from a zoning perspective?
- How would lots be sold? We obviously cannot saturate the market by selling 23 lots all at once.
- What is the intent of the sale? If the intent is to provide lots for medium to low-income families? If so, what controls will be put in place to ensure these families are targeted?
- Will there be a time limit to build on the lots once they're sold? If so, what happens if the purchaser fails to build?

If the MOS is going to absorb financial losses selling these lots, I certainly hope there is ample planning to ensure the MOS is encouraging community growth and not simply selling lots to people that already own properties in town or those who have no intention of calling Skagway their year-round home. Rather than subsidizing the sale of market value lots to current land and business owners, the Assembly should be figuring out ways to help young families establish roots in this community.

### **Alaska Municipal League & Mayor's Conference**

Last week, I attended the 2023 summer AML & Mayor's Conference in Homer. The first day of the event was the Mayor's Conference which included a site visit to Seldovia where the Mayor took us on a tour of his lovely town. Some of the presenters weren't able to make it to the conference, so some of the other presentations I was looking forward to didn't happen, but there was ample opportunity for networking and Skagway was well represented.

Coincidentally, I happened to sit next to Senator Lisa Murkowski on my flight from Juneau to Anchorage. Senator Murkowski was scheduled to visit Skagway that same day but got weathered out, so she was quite surprised when she saw me. Throughout the entire flight, we discussed all sorts of issues including rockslide mitigation and ferries. I can confidently say that the Senator is now well versed in Skagway's issues thanks to this strange coincidence.

- Andrew Cremata