



# CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS  
330 Harbor Drive  
Sitka, AK  
(907)747-1811

## Meeting Agenda

### City and Borough Assembly

*Mayor Gary Paxton  
Deputy Mayor Steven Eisenbeisz,  
Vice Deputy Mayor Kevin Mosher,  
Kevin Knox, Dr. Richard Wein, Valorie Nelson, Thor Christianson*

*Municipal Administrator: John Leach  
Municipal Attorney: Brian Hanson  
Municipal Clerk: Sara Peterson*

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Tuesday, August 11, 2020

6:00 PM

Assembly Chambers

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#### REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

IV. CORRESPONDENCE/AGENDA CHANGES

[20-165](#) Reminders, Calendars, and General Correspondence

**Attachments:** [Reminders and Calendars](#)  
[Voluntary Donations by CBS Employees](#)  
[AMHS Reshaping \(Sitka\) - Signed](#)  
[Sitka FERC Letter - BLM \(002\)](#)  
[Sitka FERC Letter - DHL](#)  
[PW Assembly Update 7 July](#)

V. CEREMONIAL MATTERS

*None.*

VI. SPECIAL REPORTS: Government to Government, Municipal Boards/Commissions/Committees, Municipal Departments, School District, Students and Guests (five minute time limit)

[20-156](#) Special Report: CBS Police Chief Robert Baty

**Attachments:** [Special Report Sitka Police Department](#)

**VII. PERSONS TO BE HEARD**

*Public participation on any item off the agenda. All public testimony is not to exceed 3 minutes for any individual, unless the mayor imposes other time constraints at the beginning of the agenda item.*

**VIII. CONSENT AGENDA**

*All matters under Item IX Consent Agenda are considered to be routine and will be enacted by one motion. There will be no separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.*

- A**     [20-158](#)     Approve the minutes of the July 28 Assembly meeting

**Attachments:** [Consent and Minutes](#)

- B**     [20-157](#)     Approve the following marijuana license renewal applications for licensee Northern Lights Indoor Gardens, LLC at 1321 Sawmill Creek Road Suites M, N, O, and P: 1) retail marijuana store, and, 2) standard marijuana cultivation facility

**Attachments:** [Motion and Memos](#)

[10138 Renewal Local Government Notice](#)

[10138 Renewal Online Application\\_Redacted](#)

[10138 Entity Documents](#)

[10138 MJ-20 Renewal Application Certifications](#)

[10138 POPPP](#)

[10136 Renewal Local Government Notice](#)

[10136 Renewal Online Application\\_Redacted](#)

[10136 Entity Documents](#)

[10136 MJ-20 Renewal Application Certifications](#)

[10136 POPPP](#)

**IX. BOARD, COMMISSION, COMMITTEE APPOINTMENTS**

- C**     [20-159](#)     Appoint Jamal Floate to an unexpired term on the GPIIP Board of Directors in the category of At-Large

**Attachments:** [Motion and Application Floate GPIIP](#)

- D**     [20-160](#)     Reappoint Darrell Windsor to a three-year term on the Planning Commission

**Attachments:** [Motion and Application Windsor Planning](#)

**X. UNFINISHED BUSINESS:**

- E      [ORD 20-43](#)      Making supplemental appropriations for fiscal year 2021 (GPIP Haulout)

**Attachments:** [Motion Ord 2020-43](#)  
[Memo Ord 2020-43](#)  
[Ord 2020-43](#)

XI.      **NEW BUSINESS:**

**New Business First Reading**

- F      [ORD 20-44](#)      An Emergency Ordinance of the City and Borough of Sitka temporarily authorizing the Mayor to modify and/or waive various sections of the Sitka General Code dealing with public meetings and teleconference participation in those public meetings in order to protect the life, health, welfare, and property of elected and appointed officials, staff, and the public during the government declared COVID-19 public health emergency

**Attachments:** [Motion Memo and Ord 2020-44](#)

**Additional New Business Items**

- G      [20-162](#)      Approve the Request for Proposal for the sale and development of Tract A11, Whitcomb Heights Subdivision

**Attachments:** [Motion and Memo Whitcomb Heights](#)  
[Draft RFP and Attachments\\_Tract A11 Benchlands Development](#)

- H      [20-163](#)      Approve the Request for Proposal for the lease of a portion of Tract C, ASLS 79-4 on Harbor Mountain Bypass Road for the purposes of a cell tower site

**Attachments:** [Motion and Memo Cell Tower](#)  
[Draft RFP and Attachments\\_Cell Tower Site Lease](#)

- I      [20-164](#)      Discussion / Direction on what level of information the Assembly would like to see before the Administrator enters any CARES Act contracts or subrecipient agreements

**Attachments:** [Disc Dir CARES Act - Contracts Subrecipient Agreements - Signed](#)

- J      [20-161](#)      Appoint two Assembly members to serve on the Haulout Task Force

**Attachments:** [Haulout Task Force Appointment](#)

XII.      **PERSONS TO BE HEARD:**

*Public participation on any item on or off the agenda. Not to exceed 3 minutes for any individual.*

XIII.      **REPORTS**

**a. Mayor, b. Administrator, c. Attorney, d. Liaison Representatives, e. Clerk, f. Other****XIV. EXECUTIVE SESSION**

*Not anticipated.*

**XV. ADJOURNMENT**

*Note: Detailed information on these agenda items can be found on the City website at <https://sitka.legistar.com/Calendar.aspx> or by contacting the Municipal Clerk's Office at City Hall, 100 Lincoln Street or 747-1811. A hard copy of the Assembly packet is available at the Sitka Public Library. Regular Assembly meetings are livestreamed through the City's website, aired live on KCAW FM 104.7, and broadcast live on local television channel 11. To receive Assembly agenda notifications, sign up with GovDelivery on the City website.*

*Sara Peterson, MMC, Municipal Clerk  
Publish: August 7*





# CITY AND BOROUGH OF SITKA

## Legislation Details

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**File #:** 20-165      **Version:** 1      **Name:**  
**Type:** Item      **Status:** AGENDA READY  
**File created:** 8/6/2020      **In control:** City and Borough Assembly  
**On agenda:** 8/11/2020      **Final action:**  
**Title:** Reminders, Calendars, and General Correspondence  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:** [Reminders and Calendars](#)  
[Voluntary Donations by CBS Employees](#)  
[AMHS Reshaping \(Sitka\) - Signed](#)  
[Sitka FERC Letter - BLM \(002\)](#)  
[Sitka FERC Letter - DHL](#)  
[PW Assembly Update 7 July](#)

Date	Ver.	Action By	Action	Result
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# REMINDERS

<u>DATE</u>	<u>EVENT</u>	<u>TIME</u>
Tuesday, August 11	Regular Meeting	6:00 PM
Tuesday, August 25	Work Session <i>Audit</i>	5:00 PM
Tuesday, August 25	Regular Meeting	6:00 PM



## *Municipal Election Reminders*

Friday, August 7	5:00 PM deadline for filing candidate petitions
Tuesday, August 11	Last scheduled meeting to adopt ordinances for charter changes and ballot measures
Tuesday, October 6	Municipal Election

### Expiring Terms:

Mayor  
Gary Paxton

Assembly  
Steven Eisenbeisz  
Richard Wein

School Board  
Elias Erickson  
Dionne Brady-Howard

# Assembly Calendar

[2019](#)  
 [Jan](#)  
 [Feb](#)  
 [Mar](#)  
 [Apr](#)  
 [May](#)  
 [Jun](#)  
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 [Aug](#)  
 [Sep](#)  
 [Oct](#)  
 [Nov](#)  
 [Dec](#)  
 [2021](#)

## August 2020

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
26 <a href="#">Jul</a>	27	28 6:00pm <a href="#">Regular Assembly Mtg</a>	29	30 12:00pm SEDA Board - Liaison Paxton	31	1 <a href="#">Aug</a>
2	3	4	5 6:00pm <a href="#">Library Commission - Liaison Christianson</a> 6:00pm <a href="#">School Board - Liaison Mosher</a> 7:00pm <a href="#">Planning Commission - Liaison Mosher</a>	6	7	8
9	10	11 12:00pm <a href="#">Parks &amp; Recreation - Liaison Knox</a> 6:00pm <a href="#">Regular Assembly Mtg</a>	12 5:00pm <a href="#">Tree &amp; Landscape - Liaison Wein</a> 6:00pm <a href="#">Historic Preservation - Liaison Mosher</a>	13 12:00pm <a href="#">LEPC - Liaison Nelson</a> 1:30pm <a href="#">Health Needs &amp; Human Services - Liaison Wein</a>	14	15
16	17	18	19 7:00pm <a href="#">Planning Commission - Liaison Mosher</a>	20	21	22
23	24	25 5:00pm <a href="#">Work Session: Audit</a> 6:00pm <a href="#">Regular Assembly Mtg</a>	26 6:00pm <a href="#">Police and Fire - Liaison Nelson</a>	27	28	29
30	31	1 <a href="#">Sep</a>	2 6:00pm <a href="#">Library Commission - Liaison Christianson</a> 6:00pm <a href="#">School Board - Liaison Mosher</a> 7:00pm <a href="#">Planning Commission - Liaison Mosher</a>	3	4	5

# Assembly Calendar

[2019](#)  
 [Jan](#)  
 [Feb](#)  
 [Mar](#)  
 [Apr](#)  
 [May](#)  
 [Jun](#)  
 [Jul](#)  
 [Aug](#)  
 [Sep](#)  
 [Oct](#)  
 [Nov](#)  
 [Dec](#)  
 [2021](#)

## September 2020

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
30 <u>Aug</u>	31	1 <u>Sep</u>	2	3	4	5
			6:00pm <u>Library Commission - Liaison Christianson</u> 6:00pm <u>School Board - Liaison Mosher</u> 7:00pm <u>Planning Commission - Liaison Mosher</u>			
6	7	8	9	10	11	12
		12:00pm <u>Parks &amp; Recreation - Liaison Knox</u> 6:00pm <u>Regular Assembly Mtg</u>	5:00pm <u>Tree &amp; Landscape - Liaison Wein</u> 6:00pm <u>Historic Preservation - Liaison Mosher</u> 6:00pm <u>Port &amp; Harbors Commission - Liaison Knox</u>	12:00pm <u>LEPC - Liaison Nelson</u> 1:30pm <u>Health Needs &amp; Human Services - Liaison Wein</u>		
13	14	15	16	17	18	19
			7:00pm <u>Planning Commission - Liaison Mosher</u>			
20	21	22	23	24	25	26
		6:00pm <u>Regular Assembly Mtg</u>	6:00pm <u>Police and Fire - Liaison Nelson</u>			
27	28	29	30	1 <u>Oct</u>	2	3



# City and Borough of Sitka

100 Lincoln Street Sitka, Alaska 99835

*Coast Guard City, USA*

**August 4, 2020**

**Memorandum for John Leach, Municipal Administrator**

**Subject: Voluntary Donations by CBS Employees to Assist Low-Income Residents of Sitka With Their Utility Bills**

John, I wish to document, for historical purposes, a program instituted in 2016 and still in existence today whereby City and Borough of Sitka (CBS) employees, along with other Sitka residents, make systematic donations to help low-income Sitkans with their utility bills.

The genesis and purpose of the program was to have CBS employees set the example for others by stepping forward, in a small yet sustained way, and pledging to donate out of their personal funds for utility assistance.

Rather than the CBS holding and handling donated funds, all donations are passed directly to the local office of the Salvation Army in Sitka, to be combined with and integrated into broader Salvation Army assistance programs.

Since 2016, a total of \$12,298 has been donated. \$11,369 has been passed through to the Salvation Army, and, an additional \$929 has been accrued and will be forwarded in the near future.

The whole object of the program was to quietly assist, without any fanfare. To this end, the program has been successful. With such little notice, though, it is easy to forget such programs exist, and, have the knowledge of their genesis pass into the dust bin of history.

**John P. Sweeney III**  
Chief Financial and Administrative Officer



# City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

*Coast Guard City, USA*

August 6, 2020

Admiral Tom Barrett, Chair  
Alaska Marine Highway Reshaping Work Group  
[dot.amh-reshaping@alaska.gov](mailto:dot.amh-reshaping@alaska.gov)

AMHS Reshaping Survey

Dear Admiral Barrett,

Thank you for the opportunity to provide community input to the AMHS Work Group. We understand the financial sustainability challenges AMHS is facing, so we value your work in determining community ferry needs as you make recommendations for future service levels.

Sitka enjoys a wide range of government, Tribal, educational, and healthcare partners who depend on regular ferry service. SouthEast Alaska Regional Health Consortium (SEARHC) is expanding into a regional healthcare hub, and ferry travel is essential for people seeking healthcare from outside of Sitka. Our U.S. Coast Guard personnel depend on ferry service every summer to move their families upon receipt of new transfer orders in or out of Sitka. Our Tribal Citizens and families of elderly in our Pioneer Home and long-term care facilities rely on ferry service to connect from smaller villages. We are dependent on ferry service to attract new conventions, meetings, and visitors to Sitka, and inadequate service will be highly impactful resulting in significant economic hardship to our community. Independent travelers and many others within our community will suffer from a reduced level of ferry service.

At an absolute minimum, we believe that one (1) weekly north bound stop and one (1) weekly south bound stop, year-round, is essential to support community, economic, and social well-being that cannot be met by other means. Many small communities that connect to Sitka do not have year-round air service, nor can Sitka residents gain access to the road system without ferry service.

The level of travelers undoubtedly decreases in the winter months; however, airline ticket costs tend to increase while flight schedules are reduced. Regular ferry service will provide a lower cost, and more reliable, form of travel during periods of bad weather that typically cancel air travel in Alaska.

Sitka is also an educational hub for the State of Alaska. Besides our local Sitka School District, Sitka is a host to the Mount Edgecumbe High School and University of Alaska Southeast campuses. Our schools depend on regular ferry service throughout the academic year for sports, club, and extracurricular activity travel since airline travel becomes more expensive outside of peak summer travel months.

Freight is normally barged into our community, but there are little to no places in Sitka to buy or sell new boats or vehicles. Those purchases are normally done in larger cities and the ferry is the easiest way to ensure those transactions are possible. Our ferry service is also crucial to supplying groceries and

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consumer goods to other smaller communities that do not have barge service. Alternating passenger and vehicle service is a good stop-gap measure for our community; however, that alternative reduces overall access to the road system.

Sitka has enjoyed service provided by the Fairweather Fast Ferry in previous years and would prefer to see two stops per week. In addition, a stop that connects Sitka to Angoon is necessary.

Throughout the years, through repeated letters and resolutions, Sitka has requested equitable service with the rest of the region – a baseline service level of at least two (2) north and two (2) south vessels per week. In this time of budget crisis, we look forward to working with AMHS and other Southeast communities to create a schedule that provides a parity of service. It is critical that this request and need be recognized and addressed by the State.

Thank you for your consideration.

Sincerely,



John M. Leach  
Municipal Administrator

Cc: Senator Bert Stedman  
Representative Jonathan Kreiss-Tomkins  
CBS Assembly





# City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

August 5, 2020

Chad B. Padgett, State Director  
Bureau of Land Management, Alaska State Office  
Federal Building and U.S. Courthouse  
222 West Seventh Avenue, Room 13  
Anchorage, AK 99513-7599

Dear Mr. Padgett,

In the 1970's, the federal government conveyed approximately 5,500 acres of land near Sitka (Green Lake parcel) to the State of Alaska under the Statehood Act. The patent contained language including a federal power site reservation on areas within the parcel below 450' in elevation.

The Green Lake Hydroelectric Project was subsequently constructed, utilizing water flow from Green Lake inside the parcel. The State then conveyed the Green Lake parcel to the City and Borough of Sitka (CBS) as part of the latter's municipal land selections from the State.

While the federal withdrawal for the Green Lake project encompasses 1,281 acres, the facility itself, including reservoir, occupies only about 200 acres. CBS would like to have the option for development of the Green Lake parcel lands outside the area occupied by the hydro project.

The CBS respectfully requests that the Bureau of Land Management and the Federal Energy Regulatory Commission vacate Power Site Classification No. 459 and the Section 24 withdrawal, respectively. Otherwise, the withdrawals will remain in effect and subject to the restrictions of the power site reservation created by the patent.

Please see the addendum to this letter for a historical analysis of the parcel.

Thank you for your consideration and response.

Respectfully,

**John M. Leach**  
Municipal Administrator

cc: Senator Bert Stedman  
Representative Jonathan Kreiss-Tomkins

Attachment: As mentioned

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### **Addendum:**

On approximately March 17, 1969, BLM created Power Site Classification No. 459, approximately 250 acres, following an application by USGS. 34 Fed. Reg. 5660 (Mar. 26, 1969).

On September 19, 1977, the application for the Green Lake Project No. 2818 created a Section 24 withdrawal of approximately 1,474 acres, which overlaps, at least in part, with the 250-acre Power Site Classification No. 459. 43 Fed. Reg. 7355—56 (Feb. 22, 1978).

On June 5, 1978, at the request of the State of Alaska in order to select approximately 5,693 acres of lands for patent under Section 6(a) of the Alaska Statehood Act of 1958, the Commission:

1. Determined that the value of approximately 2,540 acres, including 1,281 acres of federal lands ultimately included within the project boundary, would not be injured or destroyed for the purposes of power development, subject to the provisions of section 24, and,
2. Vacated the withdrawal of approximately 214 acres proposed, but no longer needed, for transmission for the Green Lake Project. 43 Fed. Reg. 25,366—67 (June 12, 1978).

On July 14, 1978, BLM opened approximately 2,756 acres of federal lands for selection by the State of Alaska subject to a section 24 reservation for those lands below an altitude of 450 feet.

On July 28, 1978, BLM issued tentative approval of approximately 5,705 acres of lands selected by the State of Alaska subject to a section 24 reservation for those lands below an altitude of 450 feet, with the final patent to be issued pending official survey of the selected lands. See 43 C.F.R. § 2627.3(b)(3) (2019) (requiring tentative approval and survey prior to issuing final patent for selected lands).

On May 4, 1995, BLM issued the final patent for 5,555.75 acres of lands selected by the State of Alaska, subject to a section 24 reservation for those lands below an altitude of 450 feet.

Three land use restrictions are at issue:

1. a withdrawal created by BLM in or around 1969 (Power Site Classification No. 459),
2. a withdrawal created by the application for the Green Lake Project pursuant to the first part of section 24 of the Federal Power Act (section 24 withdrawal) (collectively section 24 lands), and
3. the reservation created by BLM's patent opening both withdrawals to entry subject to the second part of section 24 (power site reservation).

The power site reservation applies to all patented section 24 lands below an altitude of 450 feet, so it applies to any of the approximately 2,540 acres of section 24 lands opened by the Commission's June 5, 1978 determination, including 1,281 acres ultimately included within the project boundary, that are below 450 feet. Although the power site reservation in the final patent, unlike in the tentative approval, applies to all section 24 lands below an altitude of 450 feet "for Power Project No. 2818," it goes on to list the same lands reserved in the tentative approval, suggesting the reservation applies to all patented section 24 lands below an altitude of 450 feet, not just those part of the Green Lake Project.

The section 24 withdrawal created by the application for the Green Lake Project will remain in effect until otherwise directed by the Commission or Congress. The Commission may vacate a section 24 withdrawal if not all the lands included in the original application are part of the project as it is finally constructed.

Commission records indicate that the project boundary for the Green Lake Project includes 1,281 acres that are subject to the section 24 withdrawal. The Commission would not consider vacating the withdrawal for any of those lands unless it determined that the lands are not needed for project purposes. To allow the Commission to make that determination, the licensee would need to file a request for a license amendment to remove the lands from the project boundary and demonstrate why they are not needed for operation and maintenance of the project, or for any other project purposes.





# City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

August 5, 2020

Vincent Yearick, Director of Hydropower Licensing  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426  
(202) 502-6174  
vince.yearick@ferc.gov

Dear Mr. Yearick,

In the 1970's, the federal government conveyed approximately 5,500 acres of land near Sitka (Green Lake parcel) to the State of Alaska under the Statehood Act. The patent contained language including a federal power site reservation on areas within the parcel below 450' in elevation.

The Green Lake Hydroelectric Project was subsequently constructed, utilizing water flow from Green Lake inside the parcel. The State then conveyed the Green Lake parcel to the City and Borough of Sitka (CBS) as part of the latter's municipal land selections from the State.

While the federal withdrawal for the Green Lake project encompasses 1,281 acres, the facility itself, including reservoir, occupies only about 200 acres. CBS would like to have the option for development of the Green Lake parcel lands outside the area occupied by the hydro project.

The CBS respectfully requests that the Bureau of Land Management and the Federal Energy Regulatory Commission vacate Power Site Classification No. 459 and the Section 24 withdrawal, respectively. Otherwise, the withdrawals will remain in effect and subject to the restrictions of the power site reservation created by the patent.

Please see the addendum to this letter for a historical analysis of the parcel.

Thank you for your consideration and response.

Respectfully,

  
**John M. Leach**  
Municipal Administrator

cc: Nicholas Jayjack, Deputy Director of Hydropower Licensing  
John Katz, Deputy Associate General Counsel, Energy Projects  
CarLisa Linton-Peters, Director of Hydropower Administration and Compliance  
Hillary Berlin, Deputy Director of Hydropower Administration and Compliance  
Andrea Claros, Chief of the Environmental and Project Review Branch

Attachment: As mentioned

### **Addendum:**

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1. Determined that the value of approximately 2,540 acres, including 1,281 acres of federal lands ultimately included within the project boundary, would not be injured or destroyed for the purposes of power development, subject to the provisions of section 24, and,
2. Vacated the withdrawal of approximately 214 acres proposed, but no longer needed, for transmission for the Green Lake Project. 43 Fed. Reg. 25,366–67 (June 12, 1978).

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On May 4, 1995, BLM issued the final patent for 5,555.75 acres of lands selected by the State of Alaska, subject to a section 24 reservation for those lands below an altitude of 450 feet.

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3. the reservation created by BLM's patent opening both withdrawals to entry subject to the second part of section 24 (power site reservation).

The power site reservation applies to all patented section 24 lands below an altitude of 450 feet, so it applies to any of the approximately 2,540 acres of section 24 lands opened by the Commission's June 5, 1978 determination, including 1,281 acres ultimately included within the project boundary, that are below 450 feet. Although the power site reservation in the final patent, unlike in the tentative approval, applies to all section 24 lands below an altitude of 450 feet "for Power Project No. 2818," it goes on to list the same lands reserved in the tentative approval, suggesting the reservation applies to all patented section 24 lands below an altitude of 450 feet, not just those part of the Green Lake Project.

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Commission records indicate that the project boundary for the Green Lake Project includes 1,281 acres that are subject to the section 24 withdrawal. The Commission would not consider vacating the withdrawal for any of those lands unless it determined that the lands are not needed for project purposes. To allow the Commission to make that determination, the licensee would need to file a request for a license amendment to remove the lands from the project boundary and demonstrate why they are not needed for operation and maintenance of the project, or for any other project purposes.

**PUBLIC WORKS ASSEMBLY UPDATE**  
**WORK COMPLETED THROUGH JULY 2020**

**Wastewater Treatment Plant (WWTP) Rehabilitation (CONSTRUCTION PHASE)**

**Milestones This Period**

- Roof installation of structural steel frames supporting new exhaust fans.
- New interior wall finish and painting.
- Installation of new transformer by CBS PW & Electric Dept.
- Completion of significant portions of the installation of the new mechanical and electrical systems.
- New insulated metal panel siding installation in progress.

**Future Milestones**

- Reconstruction of all building siding, doors, and windows, Summer/Fall 2020.
- Completion of installation of new mechanical, electrical, and SCADA building systems, Winter 2021.
- Substantial Completion required May 20, 2021.

**Background**

The Wastewater Treatment Plant was built in the early 1980's and many of the building systems, including the building envelope (exterior siding, windows and doors), electrical, plumbing and mechanical, including the HVAC (ventilation air) system, have failed or are past their useful life and require replacement. The air quality within the building is inadequate and corrosive, and as a result the exposed piping and metal within the building have corroded.

Total project cost is currently estimated at \$9,782,000. Funding for this project is provided by the following sources:

- \$263,000 – WW Fund Working Capital
- (\$218,000) – WW Working Capital moved to the SCADA Control Project
- \$9,737,000 – DEC Loans
- \$9,782,000 – Total Available Project Funding

Current Contracts: McCool Carlson Green (design)	\$898,284
MCG Constructors, Inc./DCI Joint Venture (w/CO-1)	\$7,432,800

**Critical Secondary Water Supply (DESIGN PHASE)**

For more information and history on this project, visit the City website at:  
[www.cityofsitka.com](http://www.cityofsitka.com) > Public Works Department > Public Works Projects > Critical Secondary Water Supply – or go directly to:  
<https://www.cityofsitka.com/government/departments/publicworks/projects.html>

**Milestones This Period**

- All future milestones are in progress.

**Future Milestones**

- Apply for Economic Development Administration grant to support construction of CBS and NSRAA Sawmill Creek water intake: August 2020.

- Facilitate discussion between NSRAA and CBS Administration to establish a project cost sharing structure for potential EDA grant: September 2020.
- Solicit construction bids for Sawmill Creek intake and filter plant: February 2021.
- Award construction contract: April 2021.
- Substantial Completion for secondary water source project anticipated in October 2021.

**Background**

The project is for design and construction of a secondary water source, for when the primary water source – Blue Lake water treated with ultraviolet (UV) radiation – is unavailable. Blue Lake water will not be available when the Electric Department inspects and maintains the penstock providing water from the dam to the power plant. Blue Lake water may also require filtration – not just UV treatment – if turbidity levels continue to exceed regulatory thresholds. Total project cost is estimated at \$18 million. Funding for the project is provided by:

\$530,000 – Working Capital  
\$17,620,000 – Alaska Clean Water Fund loan  
 \$18,150,000 – Total Available Project Funding

Current Contracts:	CRW Engineering Group (design)	\$1,104,291
	Jacobs (design review, design management)	\$87,000
	Pall Water (supply filtration equipment)	\$2,339,350

**Crescent Harbor Float Replacement – Phase I (CONSTRUCTION PHASE)**

**Milestones This Period**

- All future milestones are in progress.

**Future Milestones**

- Electrical subcontractor to install substations. This will provide power to the electrical equipment adjacent to the slips. Schedule subject to supply-chain delays due to COVID-19.
- Install marine sewage pump-out: November 2020. CBS has been offered a grant to provide wastewater infrastructure. Grant agreement pending Assembly approval.

**Background**

The physical condition of Crescent Harbor had deteriorated to point where in-house repairs are no longer sufficient to adequately maintain the facility. Harbor Department staff and Public Works Department engineers determined the harbor now presents an operational and safety risk due to floats sinking, decay of wooden beams, corrosion of metal fixtures and failure of walk-down ramps to meet ADA accessibility requirements.

The project has an estimated total cost of \$13 million for design and construction. Funding for this project is provided by the following sources:

\$1,000,000 – Harbor Fund Working Capital  
 \$5,000,000 – AK DOT Harbor Matching Grant  
\$8,025,000 – Harbor Revenue Bonds



\$14,025,000 – Total Available Project Funding	
Current Contracts: Jacobs (project administrative support)	\$315,905
Turnagain Marine Design-Build Contract	\$13,149,652

**Sitka Cross Trail Phase 6 (CONSTRUCTION PHASE)**

**Milestones This Period**

- 5,884 feet (of 14,000 feet total) of rough trail constructed through July 29, including 730 feet topped with surface course (D-1 gravel).

**Future Milestones**

- Complete rough trail construction, Winter 2020-21.
- Construction of No Name Creek bridge, Spring 2021.
- Construction of Harbor Mountain Road trailhead parking area, Summer 2021.
- Construction of Old Sitka Rocks connector, Summer 2021.
- Substantial Completion, September 2021.
- Open for recreational trail use, October 2021.

**Background**

The project includes extending the Sitka Cross Trail from Harbor Mountain Road north to the Starrigavan Boat Launch overflow parking lot, adjacent to the USFS Forest & Muskeg trailhead. A small parking lot will be constructed at the Harbor Mountain Trailhead. The project also includes a connector trail in the vicinity of No Name Mountain for users to access the Cross Trail from the Old Sitka cruise ship dock. The total length of new trail to be constructed is 14,000 feet (2.6 miles), increasing the total length of the Sitka Cross Trail system to over 7 miles, including multiple access points throughout.

The project is being constructed by Sitka Trail Works, who has assisted with the development of the project from start to finish. The current funding plan is as follows:

\$ 2,132,698 – Grant from Western Federal Lands
\$ 72,575 – CBS GF and/or CPET Funds
<u>\$ 142,596 – STW contribution</u>
\$ 2,347,869 – Total Available Project Funding

Current Contracts: Sitka Trail Works, Inc.	\$2,010,644
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**Thomsen Harbor Anode Replacement (DESIGN PHASE)**

**Milestones This Period**

- Bid-ready drawings and specifications completed and accepted by CBS.

**Future Milestones**

- Advertise for construction bids, to be determined due to staffing transitions.
- Execute grant agreement with State of Alaska, September 2020. State will not finalize grant until grantee has received construction bids.
- Construction planned for November 2020. Substantial Completion, February 2021.

## **Background**

Old Thomsen Harbor was originally built in 1976. In 2006, the CBS replaced the Old Thomsen Harbor floats with new timber floats as part of a comprehensive capital improvement program. At the time of construction, a cathodic protection system was considered to prevent future corrosion, but not installed due to financial considerations. Some of the existing steel piles are already showing signs of mild corrosion. This project will install cathodic protection on all the steel pipe piles in Thomsen Harbor in the form of sacrificial anodes welded to the piles. The new anodes are designed to protect the piles for 20 years, thereby extending the life of this important and expensive harbor facility.

The project currently has an estimated total cost of \$450,000. Total available funding for this project is \$406,000. Funding for this project is provided by the following sources:

\$203,000 – Harbor Fund Working Capital  
\$203,000 – AK DOT Harbor Matching Grant (pending execution of grant offer)  
\$406,000 – Total Available Project Funding (pending execution of grant offer)

If necessary, additional working capital – approximately \$44,000 – from the nearly completed Crescent Harbor Phase 1 project may be transferred to fully fund this project prior to an award of a construction contract.

Current Contracts: PND Engineers, Inc. \$44,585

## **Sitka Seaplane Base (SPB) (PLANNING PHASE)**

For more information and history on this project, visit the City website at:

[www.cityofsitka.com](http://www.cityofsitka.com) > Public Works Department > Public Works Projects > New Sitka Seaplane Base – or go directly to:

<https://www.cityofsitka.com/government/departments/publicworks/SitkaSeaplaneBaseSitingStudy.htm>

### **Milestones This Period**

- Prepared revised Planning Level Facility Concepts based on information collected in the Pilot Meeting and the Pilot Survey.
- Review revised facility concepts with FAA regarding project planning scope and eligibility of amenities for AIP grant funding.
- Review revised concept with Pilot Stakeholders after receiving FAA comments.

### **Future Milestones**

- Finalize Planning Level Facility Concept, August 2020.
- Completion of the Intertidal Habitat and Marine Life Surveys. These studies will impact and influence the final preliminary facility layout, July/August 2020.
- Permitting: DRAFT NEPA Environmental Assessment (EA) prepared and ready for Public Review: September/October 2020.
- Planning for land acquisition and business plan: October/November 2020.

- Assembly update presentation and public meeting for input on drafts EA, facility layout, and business plan: October/November 2020.
- Prepare and submit AIP grant applications to FAA for next phase Design/Land Acquisition: Spring/Summer 2021 (depends on federal funding cycle).

**Background**

The existing Seaplane Base has been operating for 65 years and is at the end of its useful life. The Assembly passed an action plan to construct a new facility just inside the breakwater on Japonski Island (end of Seward Street) making this a top priority to secure Federal Funding, land, and ultimately construction. Federal Funding is anticipated to cover 93.75% of the cost of construction and another \$150k per year in annual entitlements for the Airport Capital Improvements Program (ACIP) for long term major maintenance or expansion projects. Developing the SPB ACIP (5-year plan) along with an airport operations plan for airport sustainability are tasks included in the project planning and design development of the project.

There are 5 main phases required to complete to be eligible to proceed to the next stage and receive Federal funding:

1. Planning and Environmental Review (current funded stage):  
Complete early 2021
2. Planning Level Layout plan (current funded stage): Complete early 2021
3. Land acquisition (not funded until EA is completed and approved):  
Complete Summer 2022
4. Design/Final Permitting (must build or give back FAA funds):  
Complete Summer 2022
5. Construction: 2023-2024

We understand there are concerns over the length of the process especially as it relates to these initial grant phases of work for the Environmental Assessment and completed a kickoff meeting to help clarify and brainstorm options in navigating the required federal process as well as to provide an opportunity to give comments and ask questions, before the project proceeds into the permitting phase.

For detailed meeting notes and presentation materials, visit the project web page at the link above.

The preliminary total project cost is estimated at \$16 million. Funding for this project is provided by the following sources:

\$842,629 – FAA AIP Grant (E/A & Planning Grant)  
\$56,176 – General Fund Working Capital (Req'd CBS Match @ 6.25%)  
 \$898,805 – Total Available Project Funding

Current Contracts: DOWL (E/A & Aviation Planning) \$707,079

## **Sitka Sea Walk Phase 2 (PLANNING & DESIGN PHASE)**

### **Milestones This Period**

- All future milestones are in progress.

### **Future Milestones**

- Additional scoping effort to be performed to explore reducing costs estimated for preferred alternatives, August 2020. (Route described in Background section below is likely too expensive to fit within existing funding. Project may look to build a portion of the route only.)
- Assuming an alternative can be found that fits within the project budget, design phase to kick off in late 2020 with plans for multiple meetings throughout the process.
- Construction is estimated to begin 2022.

### **Background**

The project includes extending the Sitka Sea Walk from the Sitka Public Library toward (and under) O'Connell Bridge and terminating at the west end of Lincoln Street at its intersection with Harbor Way. Phase 2 of the Sea Walk, an 8-foot wide handicap accessible multi-use path, will continue the same theme as the first phase of the Sea Walk that extends from Harrigan Centennial Hall East through Crescent Harbor Park toward Sitka National Historical Park. The project is being delivered (managed) by Western Federal Lands (WFL), will be designed in 2020-2021 and construction is expected to begin in 2022. Multiple rounds of public involvement are anticipated throughout the design process. The current funding plan is as follows:

\$ 1,674,713 – Grant from Western Federal Lands  
    \$158,060 – CBS GF and/or CPET Funds  
\$1,832,773 – Total Available Project Funding

Current Contracts: No CBS contracts at this time.

## **Peterson Storm Sewer Rehabilitation (DESIGN PHASE)**

### **Milestones This Period**

- All future milestones are in progress.

### **Future Milestones**

- Complete design, August 2020.
- Project to be bid in Fall 2020 and constructed in Summer 2021 when public schools are not in session. The closure of Peterson Street would cause major school-bus delays.

### **Background**

The project includes replacement of deteriorated 60" corrugated metal culvert crossing under Peterson Street with a 15' wide plate arch culvert, allowing for fish passage. Peterson Street is a collector street that provides critical access to side streets and local residences as well as to Sitka High School.

Total project cost is estimated at \$1,215,000. Funding for the project is provided by:

\$1,020,000 – General Fund Working Capital	
\$55,000 – National Fish & Wildlife Foundation design grant	
\$60,000 – U.S. Fish and Wildlife Service Fish Passage construction grant	
<u>\$80,000</u> – U.S. Fish & Wildlife Service Fish Passage construction grant	
\$1,215,000 – Total Available Project Funding	
Current Contracts: DOWL (design)	\$116,070

**Channel and Eagle Way Lift Station Rehabilitation (CONSTRUCTION PHASE)**

**Milestones This Period**

- All future milestones are in progress.

**Future Milestones**

- Rehabilitate Channel and Eagle Way lift stations:
  - Eagle Way construction startup: August 10, 2020.
  - Channel construction startup: September 3, 2020.
  - Substantial Completion (both sites): October 23, 2020.
  - Physical Completion (both sites): November 23, 2020.

**Background**

Eagle Way Lift Station is responsible for pumping all sewage east of Eagle Way toward the Wastewater Treatment Plant. Channel Lift Station is responsible for an apartment complex and one private residence on Halibut Point Road. Both lift stations require excess maintenance due to corrosion and/or outdated pumping equipment. Project will rehabilitate lift stations, re-using existing infrastructure to the extent feasible.

The estimated construction cost for the project is approximately \$1.2 million. Funding for the project is provided by:

\$250,000 – DCCED grant (Eagle Way Lift Station)
\$530,000 – Wastewater Fund Working Capital (Eagle Way Lift Station)
\$108,266 – Wastewater Fund Working Capital (Channel Lift Station)
<u>\$371,109</u> – ACWF loan (Channel Lift Station)
\$1,259,375 – Total Available Project Funding

Current Contracts: DOWL (C-EW portion of bigger design project)	\$100,975
DXPE (Eagle Way portion of pump supply contract)	\$56,714
Boreal Control (C-EW portion of control equipment supply contract)	\$97,200
Marble Construction (construction)	\$829,238

**Brady Lift Station Rehabilitation (DESIGN PHASE)**

**Milestones This Period**

- All future milestones are in progress.

**Future Milestones**

- Complete design August 2020 bid to be determined due to staffing transitions.
- Request supplemental appropriation for approximately \$250K. This was missed during the FY21 budget process: September 2020 (after we open bids).

- Issue Notice to Proceed to low bidder: September 2020.
- Construct Brady Lift Station improvements:
  - Start construction: November 2020.
  - Substantial Completion: February 2021.
  - Physical Completion: March 2021.

**Background**

Brady Lift Station is responsible for pumping all sewage generated north of Brady Street to the Wastewater Treatment Plant. A plug valve in the lift station has failed, making it impossible to isolate one of the three pumps for maintenance. Equipment is outdated and requires excessive maintenance. Project will rehabilitate lift station, re-using existing infrastructure to the extent feasible. Work is scheduled to minimize impacts to True Value. The project will require use of part of their parking lot.

The estimated construction cost for the project is approximately \$900K. Funding for the project is provided by:

\$217,400 – ACWF loan  
\$428,759 – Wastewater Fund Working Capital  
 \$646,159 – Total Available Project Funding

A supplemental budget request for \$250K will be needed to fully fund the project.

Current Contracts:	DOWL (Brady portion of bigger design project)	\$115,467
	DXPE (Brady portion of pump supply contract)	\$ 53,730
	Boreal Control (Brady portion of control equipment supply contract)	\$ 97,700

**Airport Terminal Improvements (DESIGN PHASE)**

**Milestones This Period**

- Assembly approval of appropriation (second reading) to spend additional TSA grant funds.
- Execution of Change Order and Notice to Proceed to consultants for additional TSA professional design services.

**Future Milestones**

- Complete the 35% design milestone for the rest of the terminal improvements, September/October 2020.
- Complete the 65% design milestone, March/April 2021.
- Resolve the remaining 30% TSA design submittal issues for the TSA Baggage Screening Area during the 35% to 65% design phase, March/April 2021.
- AK DOT involvement during 65% design milestone regarding potential FAA AIP funding & Improvement phasing Fall/Winter 2020/2021.
- Bid phase 1 of project, Fall 2021.
- Construct phase 1, 2021/2022.
- Phased construction **subject to funding 2021 through 2024.**

- Identify funding sources for terminal improvements beyond the PFC/Bonding and AIP grant request to AK DOT, like airport terminal user fees, parking fees, curbside and taxi permit fees, which are all typical Airport Revenue sources.
- Phased construction has been delayed to at least 2021 through 2023, due to the Federal Government shutdown at the end of 2018 and difficulties with the completion and approval of the 30% TSA Baggage Screening Area/Equipment design.

**Background**

The Airport Terminal Improvement Project is intended to remedy some of the existing critical problems identified in the Airport Terminal Master Plan 2008-2011, including working conditions in the baggage make-up area and TSA baggage screening area, as well as problems with congested passenger queuing, screening, baggage, fish boxes, waiting areas and passenger flow. CBS accepted a TSA design grant in the amount of \$158,569.25 to design specific improvements to the TSA Baggage Screening Area. Other areas impacted by these design changes are ineligible for the TSA design funding. The Assembly approved moving forward to the 65% Schematic Design Milestone for the preferred concept plan that was presented in the Assembly work-session August 8, 2017. Passenger Facility Charges (PFC) were applied for and approved by ADOT and FAA. Collection of the PFCs began May 1, 2018. The total anticipated revenue collection over the 20-year period of collection is \$6,840,000.00, which will finance the \$4,025,000 revenue bond along with its fees and debt service.

The estimated cost for the project as identified is approximately \$15 Million. The current funding plan outlines the following components:

• Passenger Facility Charge Revenue	\$4,025,000	Bond Secured
• TSA OTA Grant	\$ 158,569	Secured
• TSA Funding	\$3,397,500	Unsecured
• Eligible AIP Grant Request through AK-DOT	\$10,283,954	Unsecured

Current contracts: MCG Architects (design) \$449,069

**Maintenance Activities**

**Streets**

- There were 2 waterline repairs on Baranof St.
- Assisted the Electric Department with setting up a new transformer at the Wastewater Plant.
- Overlaid the bottom of Toivo Circle with asphalt grindings.
- Overlaid Smith, Price, Vitskari and Beardslee St. with D-1 material.
- Ditched Ross Street and Nicole Drive and replaced a culvert on Ross Street.
- Moved the transfer station building to the City Shops to complete our transfer station project.
- Cleared vegetation causing line of sight problems in the Indian River Area.
- Removed aggregate from the Granite Creek river, stockpiled material to use as fill in CD Landfill and Bio Solid Pit.

- Spray patched areas on Monastery Street that needed patching.
- Watered 5 miles of gravel roads.
- Graded 5 miles gravel roads.
- Buried approximately 80 years of bio solids.

### Central Garage

- Build equipment to spray centerlines on City Streets.
- Serviced Senior Center vans
- Serviced brakes on Unit 445.
- Trouble shoot and repair a starter issue with unit 384.
- Change tires on unit 487.
- Repair and replace drive motors for the grounds walker mowers.
- Repaired crane on unit 468.
- Diagnose and repair the spray patchier.
- Replacer rear rotors and brake calipers on unit 429.
- Unclogged spray nozzles on unit 457 (Camel).
- Numerous other small repairs.

### Scrapyard

Scrapyard before and after City Clean Up.



- Received 95 vehicles.
- 10,530 pounds of white goods



- 246,330 pounds of scrap metal
- 360 pounds of paint
- 1660 pounds of tires

### **Transfer Station**

- Had 999 customers for a total of 168.12 tons of MSW.
- July 18<sup>th</sup> was the busiest day of the Spring Clean-up with 31.27 tons delivered.
- July 23<sup>rd</sup> was the slowest with 11.54 tons delivered.

Spring Cleanup went smooth this year with a minimum of complaints. I would call it a success.

### **Grounds Maintenance**

#### **Completed**

- Preventive maintenance schedule – Normal operations 45 preventative maintenance (PMs)
- Reactive/requested work orders – 10PMs
- Sitka Community Playground warranty work for tile replacement complete.
- Pickle Ball Court (Streets crew and volunteers assistance painting)
- 350 Gal. Bear hula-hoop installed at Kimsham as trial against bears getting into rubbish.

#### **Ongoing**

- Sports programs are operate following state mandates for COVID. Grounds team providing support for field use and groups operations.
- Temp attendant positions continue to touch point sanitization for restrooms facilities and once a day custodial cleaning services for all recreation and grounds sites. Also providing support services to public harbors restrooms. Harbors assisting with locking specific sites at night shift.
- Providing Support, continuing maintenance, repairs based around necessity pertaining to COVID-19.
- Lower Moller East Playground – work complete. Waiting on internal processes. Potentially adult softball going to help paint at a TBD date, weather pending. This work should not hold up the opening.

### **Building Maintenance**

#### **Completed**

- Preventive maintenance schedule – Normal Operations – 180 PMs.
- Work Requests 56 (logged).
- Roof patches at City bailer building in scrap yard.
- Tom Young cabin oil stove repaired. New system here and ready as a backup. Maintenance trip planned for Mid. August.

#### **Ongoing**

- City Hall – Office moves for operations - Planning, Assessing, and Public work relocation office for better customer service and operation needs.
- Airport Auto-Doors and double man door installed – punch list items underway and physical completion.
- Touch point sanitization of selected public city buildings. Airport, City Hall, Library, City/State (Public spaces & Courts as needed).
- City/State Law Office - complaints on damaged windows. Proposal for replacement provided to point. State would need to pay for replacing.
- State DOT/PF requesting City/State to no longer be part of their infrastructure. Discussion on option to proceed with City/State 1967 Agreement.
- Centennial Hall – Gutter membrane installation, contractor change order due to weather and COVID – 1<sup>st</sup> section currently underway.

### **Monitoring**

- Harrigan Centennial Hall – tile floor cracking common areas, waiting to see if weather changes create more issues.
- Harrigan Centennial Hall additional cracks discovered under meeting room 5 carpet tiles. Waiting to see what happens with weather changes and activate on plan for repairs if required.

### **Water/Wastewater**

Water operators repaired a couple leaking water services. One of the leaks was in a challenging location and required a tree and surrounding vegetation to be cut down in order to get equipment to the site. The operators did a great job with the repair and received a sincere message from the homeowner thanking the crew for their professionalism and hard work.

Wipes continue to be a problem in our sewer infrastructure. Wipes do not break down in water and can get bound in valves and pumps. The photo on the left is the pump impeller at the Granite Creek Lift Station and the photo on the right is from the Lake and Lincoln Lift Station. Both impellers are completely stuffed with wipes. This causes costly wear and tear on sewage infrastructure and can result in sewer backups. The Wastewater Department asks citizens not to flush wipes.





# CITY AND BOROUGH OF SITKA

## Legislation Details

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File #: 20-156      Version: 1      Name:  
Type: Item      Status: AGENDA READY  
File created: 8/5/2020      In control: City and Borough Assembly  
On agenda: 8/11/2020      Final action:  
Title: Special Report: CBS Police Chief Robert Baty  
Sponsors:  
Indexes:  
Code sections:  
Attachments: [Special Report Sitka Police Department](#)

Date	Ver.	Action By	Action	Result
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# SPECIAL REPORT

CBS Police Chief Robert Baty





# CITY AND BOROUGH OF SITKA

## Legislation Details

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File #: 20-158      Version: 1      Name:  
Type: Item      Status: AGENDA READY  
File created: 8/5/2020      In control: City and Borough Assembly  
On agenda: 8/11/2020      Final action:  
Title: Approve the minutes of the July 28 Assembly meeting  
Sponsors:  
Indexes:  
Code sections:  
Attachments: [Consent and Minutes](#)

Date	Ver.	Action By	Action	Result
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# **CONSENT AGENDA**

## **POSSIBLE MOTION**

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**I MOVE TO APPROVE THE CONSENT AGENDA  
CONSISTING OF ITEMS A & B**

I wish to remove Item(s) \_\_\_\_\_

**REMINDER – Read aloud a portion of each item being  
voted on that is included in the consent vote.**

Should this item be pulled from the Consent Agenda the following motion is suggested:

**POSSIBLE MOTION**

**I MOVE TO** approve the minutes of the  
July 28 Assembly meeting.



# CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS  
330 Harbor Drive  
Sitka, AK  
(907)747-1811

## Minutes - Draft

### City and Borough Assembly

*Mayor Gary Paxton  
Deputy Mayor Steven Eisenbeisz,  
Vice Deputy Mayor Kevin Mosher,  
Kevin Knox, Dr. Richard Wein, Valorie Nelson, Thor Christianson*

*Municipal Administrator: John Leach  
Municipal Attorney: Brian Hanson  
Municipal Clerk: Sara Peterson*

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Tuesday, July 28, 2020

6:00 PM

Assembly Chambers

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#### REGULAR MEETING

#### I. CALL TO ORDER

#### II. FLAG SALUTE

#### III. ROLL CALL

Knox, Christianson, Mosher, and Nelson participated by videoconference. Mosher left the meeting at 8:55 p.m.

**Present:** 7 - Christianson, Eisenbeisz, Knox, Wein, Paxton, Mosher, and Nelson

#### IV. CORRESPONDENCE/AGENDA CHANGES

No agenda changes.

**20-155** Reminders, Calendars, and General Correspondence

#### V. CEREMONIAL MATTERS

**20-145** 1) Citation - U.S. Coast Guard Day 2) Service Award - Local Emergency Planning Committee Member Donna Callistini

Mayor Paxton presented a Citation to USCG Commanding Officer Brian McLaughlin and Master Chief Joshua Ewing honoring USCG Day, August 4.

Mayor Paxton read and presented a service award to outgoing Local Emergency Planning Committee member Donna Callistini.

#### VI. SPECIAL REPORTS: Government to Government, Municipal Boards/Commissions/Committees, Municipal Departments, School District, Students and Guests (five minute time limit)



**20-153** CBS Utility Director Scott Elder

Utility Director Scott Elder told of his background and provided short/long-term goals and priorities for the Electric Department.

**VII. PERSONS TO BE HEARD**

Dr. Paul Kraft, University of Alaska Southeast Director, introduced himself, hoped to be a partner with the City, and told of plans for the fall semester.

Linda Marlin expressed concern for the decline in businesses and increased divisiveness in the community.

Volney Smith believed China should be held accountable for the pandemic, spoke to the cost of living in Sitka, and reminded the pandemic would pass.

Scott Saline provided an explanation of institutional racism of the regulatory taking in Sitka.

**VIII. CONSENT AGENDA**

**A motion was made by Wein that the Consent Agenda consisting of items A & B be APPROVED. The motion PASSED by the following vote.**

**Yes:** 7 - Christianson, Eisenbeisz, Knox, Wein, Paxton, Mosher, and Nelson

**A 20-147** Approve the minutes of the July 14 Assembly meeting

**This item was APPROVED ON THE CONSENT AGENDA.**

**B 20-146** Approve the following marijuana license renewals for licensee AKO Farms, LLC at 1210 Beardslee Way: 1) marijuana concentrate manufacturing facility, 2) standard marijuana cultivation facility, and, 3) retail marijuana store

**This item was APPROVED ON THE CONSENT AGENDA.**

**IX. BOARD, COMMISSION, COMMITTEE APPOINTMENTS****C 20-148** Reappoint Mary Ann Hall to a three-year term on the Local Emergency Planning Committee in category 6: members of the public

Wein thanked Hall for her continued service.

**A motion was made by Mosher that this Item be APPROVED. The motion PASSED by the following vote.**

**Yes:** 7 - Christianson, Eisenbeisz, Knox, Wein, Paxton, Mosher, and Nelson

**X. UNFINISHED BUSINESS:****D ORD 20-41** Making supplemental appropriations for fiscal year 2021 (Cares Act Funding Category 2 - Businesses and Nonprofits)

Wein stated the Assembly had received an email from Linda Behnken concerning an omission or question regarding commercial fisheries. Knox, a member of the Working Group, clarified the question had been related to providing business license and EIN information. Knox stated it was not a disqualifier if the applicant did not have a business license or EIN. Christianson wondered of the allocation amount for businesses/nonprofits. Leach reminded that very large businesses had access to federal funding streams. Leach stated the intent was to accept all applications, categorize, and then issue a check after the August 31 closure date. Nelson hoped to publicize the process as best possible.

Volney Smith wished to hear or read the email from Linda Behnken.

**A motion was made by Christianson that this Ordinance be APPROVED on SECOND AND FINAL READING. The motion PASSED by the following vote.**

**Yes:** 7 - Christianson, Eisenbeisz, Knox, Wein, Paxton, Mosher, and Nelson

**E      ORD 20-40      Making supplemental appropriations for fiscal year 2021 (Cares Act Funding Category 3 - New City Funded Relief Programs)**

Wein relayed the category was new city funded programs and told of subcategories and amounts: childcare \$500,000; food security \$200,000; support for behavioral/mental health \$300,000; housing support \$750,000, and transitional employment program \$750,000.

Municipal Administrator John Leach spoke to the subcategories and clarified details for childcare, food security, behavioral/mental health, housing support, and the transitional employment program.

Wein wondered how the Assembly would be notified of the process and changes. Leach shared that any subrecipient agreement would come back to the Assembly for input.

**A motion was made by Christianson that this Ordinance be APPROVED on SECOND AND FINAL READING. The motion PASSED by the following vote.**

**Yes:** 7 - Christianson, Eisenbeisz, Knox, Wein, Paxton, Mosher, and Nelson

**F      ORD 20-39      Making supplemental appropriations for fiscal year 2021 (Cares Act Funding Category 4 - City Impact/Mitigation Spending)**

Municipal Administrator John Leach spoke to the needs list for city facilities - e.g. sanitation stations, self checkout options, cubicles, personal protective equipment, and technology upgrades.

Wein spoke to concerns with HVAC systems and reminded these systems played a significant role in virus spread. Leach told of treasury guidelines and said the money couldn't be spent on items already budgeted - e.g. HVAC systems. Wein and Eisenbeisz wondered if upgrades to budgeted items would be an allowable use of funds.

**A motion was made by Mosher that this Ordinance be APPROVED on SECOND AND FINAL READING. The motion PASSED by the following vote.**

**Yes:** 7 - Christianson, Eisenbeisz, Knox, Wein, Paxton, Mosher, and Nelson

**G      ORD 20-38      Making supplemental appropriations for fiscal year 2021 (Cares Act Funding**

## Category 5 - School District)

Linda Marlin wondered why the School District was getting additional money, especially if school wasn't going to be in session.

Wein believed the School District needed to return the Secure Rural Schools funding because it allowed for certain expenditures in a far more efficient manner. The CARES Act money would replace that. Nelson concurred. Knox disagreed and reminded Secure Rural Schools funding could be spent throughout the year and the CARES Act money was to be spent now.

**A motion was made by Knox that this Ordinance be APPROVED on SECOND AND FINAL READING. The motion PASSED by the following vote.**

**Yes:** 5 - Christianson, Eisenbeisz, Knox, Paxton, and Mosher

**No:** 2 - Wein, and Nelson

**H     ORD 20-37**     Making supplemental appropriations for fiscal year 2021 (Cares Act Funding Category 6 - Contingency)

**A motion was made by Mosher that this Ordinance be APPROVED on SECOND AND FINAL READING. The motion PASSED by the following vote.**

**Yes:** 7 - Christianson, Eisenbeisz, Knox, Wein, Paxton, Mosher, and Nelson

**XI.   NEW BUSINESS:**

**New Business First Reading**

**I     ORD 20-43**     Making supplemental appropriations for fiscal year 2021 (*GPIP Haulout*)

Public Works Director Michael Harmon provided an overview and told the idea behind this item was for the haulout to be a city project, to look at grant funding, and to have a plan to address moving forward with or without grant funding. Municipal Administrator John Leach reiterated the supplemental appropriation was to be used for consultant services for the technical analysis and design related to the haulout. In addition, Leach told of the tasks for the Technical Working Group and Haulout Task Force Group. Leach commented specific groups would be represented and consulted throughout the process. Reports from the work groups would be provided to the Gary Paxton Industrial Park Board of Directors.

Christianson wondered what would be gained by moving forward with this now and if it meant the idea of working with a private contractor had been put aside. Paxton reminded all options would be considered. If grant funding wasn't received then there were two options: the private sector or revenue bond. Harmon shared a common theme heard from the industry was that they'd like the City to put in the infrastructure and then they'd be interested in the operational aspects.

Wein reminded the appropriation was for \$100,000 to support specialized consulting services, wondered who the consultant might be, questioned why the previous plans from PND Engineers were no longer valid, and stated a fiscal note related to the cost for utilities was not included. Harmon spoke to past studies at the Park, however, noted the concepts of the past were not the focus of today. He stressed the importance of providing updated information for solid decision making. Further, Harmon

explained utilities hadn't been included because the mission in discussions he'd been a part of was to get started, see what the minimum was and to look at the project in a phased approach. It was possible the utilities could come later by a private developer.

Eisenbeisz expressed concern of backup funding available if the BUILD grant didn't materialize. Harmon shared there could be other funding options although it would be important to have a shovel ready project. In addition, Eisenbeisz voiced concern on having to update reports in the future if the grant wasn't received. Nelson wondered of the current balance in the Southeast Alaska Economic Development Fund. Chief Finance and Administrative Officer Jay Sweeney noted the Fund balance at the end of the last fiscal year was \$3,465,646 and of that \$2,167,073 was cash. Wein reminded the Permanent Fund was not so permanent when looking at the current state of the economy and the value of the dollar. Wein noted at times it was worthwhile to spend money for something tangible in return.

**A motion was made by Knox that this Ordinance be APPROVED on FIRST READING. The motion PASSED by the following vote.**

**Yes:** 6 - Christianson, Eisenbeisz, Knox, Wein, Paxton, and Mosher

**No:** 1 - Nelson

### **Additional New Business Items**

**J RES 20-26** Encouraging the people in the City and Borough of Sitka to wear masks or cloth face coverings in public places

Citizens speaking in opposition to the resolution were Dr. David Lam, Marshall Albertson, Linda Marlin, and Volney Smith.

Assembly members offered their respective opinions. Christianson commented the resolution had been revised to use the word encouraged and reminded masks were one tool to help to decrease the spread of COVID-19. He urged citizens to wear masks to protect one another. Wein stated it wasn't unreasonable to encourage citizens to wear masks and reminded cases in Anchorage, with a mask mandate, had peaked. Paxton also reminded this was a resolution encouraging the use of masks. Nelson spoke in opposition and instead favored a statement from the Mayor encouraging the use of masks. Mosher, while understanding of the intention, spoke in opposition. He believed the resolution would create divisiveness and would not promote behavioral change.

**A motion was made by Christianson that this Resolution be APPROVED on FIRST AND FINAL READING. The motion PASSED by the following vote.**

**Yes:** 5 - Christianson, Eisenbeisz, Knox, Wein, and Paxton

**No:** 2 - Mosher, and Nelson

**K 20-150** Authorize the Municipal Administrator to execute a Clean Vessel Act grant with ADF&G for \$39,000 to support the Crescent Harbor Float Replacement project

Wein noted this necessary item involved a 25% match (approximately \$13,000) for a sewage lift which was being paid for by the state with use primarily for recreational boating and sports fishing folks in order to have them remove waste.

**A motion was made by Mosher that this Item be APPROVED. The motion**

**PASSED by the following vote.**

**Yes:** 7 - Christianson, Eisenbeisz, Knox, Wein, Paxton, Mosher, and Nelson

**L RES 20-25**

Approving submittal and execution of Municipal Harbor Facility Grant application to the State of Alaska, Department of Transportation and Public Facilities (DOT&PF) in the amount of \$1,760,000 for the project entitled Eliason Harbor Electrical Replacement

Wein noted this was a \$4.2 million project with a 50% match. If eligible, Sitka would receive \$1.76 million. Wein wondered of the city's realistic chances of receiving the tier 2 grant. Harbormaster Stan Eliason commented it was a gamble and if not received would require an additional appropriation of working capital.

**A motion was made by Knox that this Resolution be APPROVED on FIRST AND FINAL READING. The motion PASSED by the following vote.**

**Yes:** 7 - Christianson, Eisenbeisz, Knox, Wein, Paxton, Mosher, and Nelson

**M 20-149**

Approve the increase of FTE's in the finance department by one new full time position in order to establish the Compliance Officer position and to fund this position by moving a portion (not to exceed \$135,000) of the existing General Fund appropriation that was to pay for debt service of the proposed USDA loan for the Electric Fund to the appropriate personnel budget lines in the finance department budget

Municipal Administrator John Leach provided an overview of the request to establish a Compliance Officer position and the Finance Director succession plan. He spoke to the need to implement GASB 87 requirements relating to capitalization of leases and believed this would be an opportunity to accomplish other short-term needs such as centralized procurement and contracting. He proposed to move the current Chief Finance and Administrative Officer, Jay Sweeney who was nearing retirement, into the role of Compliance Officer. Controller, Melissa Haley, would transition to the position of Finance Director effective September 1. Leach clarified the \$135,000 stated for funding of the Compliance Officer position included benefits and was a permanent position.

Nelson, reminding of financial hardships to come, preferred the Compliance Officer position be a contracted position to avoid paying benefits. Wein concurred and stated the city needed to fiscally hunker down. Christianson spoke in support of streamlining procurement and reminded of the GASB 87 requirement. Knox concurred and reminded past Administrators had spoke to the need. Paxton, while supportive, said he would need to be convinced the position was needed in perpetuity. Mosher spoke in support and reiterated the GASB 87 requirement was an unfunded mandate. Eisenbeisz wished to learn more about the GASB 87 requirements.

**A motion was made by Mosher to APPROVE the increase of FTE's in the finance department by one new full time position in order to establish the Compliance Officer position and to fund this position by moving a portion (not to exceed \$135,000) of the existing General Fund appropriation that was to pay for debt service of the proposed USDA loan for the Electric Fund to the appropriate personnel budget lines in the finance department budget. The motion PASSED by the following vote.**

**Yes:** 5 - Christianson, Eisenbeisz, Knox, Paxton, and Mosher

**No:** 2 - Wein, and Nelson

**N 20-151** Approve the CARES Act Small Business and Nonprofit Relief and Recovery grant application and accompanying FAQ

Municipal Administrator John Leach reviewed the application. He said a beta test had been conducted with businesses and nonprofits to try and help address any issues. Robin Sherman, an active member in the nonprofit sector, had also participated in the process. Nelson told of a clerical error. Wein wondered of the process for nonprofits to report how they used the grant money. Leach clarified the reporting was voluntary.

**A motion was made by Mosher that this Item be APPROVED. The motion PASSED by the following vote.**

**Yes:** 7 - Christianson, Eisenbeisz, Knox, Wein, Paxton, Mosher, and Nelson

**XII. PERSONS TO BE HEARD:**

Kevin Knox stated Alaska had the lowest 2020 Census response rate and urged citizens to participate.

**XIII. REPORTS**

**a. Mayor, b. Administrator, c. Attorney, d. Liaison Representatives, e. Clerk, f. Other**

Mayor - Paxton told of his attendance at the graveside service for Gil Truitt.

Administrator - Leach reminded of the upcoming birthday of the US Coast Guard, told of the recent mask policy implemented for city facilities, joint letter with Alaska Municipal League to address Alaska Marine Highway needs, and a meeting with Senator Stedman.

Attorney - Hanson shared the Alaska Bar Association had cancelled their 2020 conference and noted the Alaska Court System had delayed trials due to COVID-19.

Liaison Representatives - Wein reported on the Emergency Operation Center and the Sitka Infectious Disease Task Force.

Clerk - Peterson reminded citizens to respond to the 2020 Census, told of the filing deadline for the October 6 Municipal Election, and reviewed available options for voting in the Municipal Election.

**XIV. EXECUTIVE SESSION**

**O 20-152** Financial Matter: Fortress of the Bear - Forbearance Agreement

It was noted Mosher, due to a conflict, would not be participating in the executive session item.

**A motion was made by Christianson to go into executive session with Chief Finance and Administrative Officer Jay Sweeney and Controller Melissa Haley under the statutory categories of discussing subjects that tend to prejudice the reputation and character of any person and to discuss matters, the immediate knowledge of which, would adversely affect the finances of the City and Borough of Sitka and invite in, if and when ready, Evy and Les Kinnear of**

**Fortress of the Bear. The motion PASSED by the following vote.**

**Yes:** 6 - Paxton, Christianson, Knox, Eisenbeisz, Wein, and Nelson

**Non-voting:** 1 - Mosher

The Assembly was in executive session from 8:55 p.m. to 9:25 p.m. Evy and Les Kinnear joined from 9:10 p.m. to 9:25 p.m.

**A motion was made by Wein to reconvene as the Assembly in regular session. The motion PASSED by a unanimous voice vote.**

**A motion was made by Wein to grant a forbearance agreement to Fortress of the Bear with the terms discussed in executive session. The motion PASSED by the following vote.**

**Yes:** 6 - Christianson, Wein, Eisenbeisz, Nelson, Knox, Mosher, and Paxton

**Non-voting:** 1 - Mosher

## **XV. ADJOURNMENT**

**A motion was made by Christianson to ADJOURN. Hearing no objections, the meeting ADJOURNED at 9:28 p.m.**

**ATTEST:** \_\_\_\_\_  
**Sara Peterson, MMC**  
**Municipal Clerk**



# CITY AND BOROUGH OF SITKA

## Legislation Details

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File #: 20-157      Version: 1      Name:  
Type: Item      Status: AGENDA READY  
File created: 8/5/2020      In control: City and Borough Assembly  
On agenda: 8/11/2020      Final action:  
Title: Approve the following marijuana license renewal applications for licensee Northern Lights Indoor Gardens, LLC at 1321 Sawmill Creek Road Suites M, N, O, and P: 1) retail marijuana store, and, 2) standard marijuana cultivation facility

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and Memos](#)  
[10138 Renewal Local Government Notice](#)  
[10138 Renewal Online Application\\_Redacted](#)  
[10138 Entity Documents](#)  
[10138 MJ-20 Renewal Application Certifications](#)  
[10138 POPPP](#)  
[10136 Renewal Local Government Notice](#)  
[10136 Renewal Online Application\\_Redacted](#)  
[10136 Entity Documents](#)  
[10136 MJ-20 Renewal Application Certifications](#)  
[10136 POPPP](#)

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------



Should this item be pulled from the Consent Agenda the following motion is suggested:

## **POSSIBLE MOTION**

**I MOVE TO** approve an application for the renewal of a retail marijuana store license for Northern Lights Indoor Gardens, LLC at 1321 Sawmill Creek Road Suites N, O, and P and approve an application for the renewal of a standard marijuana cultivation facility license for Northern Lights Indoor Gardens, LLC at 1321 Sawmill Creek Road Suites M, N, O, and P and forward these approvals to the Alcohol and Marijuana Control Office without objection.




# City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

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## MEMORANDUM

**To:** Mayor Paxton and Assembly Members

**Thru:** John Leach, Municipal Administrator 

**From:** Sara Peterson, Municipal Clerk

**Date:** August 5, 2020

**Subject:** Approve marijuana license renewals for Northern Lights Indoor Gardens, LLC – retail marijuana store and standard marijuana cultivation facility

---

Our office has received notification from the Alcohol and Marijuana Control Office of the following license renewals submitted by Northern Lights Indoor Gardens, LLC:

License #: 10138  
License Type: Retail Marijuana Store  
Licensee: Northern Lights Indoor Gardens, LLC  
D.B.A.: Northern Lights Indoor Gardens, LLC  
Physical Address: 1321 Sawmill Creek Road Suites N, O, and P  
Designated Licensee: Michael Daly

License #: 10136  
License Type: Standard Marijuana Cultivation Facility  
Licensee: Northern Lights Indoor Gardens, LLC  
D.B.A.: Northern Lights Indoor Gardens, LLC  
Physical Address: 1321 Sawmill Creek Road Suites M, N, O, and P  
Designated Licensee: Michael Daly

A memo was circulated to the various departments who may have a reason to protest. No departmental objections were received.

**Recommendation:** Approve an application for the renewal of a retail marijuana store license for Northern Lights Indoor Gardens, LLC at 1321 Sawmill Creek Road Suites N, O, and P and approve the renewal of a standard marijuana cultivation facility license for Northern Lights Indoor Gardens, LLC at 1321 Sawmill Creek Road Suites M, N, O, and P and forward this approval to the Alcohol and Marijuana Control Office without objection.



# City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

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## Memorandum

To: Planning Department  
Collections - Carolyn  
Municipal Billings – Lindsey  
Sales Tax/Property Tax – Justin  
Utility Billing Clerk – Diana  
Public Works Department – Shilo  
Fire Department  
Police Department  
Electric Department  
Building Official

From: Sara Peterson, Municipal Clerk

Date: July 30, 2020

Subject: Northern Lights Indoor Gardens, LLC at 1321 Sawmill Creek Road Suites M, N, O, and P – license renewals for standard marijuana cultivation facility and retail marijuana store

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The Municipal Clerk's Office has been notified by the Alcohol and Marijuana Control Office of the following license renewals submitted by Northern Lights Indoor Gardens, LLC:

License #: 10136  
License Type: Standard Marijuana Cultivation Facility  
Licensee: Northern Lights Indoor Gardens, LLC  
D.B.A.: Northern Lights Indoor Gardens, LLC  
Physical Address: 1321 Sawmill Creek Road Suites M, N, O, and P  
Designated Licensee: Michael Daly

License #: 10138  
License Type: Retail Marijuana Store  
Licensee: Northern Lights Indoor Gardens, LLC  
D.B.A.: Northern Lights Indoor Gardens, LLC  
Physical Address: 1321 Sawmill Creek Road Suites N, O, and P  
Designated Licensee: Michael Daly

Please notify me **no later than noon on Monday, August 3** of any reason to protest these requests. These license renewals are scheduled to go before the Assembly on August 11. Thank you.



THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

**Department of Commerce, Community,  
and Economic Development**

ALCOHOL & MARIJUANA CONTROL OFFICE  
550 West 7<sup>th</sup> Avenue, Suite 1600  
Anchorage, AK 99501  
Main: 907.269.0350

July 24, 2020

City & Borough of Sitka  
Attn: City & Borough of Sitka  
Via Email: [sara.peterson@cityofsitka.org](mailto:sara.peterson@cityofsitka.org)  
[melissa.henshaw@cityofsitka.org](mailto:melissa.henshaw@cityofsitka.org)

<b>License Number:</b>	10138
<b>License Type:</b>	Retail Marijuana Store
<b>Licensee:</b>	Northern Lights Indoor Gardens, LLC
<b>Doing Business As:</b>	NORTHERN LIGHTS INDOOR GARDENS, LLC
<b>Physical Address:</b>	1321 Sawmill Creek Road Suites N, O, and P Sitka, AK 99835
<b>Designated Licensee:</b>	Michael Daly
<b>Phone Number:</b>	907-738-2242
<b>Email Address:</b>	dalys@gci.net

**License Renewal Application**       **Endorsement Renewal Application**

AMCO has received a complete renewal application and/or endorsement renewal application for a marijuana establishment within your jurisdiction. This notice is required under 3 AAC 306.035(c)(2). Application documents will be sent to you separately via ZendTo.

To protest the approval of this application pursuant to 3 AAC 306.060, you must furnish the director **and** the applicant with a clear and concise written statement of reasons for the protest within 60 days of the date of this notice, and provide AMCO proof of service of the protest upon the applicant.

3 AAC 306.060 states that the board will uphold a local government protest and deny an application for a marijuana establishment license unless the board finds that a protest by a local government is arbitrary, capricious, and unreasonable. If the protest is a “conditional protest” as defined in 3 AAC 306.060(d)(2) and the application otherwise meets all the criteria set forth by the regulations, the Marijuana Control Board may approve the license renewal, but require the applicant to show to the board’s satisfaction that the requirements of the local government have been met before the director issues the license.

At the May 15, 2017, Marijuana Control Board meeting, the board delegated to me the authority to approve renewal applications with no protests, objections, or notices of violation. However, if a timely protest or objection is filed for this application, or if any notices of violation have been issued for this license, the board will consider the application. In those situations, a temporary license will be issued pending board consideration.

If you have any questions, please email [amco.localgovernmentonly@alaska.gov](mailto:amco.localgovernmentonly@alaska.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "Glen Klinkhart". The signature is stylized and cursive.

Glen Klinkhart, Interim Director

[amco.localgovernmentonly@alaska.gov](mailto:amco.localgovernmentonly@alaska.gov)

**Alcohol & Marijuana Control Office****License Number:** 10138**License Status:** Active-Operating**License Type:** Retail Marijuana Store**Doing Business As:** NORTHERN LIGHTS INDOOR GARDENS, LLC**Business License Number:** 1019601**Designated Licensee:** Michael Daly**Email Address:** northernlightsig@acsalaska.net**Local Government:** Sitka (City and Borough of)**Community Council:****Latitude, Longitude:** 57.290940, -135.183000**Physical Address:** 1321 Sawmill Creek Road  
Suites N, O, and P  
Sitka, AK 99835  
UNITED STATES**Licensee #1****Type:** Entity**Alaska Entity Number:** 10028235**Alaska Entity Name:** Northern Lights Indoor Gardens,  
LLC**Phone Number:** 907-747-1087**Email Address:** northernlightsig@acsalaska.net**Mailing Address:** 1321 Sawmill Creek Rd. Suite P  
Sitka, AK 99835  
UNITED STATES**Entity Official #1****Type:** Individual**Name:** Michael Daly**SSN:** [REDACTED]**Date of Birth:** [REDACTED]**Phone Number:** 907-738-2242**Email Address:** dalys@gci.net**Mailing Address:** 501 Charteris Street  
Sitka, AK 99835  
UNITED STATES**Entity Official #2****Type:** Individual**Name:** Lorraine Daly**SSN:** [REDACTED]**Date of Birth:** [REDACTED]**Phone Number:** 907-738-0189**Email Address:** northernlightsig@acsalaska.net**Mailing Address:** 501 Charteris St.  
Sitka, AK 99835  
UNITED STATES**Note:** No affiliates entered for this license.

Department of Commerce, Community, and Economic  
Development

## CORPORATIONS, BUSINESS & PROFESSIONAL LICENSING

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[Download / Corporations / Entity Details](#)

# ENTITY DETAILS

## Name(s)

Type	Name
Legal Name	Northern Lights Indoor Gardens, LLC

**Entity Type:** Limited Liability Company

**Entity #:** 10028235

**Status:** Good Standing

**AK Formed Date:** 3/25/2015

**Duration/Expiration:** Perpetual

**Home State:** ALASKA

**Next Biennial Report Due:** 1/2/2021

**Entity Mailing Address:** 501 CHARTERIS ST, SITKA, AK 99835

**Entity Physical Address:** 1321 SAWMILL CR RD STE O & P, SITKA, AK 99835

## Registered Agent

**Agent Name:** Michael Daly

**Registered Mailing Address:** 501 CHARTERIS ST, SITKA, AK 99835

**Registered Physical Address:** 501 CHARTERIS ST, SITKA, AK 99835

## Officials

Show Former

AK Entity #	Name	Titles	Owned
	Lorraine Daly	Member	45.00
	Michael Daly	Member, Manager	55.00

## Filed Documents

Date Filed	Type	Filing	Certificate
3/25/2015	Creation Filing	<a href="#">Click to View</a>	<a href="#">Click to View</a>
4/09/2015	Initial Report	<a href="#">Click to View</a>	
3/01/2016	Agent Change	<a href="#">Click to View</a>	
3/01/2016	Change of Officials	<a href="#">Click to View</a>	
11/02/2016	Biennial Report	<a href="#">Click to View</a>	
10/07/2018	Biennial Report	<a href="#">Click to View</a>	
1/21/2020	Change of Officials	<a href="#">Click to View</a>	
4/29/2020	Change of Officials	<a href="#">Click to View</a>	

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Department of Commerce, Community, and Economic Development  
CORPORATIONS, BUSINESS & PROFESSIONAL LICENSING

SOA / DCCED / CBPL / Search / Corporations / Entity Details

## ENTITY DETAILS

### Name(s)

Type: Legal Name  
Name: Northern Lights Indoor Gardens, LLC

Entity Type:  
Limited Liability Company

Entity #:  
10028235

Status:  
Good Standing

AK Formed Date:  
3/25/2015

Duration/Expiration:  
Perpetual

Home State:  
ALASKA

Next Biennial Report Due:  
1/2/2021

Entity Mailing Address:  
501 CHARTERIS ST, SITKA, AK 99835

Entity Physical Address:  
1321 SAWMILL CR RD STE O & P, SITKA, AK 99835

## Registered Agent

Agent Name:  
Michael Daly

Registered Mailing Address:  
501 CHARTERIS ST, SITKA, AK 99835

Registered Physical Address:  
501 CHARTERIS ST, SITKA, AK 99835

## Officials

	<a href="#">Show Former</a>
AK Entity #:	
Name:	Lorraine Daly
Titles:	Member
Owned:	45.00
AK Entity #:	
Name:	Michael Daly
Titles:	Member, Manager
Owned:	55.00

## Filed Documents

Date Filed:	3/25/2015
Type:	Creation Filing
Filing:	<a href="#">Click to View</a>
Certificate:	<a href="#">Click to View</a>
Date Filed:	4/09/2015
Type:	Initial Report
Filing:	<a href="#">Click to View</a>

**NORTHERN LIGHTS INDOOR GARDENS, LLC  
OPERATING AGREEMENT**

This Agreement is entered into this 27 day of Feb, 2016, by and between MICAH S. MILLER, of 1710 Halibut Point Road, Sitka, Alaska 99835, and MICHAEL S. DALY, of 501 Charteris Street, Sitka, Alaska 99835.

The parties have agreed to organize and operate a limited liability company in accordance with the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the parties, intending legally to be bound, agree as follows:

**Article I  
Definitions**

The following italicized terms shall have the meaning specified in this *Article I*. Other terms are defined in the text of this Agreement; and, throughout this Agreement, those terms shall have the meanings respectively ascribed to them:

*"Act"* means the Alaska Limited Liability Company Act, as amended from time to time.

*"Adjusted Capital Account Deficit"* means, with respect to any Interest Holder, the deficit balance, if any, in the Interest Holder's Capital Account as of the end of the relevant taxable year, after giving effect to the following adjustments:

(i) the Capital Account shall be credited with the amounts which the Interest Holder is deemed obligated to restore pursuant to Regulation Sections 1.704-2(g)(1) and (i)(5) (i.e., the Interest Holder's share of Minimum Gain and Member Minimum Gain); and

(ii) the Capital Account shall be debited with the items described in Regulation Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

*"Adjusted Capital Balance"* means, as of any day, an Interest Holder's total Capital Contributions less all amounts actually distributed to the Interest Holder pursuant to *Sections* 4.2.3.4.1 and 4.4 hereof. If any Interest is transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Adjusted Capital Balance of the transferor to the extent the Adjusted Capital Balance relates to the Interest transferred.

*"Affiliate"* means, with respect to any Member, any Person: (i) which owns more than 50% of the voting interests in the Member; or (ii) in which the Member owns more than 50% of

the voting interests; or (iii) in which more than 50% of the voting interests are owned by a Person who has a relationship with the Member described in clause (i) or (ii) above.

“*Agreement*” means this Operating Agreement, as amended from time to time.

“*Capital Account*” means the account to be maintained by the Company for each Interest Holder in accordance with the following provisions:

(i) an Interest Holder's Capital Account shall be credited with the Interest Holder's Capital Contributions, the amount of any Company liabilities assumed by the Interest Holder (other than liabilities secured by Company property distributed to the Interest Holder), the Interest Holder's allocable share of Profit and any item in the nature of income or gain specially allocated to the Interest Holder pursuant to the provisions of *Article IV* (other than *Section 4.3.3*); and

(ii) an Interest Holder's Capital Account shall be debited with the amount of money and the fair market value of any Company property distributed to the Interest Holder (net of liabilities secured by such distributed property that such Interest Holder is considered to assume or take subject to under Section 752 of the Code), the amount of the Interest Holder's individual liabilities that are assumed by the Company (other than liabilities that reduce the amount of any Capital Contribution made by such Interest Holder), the Interest Holder's allocable share of Loss, and any item in the nature of expenses or losses specially allocated to the Interest Holder pursuant to the provisions of *Article IV* (other than *Section 4.3.3*).

If any Interest is transferred pursuant to the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent the Capital Account is attributable to the transferred Interest. If the book value of Company property is adjusted as provided herein, the Capital Account of each Interest Holder shall be adjusted to reflect the aggregate adjustment in the same manner as if the Company had recognized gain or loss equal to the amount of such aggregate adjustment. It is intended that the Capital Accounts of all Interest Holders shall be maintained in compliance with the provisions of Regulation Section 1.704-1(b), and all provisions of this Agreement relating to the maintenance of Capital Accounts shall be interpreted and applied in a manner consistent with that Regulation.

“*Capital Contribution*” means the total amount of cash and the fair market value of any other assets contributed (or deemed contributed under Regulation Section 1.704-1(b)(2)(iv)(d)) to the Company by a Member, net of liabilities assumed by the Company or to which the assets are subject.

“*Capital Proceeds*” means the gross receipts received by the Company from a Capital Transaction.

*"Capital Transaction"* means any transaction not in the ordinary course of business which results in the Company's receipt of cash or other consideration other than Capital Contributions, including, without limitation, proceeds of sales or exchanges or other dispositions of property not in the ordinary course of business, financings, refinancings, condemnations, recoveries of damage awards, and insurance proceeds.

*"Cash Flow"* means all cash funds derived from operations of the Company (including interest received on reserves), without reduction for any noncash charges, but less cash funds used to pay current operating expenses and to pay or establish reasonable reserves for future expenses, debt payments, capital improvements, and replacements as determined by the General Manager. Cash Flow shall not include Capital Proceeds but shall be increased by the reduction of any reserve previously established.

*"Code"* means the Internal Revenue Code of 1986, as amended, or any corresponding provision of any succeeding law.

*"Company"* means the limited liability company formed in accordance with this Agreement.

*"Department"* means the Department of Commerce and Economic Development.

*"General Manager"* means the Person or his successor.

*"Interest"* means a Person's share of the profits and losses of, and the right to receive distributions from, the Company.

*"Interest Holder"* means any Person who holds an Interest, whether as a Member or an unadmitted assignee of a Member.

*"Involuntary Withdrawal"* of a Member shall mean the death, retirement, resignation, expulsion or bankruptcy of such Member and any other event which terminates the continued membership of such Member in the Company.

*"Member"* means each Person signing this Agreement and any Person who subsequently is admitted as a member of the Company.

*"Member Minimum Gain"* has the meaning and shall be determined as set forth in Regulation Section 1.704-2(i) for "partner nonrecourse debt minimum gain".

*"Member Nonrecourse Deductions"* has the meaning and shall be determined as set forth in Regulation Section 1.704-2(i) for "partner nonrecourse deductions".

*"Minimum Gain"* has the meaning and shall be determined as set forth in Regulation Sections 1.704-2(b)(2) and 1.704-2(d) for "partnership minimum gain".



"*Membership Rights*" means all of the rights of a Member in the Company, including a Member's: (i) Interest; (ii) right to inspect the Company's books and records; (iii) right to participate in the management of and vote on matters coming before the Company; and (iv) unless this Agreement or the Articles of Organization provide to the contrary, right to act as an agent of the Company.

"*Negative Capital Account*" means a Capital Account with a balance of less than zero.

"*Nonrecourse Deductions*" has the meaning set forth in Regulation Section 1.704-2(b)(1).

"*Nonrecourse Liability*" has the meaning set forth in Regulation Sections 1.704-2(b)(3) and 1.752-1(a)(2).

"*Percentage*" means, as to a Member, the percentage set forth after the Member's name on *Exhibit A*, as amended from time to time, and as to an Interest Holder who is not a Member, the Percentage of the Member whose Interest has been acquired by such Interest Holder, to the extent the Interest Holder has succeeded to that Member's Interest.

"*Person*" means and includes an individual, corporation, partnership, association, limited liability company, trust, estate, or other entity.

"*Positive Capital Account*" means a Capital Account with a balance of zero or greater.

"*Profit*" and "*Loss*" means, for each taxable year of the Company (or other period for which Profit or Loss must be computed), the Company's taxable income or loss determined in accordance with Section 703(a) of the Code, with the following adjustments:

(i) all items of income, gain, loss, deduction, or credit required to be stated separately pursuant to Section 703(a)(1) of the Code shall be included; and

(ii) any tax-exempt income of the Company, not otherwise taken into account in computing Profit or Loss, shall be included; and

(iii) any expenditures of the Company described in Section 705(a)(2)(B) of the Code (or treated as such pursuant to Regulation Section 1.704-1(b)(2)(iv)(i)) and not otherwise taken into account in computing Profit or Loss, shall be subtracted; and

(iv) gain or loss resulting from any taxable disposition of Company property shall be computed by reference to the adjusted book value of the property disposed of, notwithstanding the fact that the adjusted book value differs from the adjusted basis of the property for federal income tax purposes; and

(v) in lieu of the depreciation, amortization, or cost recovery deductions allowable in computing taxable income or loss, there shall be taken into account the depreciation or amortization computed for book purposes; and

(vi) notwithstanding any other provision of this definition, any items which are specially allocated pursuant to *Section 4.3* hereof shall not be taken into account.

"*Regulation*" or "*Regulations*" means the income tax regulations, including any temporary regulations, from time to time promulgated under the Code.

"*Transfer*" means, when used as a noun, any voluntary sale, hypothecation, pledge, assignment, attachment, or other transfer, and, when used as a verb, means voluntarily to sell, hypothecate, pledge, assign, or otherwise transfer.

## Article II Organization and Purpose

2.1 *Organization.* The parties shall organize a limited liability company pursuant to the Act and the provisions of this Agreement.

2.2 *Name of the Company.* The name of the Company shall be "Northern Lights Indoor Gardens, LLC". The Company may do business under that name and under any other name or names which the General Manager selects. If the Company does business under a name other than that set forth in its Articles of Organization, then the Company shall file an assumed business name as required by law.

2.3 *Purpose.* The Company is organized to conduct any or all lawful affairs for which an LLC may be organized under AS 10.50. The Company may do any and all things necessary, convenient, or incidental to that purpose.

2.4 *Term.* The term of the Company shall begin upon the acceptance of the Articles of Organization by the Department and shall be perpetual, unless its existence is sooner terminated pursuant to *Article VII* of this Agreement or the mandatory provisions of the Act.

2.5 *Principal Office.* The principal office of the Company in the State of Alaska shall be located at 501 Charteris Street, Sitka, Alaska 99835, or at any other place within the State of Alaska that the General Manager selects.

2.6 *Registered Agent.* The name and address of the Company's registered agent in the State of Alaska shall be Michael Daly.

2.7 *Members.* The name, present mailing address, taxpayer identification number, and Percentage of each Member are set forth on *Exhibit A*.

**Article III**  
**Capital**

3.1. *Initial Capital Contributions.* Upon the execution of this Agreement, the Members shall contribute to the Company cash in the amounts or assets with the value set forth on *Exhibit A*. The amount of the initial contribution of each Member shall be recorded by the General Manager as a contribution to the capital of the Company.

3.2. *No Additional Capital Contributions Required.* No Member shall be obligated, nor shall any Member have a right, to contribute any additional capital to the Company, other than as specified in *Exhibit A*, and no Member shall have any personal liability for any obligation of the Company.

3.3. *No Interest on Capital Contributions.* Interest Holders shall not be paid interest on their Capital Contributions.

3.4. *Return of Capital Contributions.* Except as otherwise provided in this Agreement, no Interest Holder shall have the right to receive any return of any Capital Contribution.

3.5. *Form of Return of Capital.* If an Interest Holder is entitled to receive a return of a Capital Contribution, the Interest Holder shall not have the right to receive anything but cash in return of the Interest Holder's Capital Contribution.

3.6. *Capital Accounts.* A separate Capital Account shall be maintained for each Interest Holder.

**Article IV**  
**Allocations and Distributions**

4.1. *Allocation of Profit or Loss and Distributions of Cash Flow.*

4.1.1. *Profit or Loss Other Than from a Capital Transaction.* After giving effect to the special allocations set forth in *Section 4.3*, for any taxable year of the Company, Profit or Loss (other than Profit or Loss resulting from a Capital Transaction, which Profit or Loss shall be allocated in accordance with the provisions of *Sections 4.2.1* and *4.2.2*) shall be allocated to the Interest Holders in proportion to their Percentages.

4.1.2. *Cash Flow.* Cash Flow for each taxable year of the Company shall be distributed to the Interest Holders in proportion to their Percentages no later than seventy-five (75) days after the end of the taxable year.

4.2. *Allocation of Profit or Loss from a Capital Transaction.*

4.2.1. *Profit.* After giving effect to the special allocations set forth in *Section 4.3*, Profit from a Capital Transaction shall be allocated as follows:

4.2.1.1. If one or more Interest Holders has a Negative Capital Account, to those Interest Holders, in proportion to their Negative Capital Accounts, until all Negative Capital Accounts have been reduced to zero.

4.2.1.2. Any Profit not allocated pursuant to *Section 4.2.1.1* shall be allocated to the Interest Holders in proportion to, and to the extent of, the amounts distributed or distributable to them pursuant to *Section 4.2.3.4.3*.

4.2.1.3. Any Profit in excess of the foregoing allocations shall be allocated to the Interest Holders in proportion to their Percentages.

4.2.2. *Loss.* After giving effect to the special allocations set forth in *Section 4.3*, Loss from a Capital Transaction shall be allocated as follows:

4.2.2.1. If one or more Interest Holders has a Positive Capital Account, to those Interest Holders, in proportion to their Positive Capital Accounts, until all Positive Capital Accounts have been reduced to zero.

4.2.2.2. Any Loss not allocated to reduce Positive Capital Accounts to zero pursuant to *Section 4.2.2.1* shall be allocated to the Interest Holders in proportion to their Percentages.

4.2.3. *Capital Proceeds.* Capital Proceeds shall be distributed and applied by the Company in the following order and priority:

4.2.3.1. to the payment of all expenses of the Company incident to the Capital Transaction; then

4.2.3.2. to the payment of debts and liabilities of the Company then due and outstanding (including all debts due to any Interest Holder); then

4.2.3.3. to the establishment of any reserves which the General Manager deems necessary for liabilities or obligations of the Company; then

4.2.3.4. the balance shall be distributed as follows:



4.2.3.4.1. to the interest Holders in proportion to their Adjusted Capital Balances, until their remaining Adjusted Capital Balances have been paid in full;

4.2.3.4.2. if any Interest Holder has a Positive Capital Account after the distributions made pursuant to *Section 4.2.3.4.1* and before any further allocation of Profit pursuant to *Section 4.2.1.3*, to those Interest Holders in proportion to their Positive Capital Accounts; then

4.2.3.4.3. the balance, to the Interest Holders in proportion to their Percentages.

4.3. *Regulatory Allocations.* The allocations set forth in *Sections 4.3.1* and *4.3.2* are included to comply with the requirements of the Regulations. If allocations under such provisions are different from the allocations which would be made under *Section 4.1* or *4.2*, as appropriate, then the General Manager shall make appropriate allocations, consistent with the Regulations, so that the net allocations are, as much as possible, consistent with those under *Sections 4.1* and *4.2*.

4.3.1. *Qualified Income Offset.* No Interest Holder shall be allocated Losses or deductions if the allocation causes the Interest Holder to have an Adjusted Capital Account Deficit. If an Interest Holder unexpectedly receives any adjustments, allocations, or distributions described in Regulation Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) which results in or increases an Adjusted Capital Account Deficit at the end of any taxable year, then all items of income and gain of the Company for that taxable year shall be allocated to that Interest Holder, before any other allocation pursuant to this *Article IV* (other than those pursuant to *Sections 4.3.2.1* and *4.3.2.2*), in an amount and manner sufficient to eliminate such Adjusted Capital Account Deficit as quickly as possible. This *Section 4.3.1* is intended to comply with, and shall be interpreted consistently with, the "qualified income offset" provisions of the Regulation Section 1.704-1(b)(2)(ii)(d) and all other Regulation Sections relating thereto.

#### 4.3.2. *Minimum Gain.*

4.3.2.1. *Minimum Gain Chargeback.* Except as set forth in Regulation Section 1.704-2(f), if, during any taxable year, there is a net decrease in Minimum Gain, each Interest Holder, prior to any other allocation pursuant to this *Article V*, shall be specially allocated items of gross income and gain for such taxable year (and, if necessary, subsequent taxable years) in an amount equal to that Interest Holder's share of the net decrease of Minimum Gain, computed in accordance with Regulation Section 1.704-2(g). Allocations of items of gross income and gain pursuant to this *Section 4.3.2.1* shall be made as described in Regulation Sections 1.704-2(f) and (j). This *Section 4.3.2.1* is intended to comply with, and shall be interpreted consistently with, the "minimum gain chargeback" provisions of Regulation Section 1.704-2(f) and all other Regulation Sections relating thereto.

4.3.2.2. *Member Minimum Gain Chargeback.* Except as set forth in Regulation Section 1.704-2(i)(4), if, during any taxable year, there is a net decrease in Member Minimum Gain, each Interest Holder with a share of that Member Minimum Gain as of the beginning of such year, prior to any other allocation pursuant to this *Article V*, shall be specially allocated items of gross income and gain for such taxable year (and, if necessary, subsequent taxable years) in an amount equal to that Interest Holder's share of the net decrease of Member Minimum Gain, computed in accordance with Regulation Section 1.704-2(i)(4). Allocations of items of gross income and gain pursuant to this *Section 4.3.2.2* shall be made as described in Regulation Sections 1.704-2(i)(4) and (j). This *Section 4.3.2.2* is intended to comply with, and shall be interpreted consistently with, the "minimum gain chargeback" provisions of Regulation Section 1.704-2(i)(4) and all other Regulation Sections relating thereto.

4.3.3. *Contributed Property and Book-ups.* To the extent permitted or required by Section 704(c) of the Code and the Regulations thereunder, Regulation Section 1.704-1(b)(2)(iv)(d)(3) and Regulation Section 1-704-1(b)(2)(iv)(f), income, gain, loss, and deduction with respect to any property contributed (or deemed contributed) to the Company shall, solely for tax purposes, be allocated among the Interest Holders so as to take account of any variation between the adjusted basis of the property to the Company for federal income tax purposes and its fair market value at the date of contribution (or deemed contribution) under the rules of Regulation Section 704-3(b)(1). If the adjusted book value of any Company asset is adjusted as provided herein, subsequent allocations of income, gain, loss, and deduction with respect to the asset shall take account of any variation between the adjusted basis of the asset for federal income tax purposes and its adjusted book value in the manner required under Section 704(c) of the Code and the Regulations thereunder.

4.3.4. *Election under Section 754 of the Code.* To the extent an adjustment to the tax basis of any Company asset pursuant to Section 734(b) or Section 743(b) of the Code is required, pursuant to Regulation Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of the adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases basis), and the gain or loss shall be specially allocated to the Interest Holders in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to that Section of the Regulations.

4.3.5. *Nonrecourse Deductions.* Nonrecourse Deductions for a taxable year or other period shall be specially allocated among the Interest Holders in proportion to their Percentages.

4.3.6. *Member Nonrecourse Deductions.* Any Member Nonrecourse Deduction for any taxable year or other period shall be specially allocated to the Interest Holder who bears the risk of loss with respect to the liability to which the Member Nonrecourse Deduction is attributable in accordance with Regulation Section 1.704-2(i).

4.3.7. *Guaranteed Payments.* To the extent any compensation paid to any Member by the Company, is determined by the Internal Revenue Service not to be a guaranteed payment under Section 707(c) of the Code or is not paid to the Member other than in the Person's capacity as a Member within the meaning of Section 707(a) of the Code, the Member shall be specially allocated gross income of the Company in an amount equal to the amount of that compensation, and the Member's Capital Account shall be adjusted to treat the payment of that compensation as a distribution.

4.3.8. *Recapture.* In making any allocation among the Members of income or gain from the sale or other disposition of a Company asset, the ordinary income portion, if any, of such income and gain resulting from the recapture of cost recovery or other deductions shall be allocated among those Members who were previously allocated (or whose predecessors-in-interest were previously allocated) the cost recovery deductions or other deductions resulting in the recapture items, in proportion to the amount of such cost recovery deductions or other deductions previously allocated to them.

4.3.9. *Withholding.* All amounts required to be withheld pursuant to Section 1446 of the Code or any other provision of federal, state, or local tax law shall be treated as amounts actually distributed to the affected Interest Holders for all purposes under this Agreement.

4.3.10. *Other Allocations.* All items of Company income, gain, loss, deduction and credit the allocation of which is not otherwise provided for in this Agreement, including allocation of such items for tax purposes, shall be allocated among the Members in the same proportions as they share Profits or Losses for the taxable year pursuant to this *Article IV*.

4.4. *Liquidation and Dissolution.*

4.4.1. If the Company is liquidated, the assets of the Company shall be distributed to the Interest Holders in accordance with the balances in their respective Capital Accounts, after taking into account the allocations of Profit or Loss pursuant to *Sections 4.1* or *4.2*.

4.4.2. No Interest Holder shall be obligated to restore a Negative Capital Account.

4.5. *General.*

4.5.1. Except as otherwise provided in this Agreement, the timing and amount of all distributions shall be determined by the General Manager.

4.5.2. If any assets of the Company are distributed in kind to the Interest Holders, those assets shall be valued on the basis of their fair market value, and any Interest



Holder entitled to any interest in those assets shall receive that interest as a tenant-in-common with all other Interest Holders so entitled. Unless the Members otherwise agree, the fair market value of the assets shall be determined by an independent appraiser who shall be selected by the General Manager. The Profit or Loss for each unsold asset shall be determined as if the asset had been sold at its fair market value, and the Profit or Loss shall be allocated as provided in *Section 4.2* and shall be properly credited or charged to the Capital Accounts of the Interest Holders prior to the distribution of the assets in liquidation pursuant to *Section 4.4*.

4.5.3. All Profit and Loss shall be allocated, and all distributions shall be made, to the Persons shown on the records of the Company to have been Interest Holders as of the last day of the taxable year for which the allocation or distribution is to be made. Notwithstanding the foregoing, unless the Company's taxable year is separated into segments, if there is a Transfer or an Involuntary Withdrawal during the taxable year, the Profit and Loss shall be allocated between the original Interest Holder and the successor on the basis of the number of days each was an Interest Holder during the taxable year; provided, however, to the extent permitted under *Section 706* of the Code the Company's taxable year shall be segregated into two or more segments in order to account for Profit, Loss, or proceeds attributable to a Capital Transaction or to any other extraordinary nonrecurring items of the Company.

4.5.4. The General Manager is hereby authorized, upon the advice of the Company's tax counsel, to amend this *Article IV* to comply with the Code and the Regulations promulgated under *Section 704(b)* of the Code; provided, however, that no amendment shall materially affect distributions to an Interest Holder without the Interest Holder's prior written consent.

## Article V Management

### 5.1. General Manager.

5.1.1. *In General.* The business and affairs of the Company shall be managed by the General Manager. Except as otherwise expressly provided in this Agreement, the General Manager shall have full and complete authority, power and discretion to manage and control the business, affairs and properties of the Company, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to the management of the Company's business.

5.1.2. *Specific Powers.* Without limiting the generality of the foregoing, the General Manager shall have the power and authority, on behalf of the Company, to:

5.1.2.1. Acquire by purchase, lease, or otherwise, any real or personal property, tangible or intangible;

5.1.2.2. Construct, operate, maintain, finance, and improve, and to own, sell, convey, assign, mortgage, or lease any real estate and any personal property;

5.1.2.3. Except as provided in *Section 5.1.3.6*, sell, dispose, trade, or exchange Company assets in the ordinary course of the Company's business;

5.1.2.4. Enter into agreements and contracts and to give receipts, releases and discharges;

5.1.2.5. Purchase liability and other insurance to protect the Company's properties and business;

5.1.2.6. Borrow money for and on behalf of the Company, and, in connection therewith, execute and deliver instruments to hypothecate, encumber and grant security interests in the assets of the Company to secure repayment of the sums borrowed;

5.1.2.7. Execute or modify leases with respect to any part or all of the assets of the Company;

5.1.2.8. Prepay, in whole or in part, refinance, amend, modify, or extend any mortgages or deeds of trust which may affect any asset of the Company and in connection therewith to execute for and on behalf of the Company any extensions, renewals or modifications of such mortgages or deeds of trust;

5.1.2.9. Execute any and all other instruments and documents which may be necessary or in the opinion of the General Manager desirable to carry out the intent and purpose of this Agreement, including, but not limited to, documents whose operation and effect extend beyond the term of the Company;

5.1.2.10. Make any and all expenditures which the General Manager, in its sole discretion, deems necessary or appropriate in connection with the management of the affairs of the Company and the carrying out of its obligations and responsibilities under this Agreement, including, without limitation, all legal, accounting and other related expenses incurred in connection with the organization and financing and operation of the Company;

5.1.2.11. Enter into any kind of activity necessary to, in connection with, or incidental to, the accomplishment of the purposes of the Company;

5.1.2.12. Invest and reinvest Company reserves in short-term instruments or money market funds; and

5.1.2.13. Employ accountants, legal counsel, agents, and other experts to perform services for the Company.

5.1.3. *Extraordinary Transactions.* Notwithstanding anything to the contrary in this Agreement, the General Manager shall not undertake any of the following without the approval of the Members:

- 5.1.3.1. Any Capital Transaction;
- 5.1.3.2. The Company's lending more than \$5,000.00 of its money on any one occasion;
- 5.1.3.3. The admission of additional Members to the Company;
- 5.1.3.4. The Company's engaging in business in any jurisdiction which does not provide for the registration of limited liability companies;
- 5.1.3.5. Discontinuance of the Company's business;
- 5.1.3.6. Sale of the Company's business or substantial portion thereof, or the sale, exchange or other disposition of all, or substantially all, of the company's assets;
- 5.1.3.7. Any merger, reorganization or recapitalization of the Company;
- 5.1.3.8. Any borrowings by the Company in excess of \$5,000.00;
- 5.1.3.9. Any contract which would require the Company to expend more than \$5,000.00 and the adoption of any profit sharing, bonus, pension or similar plan;
- 5.1.3.10. Settlement or confession of judgment in any legal matter;
- 5.1.3.11. Transactions with Affiliates [or family members] of the General Manager;
- 5.1.3.12. Taking or effecting any action that would render the Company bankrupt or insolvent or, except as expressly provided in this Agreement, cause the termination, dissolution, liquidation or winding-up of the Company; and
- 5.1.3.13. Such other matters and decisions as the Members may from time to time designate.

5.1.4. *Removal of General Manager.* The General Manager may only be removed under the following procedure. If any one or more of the following events occurs, the Members may remove the General Manager, and elect a new General Manager:

5.1.4.1. The General Manager's willful or intentional violation or reckless disregard of the General Manager's duties to the Company; or

5.1.4.2. The General Manager's Involuntary Withdrawal.

The determination of whether one or more of such events exist shall be made by those Members holding a majority of the Percentages then held by Members and shall be final, binding, and not reviewable unless the decision was based on a material mistake of fact or law or was arbitrary and capricious. The General Manager may not be removed for any other reasons or under any other procedure.

5.2. *Meetings of and Voting by Members.*

5.2.1. A meeting of the Members may be called at any time by any Member. Meetings of Members shall be held at the Company's principal place of business or at any other place in Sitka, Alaska. Not less than ten (10) nor more than ninety (90) days before each meeting, the Person calling the meeting shall give written notice of the meeting to each Member entitled to vote at the meeting. The notice shall state the time, place, and purpose of the meeting. Notwithstanding the foregoing provisions, each Member who is entitled to notice waives notice if before or after the meeting the Member signs a waiver of the notice which is filed with the records of Members' meetings, or is present at the meeting in person or by proxy. Unless this Agreement provides otherwise, at a meeting of Members, the presence in person or by proxy of a majority of the Members constitutes a quorum. A Member may vote either in person or by written proxy signed by the Member or by the Member's duly authorized attorney-in-fact.

5.2.2. Except as otherwise provided in this Agreement, the affirmative vote of a majority of the Members shall be required to approve any matter coming before the Members.

5.2.3. In lieu of holding a meeting, the Members may vote or otherwise take action by a written instrument indicating the consent of Members holding a majority of the Percentages then held by Members.

5.3. *Personal Service.*

5.3.1. No Member shall be required to perform services for the Company solely by virtue of being a Member. Unless approved by the General Manager, no Member shall perform services for the Company or be entitled to compensation for services performed for the Company.



5.3.2. Unless approved by a majority of the Members, the General Manager shall not be entitled to compensation for services performed for the Company. However, upon substantiation of the amount and purpose thereof, the General Manager shall be entitled to reimbursement for expenses reasonably incurred in connection with the activities of the Company.

5.4. *Limitation of Liability and Independent Activities.*

5.4.1. *Limitation of Liability.* Neither the Members nor the Managers (nor any of their Affiliates) shall be liable, responsible or accountable in damages or otherwise to the Company or the Members for any act or omission by any such Person (which shall include any applicable entity) performed in good faith pursuant to the authority granted to such Person by this Agreement or in accordance with its provisions, and in a manner reasonably believed by such Person to be within the scope of the authority granted to such Person and in the best interest of the Company; provided, however, that such Person shall retain liability for acts or omissions that involve intentional misconduct, a knowing violation of the law, a violation of AS 10.50.320 (in the case of Members only) or for any transaction from which the Person will personally receive a benefit in money, property, or services to which the person is not legally entitled.

5.4.2. *Independent Activities.* Any Member may engage in or possess an interest in other business ventures of every nature and description, independently or with others, including, without limitation, the ownership, financing, management, employment by, lending or otherwise participating in businesses that are similar to the business of the Company, and neither the Company nor the other Members shall have any right by virtue of this Agreement in and to such independent ventures as to the income or profits therefrom and shall not be liable for a breach of duty of loyalty or any other duty.

5.5. *Indemnification*

5.5.1. *Indemnification.* (i) To the fullest extent permitted by applicable law, a Member, the General Manager and each director, officer, partner, employee or agent thereof ("Covered Person") shall be entitled to indemnification from the Company for any loss, damage, or claim incurred by such Covered Person by reason or any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of authority conferred on such Covered Person by this Agreement, except that non Covered Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Covered Person by reason of gross negligence, bad faith, or willful misconduct with respect to such act or omissions; *provided, however*, that any indemnity under this Section 5.5.1 shall be provided out of and to the extent of Company assets only, and no other Covered Person shall have any personal liability on account thereof.

5.5.2. *Notice.* In the event that any claim, demand, action, suit or proceeding shall be instituted or asserted or any loss, damage or claim shall arise in respect of which



indemnity may be sought by a Covered Person pursuant to *Section 5.5.1(i)*, such Covered Person shall promptly notify the Company thereof in writing. Failure to provide notice shall not affect the Company's obligations hereunder except to the extent the Company is actually prejudiced thereby.

5.5.3. *Contest.* The Company shall have the right, exercisable subject to the approval of the disinterested Covered Persons, to participate in and control the defense of any such claim, demand, action, suit or proceeding, and in connection therewith, to retain counsel reasonably satisfactory to each Covered Person, at the Company's expense, to represent each Covered Person and any others the Company may designate in such claim, demand, action, suit or proceeding. The Company shall keep the Covered Person advised of the status of such claim, demand, action, suit or proceeding and the defense thereof and shall consider in good faith recommendations made by the Covered Person with respect thereto.

## **Article VI Admissions and Transfers**

6.1. *Transfers.* No Person may Transfer all or any portion of or any interest or rights in the Person's Membership Rights or Interest unless the following conditions ("Conditions of Transfer") are satisfied:

6.1.1. The Transfer will not require registration of Interests or Membership Rights under any federal or state securities laws;

6.1.2. The transferee delivers to the Company a written agreement to be bound by all the terms of this Agreement;

6.1.3. The Transfer will not result in the termination of the Company pursuant to Code Section 708;

6.1.4. The Transfer will not result in the Company being subject to the Investment Company Act of 1940, as amended;

6.1.5. The transferor or the transferee delivers the following information to the Company: (i) the transferee's taxpayer identification number, and (ii) the transferee's initial tax basis in the Transferred Interest; and

6.1.6. The transferor obtains, at the transferor's expense, and delivers to the Company, an opinion of legal counsel acceptable to the Company, confirming that the Conditions of Transfer have been satisfied.

6.2. If the Conditions of Transfer are satisfied, then a Member or Interest Holder may Transfer all or any portion of that Person's Interest. The Transfer of an Interest pursuant to this *Article IX* shall not result, however, in the Transfer of any of the transferor's other Membership Rights, if any, and the transferee of the Interest shall have no right to: (i) become a Member, or (ii) exercise any Membership Rights other than those specifically pertaining to the ownership of an Interest.

6.3. Each Member hereby acknowledges the reasonableness of the prohibition contained in this *Article VI* in view of the purposes of the Company and the relationship of the Members. The Transfer of any Membership Rights or Interests in violation of the prohibition contained in this *Article VI* shall be deemed invalid, null and void, and of no force or effect. Any Person to whom Membership Rights are attempted to be transferred in violation of this *Article* shall not be entitled to vote on matters coming before the Members, participate in the management of the Company, act as an agent of the Company, receive distributions from the Company, or have any other rights in or with respect to the Membership Rights.

6.4. *Admission of Transferee as Member.* Notwithstanding anything contained herein to the contrary, the transferee of all or any portion of or any interest or rights in any Membership Rights or Interest shall not be entitled to become a Member or exercise any rights of a Member. The transferee shall be entitled to receive, to the extent transferred, only the distributions to which the transferor would be entitled, and the transferee shall not be admitted as a Member unless the Members unanimously consent.

## **Article VII Dissolution and Liquidation**

7.1. *Events of Dissolution.* The Company shall be dissolved upon the happening of any of the following events:

7.1.1. when the period fixed for its duration in *Section 2.4* has expired;

7.1.2. upon the unanimous written agreement of the Members; or

7.1.3. upon the death, retirement, resignation, expulsion, or bankruptcy of a Member or the occurrence of any other event which terminates the continued membership of a Member in the Company, unless the remaining Members, within ninety (90) days after the event or occurrence, unanimously elect to continue the business of the Company pursuant to the terms of this Agreement.

7.2. *Procedure for Winding Up and Dissolution.* If the Company is dissolved, the General Manager shall wind up its affairs. On winding up of the Company, the assets of the

Company shall be distributed, first, to creditors of the Company, including Members who are creditors, in satisfaction of the liabilities of the Company, and then, amounts in excess of any reserves deemed reasonably necessary by the General Manager to pay all of the Company's claims and obligations shall be distributed to the Interest Holders in accordance with *Section 4.2.3.4* of this Agreement.

7.3. *Termination.* The General Manager shall comply with any requirements of applicable Law pertaining to the winding up of the affairs of the Company and the final distribution of its assets. Upon completion of the winding up, liquidation and distribution of the assets, the Company shall be deemed terminated.

## **Article VIII**

### **Books, Records, and Accounting**

8.1. *Bank Accounts.* All funds of the Company shall be deposited in a bank account or accounts opened in the Company's name. The General Manager shall determine the institution or institutions at which the accounts will be opened and maintained, the types of accounts, and the Persons who will have authority with respect to the accounts and the funds therein.

#### 8.2. *Books and Records.*

8.2.1. The General Manager shall keep or cause to be kept complete and accurate books and records of the Company and supporting documentation of the transactions with respect to the conduct of the Company's business. The records shall include, but not be limited to, complete and accurate information regarding the state of the business and financial condition of the Company, a copy of the Articles of Organization and this Agreement and all amendments thereto, a current list of the names and last known business, residence, or mailing addresses of all Members; and the Company's federal, state, and local tax returns.

8.2.2. The books and records shall be maintained in accordance with sound accounting practices consistently applied and shall be available at the Company's principal office for examination by any Member or the Member's duly authorized representative at any and all reasonable times during normal business hours.

8.2.3. Each Member shall reimburse the Company for all costs and expenses incurred by the Company in connection with the Member's inspection and copying of the Company's books and records.

8.3. *Annual Accounting Period.* The annual accounting period of the Company shall be its taxable year. The Company's taxable year shall be selected by the General Manager, subject to the requirements and limitations of the Code.



#### 8.4. *Reports*

8.4.1. *Biennial Report.* The Members shall file a biennial report as required by the Department.

8.4.2. *Reports to Members.* Within seventy-five (75) days after the end of each taxable year of the Company, the General Manager shall cause to be sent to each Person who was a Member at any time during the taxable year then ended: (i) an annual compilation report, prepared by the Company's independent accountants in accordance with standards issued by the American Institute of Certified Public Accountants; and (ii) a report summarizing the fees and other remuneration paid by the Company to any Member, the General Manager, or any Affiliate in respect of the taxable year. In addition, within seventy-five (75) days after the end of each taxable year of the Company, the General Manager shall cause to be sent to each Person who was an Interest Holder at any time during the taxable year then ended, that tax information concerning the Company necessary for preparing the Interest Holder's income tax returns for that year. At the request of any Member, and at the Member's expense, the General Manager shall cause an audit of the Company's books and records to be prepared by independent accountants for the period requested by the Member.

8.5. *Tax Matters Member.* The General Manager shall be the Company's tax matters partner ("Tax Matters Member"). The Tax Matters Member shall have all powers and responsibilities of a tax matters partner" as defined in Section 6231 of the Code. The Tax Matters Member shall keep all Members informed of all notices from government taxing authorities that may come to the attention of the Tax Matters Member. The Company shall pay and be responsible for all reasonable third-party costs and expenses incurred by the Tax Matters Member in performing those duties. A Member shall be responsible for any costs incurred by the Member with respect to any tax audit or tax-related administrative or judicial proceeding against any Member, even though it relates to the Company. The Tax Matters Member shall not compromise any dispute with the Internal Revenue Service without the approval of the Members.

8.6. *Tax Elections.* The General Manager shall have the authority to make all Company elections permitted under the Code, including, without limitation, elections of methods of depreciation and elections under Section 754 of the Code. The decision to make or not make an election shall be at the General Manager's sole and absolute discretion.

8.7. *Title to Company Property.* All real and personal property acquired by the Company shall be acquired and held by the Company in its name.

**Article IX**  
**Amendments; General Provisions**

9.1. *Assurances.* Each Member shall execute all certificates and other documents and shall do all such filing, recording, publishing, and other acts as the General Manager deems appropriate to comply with the requirements of law for the formation and operation of the Company and to comply with any laws, rules, and regulations relating to the acquisition, operation, or holding of the property of the Company.

9.2. *Notifications.* Any notice, demand, consent, election, offer, approval, request, or other communication (collectively a "notice") required or permitted under this Agreement must be in writing and either delivered personally or sent by certified or registered mail, postage prepaid, return receipt requested. Any notice to be given hereunder by the Company shall be given by the General Manager. A notice must be addressed to an Interest Holder at the Interest Holder's last known address on the records of the Company. A notice to the Company must be addressed to the Company's principal office. A notice delivered personally will be deemed given only when acknowledged in writing by the person to whom it is delivered. A notice that is sent by mail will be deemed given three (3) business days after it is mailed. Any party may designate, by notice to all of the others, substitute addresses or addressees for notices; thereafter, notices are to be directed to those substitute addresses or addressees.

9.3. *Specific Performance.* The parties recognize that irreparable injury will result from a breach of any provision of this Agreement and that money damages will be inadequate to remedy the injury fully. Accordingly, in the event of a breach or threatened breach of one or more of the provisions of this Agreement, any party who may be injured (in addition to any other remedies which may be available to that party) shall be entitled to one or more preliminary or permanent orders (i) restraining and enjoining any act that would constitute a breach or (ii) compelling the performance of any obligation that, if not performed, would constitute a breach.

9.4. *Complete Agreement.* This Agreement constitutes the complete and exclusive statement of the agreement among the Members. It supersedes all prior written and oral statements, including any prior representation, statement, condition, or warranty. Except as expressly provided otherwise herein, this Agreement may not be amended without the written consent of all of the Members.

9.5. *Applicable Law.* All questions concerning the construction, validity, and interpretation of this Agreement and the performance of the obligations imposed by this Agreement shall be governed by the internal law, not the law of conflicts, of the State of Alaska.

9.6. *Section Titles.* The headings herein are inserted as a matter of convenience only and do not define, limit, or describe the scope of this Agreement or the intent of the provisions hereof.

9.7. *Binding Provisions.* This Agreement is binding upon, and inures to the benefit of, the parties hereto and their respective heirs, executors, administrators, personal and legal representatives, successors, and permitted assigns.

9.8. *Jurisdiction and Venue.* Any suit involving any dispute or matter arising under this Agreement may only be brought in the United States District Court for Alaska or any Alaska State Court having jurisdiction over the subject matter of the dispute or matter. All Members hereby consent to the exercise of personal jurisdiction by any such court with respect to any such proceeding.

9.9. *Terms.* Common nouns and pronouns shall be deemed to refer to the masculine, feminine, neuter, singular, and plural, as the identity of the Person may in the context require.

9.10. *Separability of Provisions.* Each provision of this Agreement shall be considered separable; and if, for any reason, any provision or provisions herein are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Agreement which are valid.

9.11. *Counterparts.* This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which, when taken together, constitute one and the same document. The signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

9.12. *Estoppel Certificate.* Each Member shall, within ten (10) days after written request by the General Manager, deliver to the requesting Person a certificate stating, to the Member's knowledge, that: (a) this Agreement is in full force and effect; (b) this Agreement has not been modified except by any instrument or instruments identified in the certificate; and (c) there is no default hereunder by the requesting Person, or if there is a default, the nature and extent thereof. If the certificate is not received within that ten (10) day period, the General Manager shall execute and deliver the certificate on behalf of the requested Member.

9.13. *Amendment.* This Agreement may be amended by a vote of the members holding 100% of the capital accounts of all of the Members, *provided however* that no amendment which materially reduces the distributions which may be made to a Member (or changes the Profit or Loss allocation to such Member) may be made without such Member's consent.

9.14. *Consents.* Unless otherwise explicitly provided for herein, any and all consents, agreements or approvals provided for or permitted by this Agreement shall be in writing and a signed copy thereof shall be filed and kept with the books of the Company.



9.15. *Legends.* If certificates for any Interest or Interests are issued that evidence a Member's Interest, each such certificate shall bear such legends as may be required by applicable federal and state laws, or as may be deemed necessary or appropriate by the General Manager to reflect restrictions upon transfer contemplated herein.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

2-27-2016  
Date

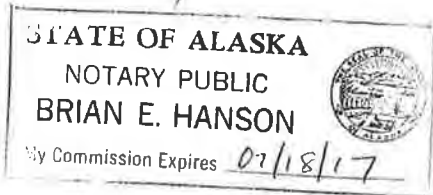
[Signature]  
Micah S. Miller

2-27-2016  
Date

[Signature]  
Michael J. Daly

STATE OF ALASKA )  
FIRST JUDICIAL DISTRICT ) ss:

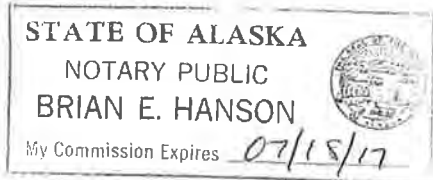
The foregoing instrument was acknowledged before me this 27<sup>th</sup> day of February, 2016, by MICAH S. MILLER.



[Signature]  
Notary Public in and for Alaska

STATE OF ALASKA )  
FIRST JUDICIAL DISTRICT ) ss:

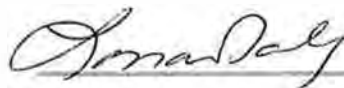
The foregoing instrument was acknowledged before me this 27<sup>th</sup> day of February, 2016, by MICHAEL J. DALY.

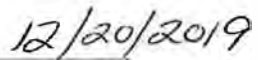


[Signature]  
Notary Public in and for Alaska

**AGREEMENT IN RESPECT OF OPERATING AGREEMENT**

IN WITNESS WHEREOF, the undersigned acknowledges and agrees that the undersigned is making the contribution with intent to be legally bound to the terms and conditions contained in the Operating Agreement attached hereto and executes this Agreement in Respect of Operating Agreement as a counterpart thereto.





Lorraine Daly

Date





Alaska Marijuana Control Board

# Form MJ-20: Renewal Application Certifications

## What is this form?

This renewal application certifications form is required for all marijuana establishment license renewal applications. Each person signing an application for a marijuana establishment license must declare that he/she has read and is familiar with AS 17.38 and 3 AAC 306. A person other than a licensee may not have direct or indirect financial interest (as defined in 3 AAC 306.015(e)(1)) in the business for which a marijuana establishment license is issued, per 3 AAC 306.015(a).

This form must be completed and submitted to AMCO's main office by each licensee (as defined in 3 AAC 306.020(b)(2)) before any license renewal application will be considered complete.

## Section 1 – Establishment Information

Enter information for the licensed establishment, as identified on the license application.

Licensee:	Northern Lights Indoor Gardens LLC	License Number:	10138		
License Type:	Marijuana Retail Facility				
Doing Business As:	Northern Lights Indoor Gardens LLC				
Premises Address:	1321 Sawmill Creek Rd. Suite N,O,P				
City:	Sitka	State:	Alaska	ZIP:	99835

## Section 2 – Individual Information

Enter information for the individual licensee who is completing this form.

Name:	Lorraine C Daly
Title:	Owner

## Section 3 – Violations & Charges

Read each line below, and then sign your initials in the box to the right of any applicable statements:

Initials

I certify that I have **not** been convicted of any criminal charge in the previous two calendar years.

I certify that I have **not** committed any civil violation of AS 04, AS 17.38, or 3 AAC 306 in the previous two calendar years.

I certify that a notice of violation has **not** been issued to this license between July 1, 2019 and June 30, 2020.

Sign your initials to the following statement only if you are unable to certify one or more of the above statements:

Initials

I have attached a written explanation for why I cannot certify one or more of the above statements, which includes the type of violation or offense, as required under 3 AAC 306.035(b).



# Form MJ-20: Renewal Application Certifications

## Section 4 – Certifications

Read each line below, and then sign your initials in the box to the right of each statement:

Initials

I certify that no person other than a licensee listed on my marijuana establishment license renewal application has a direct or indirect financial interest, as defined in 3 AAC 306.015(e)(1), in the business for which the marijuana establishment license has been issued.

JD

I certify that I meet the residency requirement under AS 43.23 or I have submitted a residency exception affidavit (MJ-20a) along with this application.

JD

I certify that this establishment complies with any applicable health, fire, safety, or tax statute, ordinance, regulation, or other law in the state.

JD

I certify that the license is operated in accordance with the operating plan currently approved by the Marijuana Control Board.

JD

I certify that I am operating in compliance with the Alaska Department of Labor and Workforce Development's laws and requirements pertaining to employees.

JD

I certify that I have not violated any restrictions pertaining to this particular license type, and that this license has not been operated in violation of a condition or restriction imposed by the Marijuana Control Board.

JD

I certify that I understand that providing a false statement on this form, the online application, or any other form provided by or to AMCO is grounds for rejection or denial of this application or revocation of any license issued.

JD

As an applicant for a marijuana establishment license renewal, I declare under penalty of unsworn falsification that I have read and am familiar with AS 17.38 and 3 AAC 306, and that this application, including all accompanying schedules and statements, is true, correct, and complete. I agree to provide all information required by the Marijuana Control Board in support of this application and understand that failure to do so by any deadline given to me by AMCO staff may result in additional fees or expiration of this license.

Anna Day

Signature of licensee

Julie A. Smith

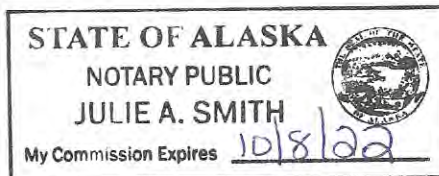
Notary Public in and for the State of Alaska

Lorran Pely

Printed name of licensee

My commission expires: 10/8/22

Subscribed and sworn to before me this 28<sup>th</sup> day of May, 2020.







Alaska Marijuana Control Board

# Form MJ-20: Renewal Application Certifications

## What is this form?

This renewal application certifications form is required for all marijuana establishment license renewal applications. Each person signing an application for a marijuana establishment license must declare that he/she has read and is familiar with AS 17.38 and 3 AAC 306. A person other than a licensee may not have direct or indirect financial interest (as defined in 3 AAC 306.015(e)(1)) in the business for which a marijuana establishment license is issued, per 3 AAC 306.015(a).

**This form must be completed and submitted to AMCO's main office by each licensee (as defined in 3 AAC 306.020(b)(2)) before any license renewal application will be considered complete.**

## Section 1 – Establishment Information

Enter information for the licensed establishment, as identified on the license application.

Licensee:	Northern Lights Indoor Gardens LLC	License Number:	10138		
License Type:	Marijuana Retail Facility				
Doing Business As:	Northern Lights Indoor Gardens LLC				
Premises Address:	1321 Sawmill Creek Rd. Suite N,O,P				
City:	Sitka	State:	Alaska	ZIP:	99835

## Section 2 – Individual Information

Enter information for the individual licensee who is completing this form.

Name:	Mike J Daly
Title:	Owner

## Section 3 – Violations & Charges

**Read each line below, and then sign your initials in the box to the right of any applicable statements:**

I certify that I have **not** been convicted of any criminal charge in the previous two calendar years.

Initials

I certify that I have **not** committed any civil violation of AS 04, AS 17.38, or 3 AAC 306 in the previous two calendar years.

I certify that a notice of violation has **not** been issued to this license between July 1, 2019 and June 30, 2020.

**Sign your initials to the following statement only if you are unable to certify one or more of the above statements:**

Initials

I have attached a written explanation for why I cannot certify one or more of the above statements, which includes the type of violation or offense, as required under 3 AAC 306.035(b).



# Form MJ-20: Renewal Application Certifications

## Section 4 – Certifications

Read each line below, and then sign your initials in the box to the right of each statement:

Initials

I certify that no person other than a licensee listed on my marijuana establishment license renewal application has a direct or indirect financial interest, as defined in 3 AAC 306.015(e)(1), in the business for which the marijuana establishment license has been issued.

*MS*

I certify that I meet the residency requirement under AS 43.23 or I have submitted a residency exception affidavit (MJ-20a) along with this application.

*MS*

I certify that this establishment complies with any applicable health, fire, safety, or tax statute, ordinance, regulation, or other law in the state.

*MS*

I certify that the license is operated in accordance with the operating plan currently approved by the Marijuana Control Board.

*MS*

I certify that I am operating in compliance with the Alaska Department of Labor and Workforce Development's laws and requirements pertaining to employees.

*MS*

I certify that I have not violated any restrictions pertaining to this particular license type, and that this license has not been operated in violation of a condition or restriction imposed by the Marijuana Control Board.

*MS*

I certify that I understand that providing a false statement on this form, the online application, or any other form provided by or to AMCO is grounds for rejection or denial of this application or revocation of any license issued.

*MS*

As an applicant for a marijuana establishment license renewal, I declare under penalty of unsworn falsification that I have read and am familiar with AS 17.38 and 3 AAC 306, and that this application, including all accompanying schedules and statements, is true, correct, and complete. I agree to provide all information required by the Marijuana Control Board in support of this application and understand that failure to do so by any deadline given to me by AMCO staff may result in additional fees or expiration of this license.

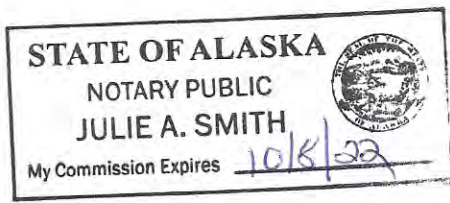
*[Handwritten Signature]*  
\_\_\_\_\_  
Signature of licensee

*[Handwritten Signature]*  
\_\_\_\_\_  
Notary Public in and for the State of Alaska

*mike only*  
\_\_\_\_\_  
Printed name of licensee

My commission expires: 10/8/22

Subscribed and sworn to before me this 1<sup>st</sup> day of June, 2020.





## COMMERCIAL LEASE AGREEMENT

EAGLE BAY INN LLC

1321 SAWMILL CREEK ROAD SUITE C

SITKA, ALASKA 99835

This lease is made this 1<sup>st</sup> day of October 2018 by and between Eagle Bay Inn, LLC and **Northern Lights Indoor Gardens, LLC**. In consideration for the mutual promises and covenants contained herein and for other good and valuable consideration, the parties hereby agree as follow:

Eagle Bay Inn, LLC leases to **Northern Lights Indoor Gardens, LLC**, the following described premises: M, N, O AND P bays, Eagle Bay Inn, LLC understands and knows that this is for a marijuana growing business distributions and retail store.

Eagle Bay Inn, LLC, will not take possession of and/or remove marijuana from the premises, and that Alaska Marijuana Control office (AMCO) will be contacted in the event that is necessary.

The term of this lease shall be for 36 months commencing 10/01/2018 and ending 10/01/2021.

**Northern Lights Indoor Gardens, LLC**, shall pay to Eagle Bay Inn, LLC rent in the amount of \$240,012.00 per 36 months in equal monthly installments of \$6667. 00.

**Northern Lights Indoor Gardens, LLC**, shall use and occupy the premises only as a business; this is subject at all times to the approval of Eagle Bay Inn, LLC.

**Northern Lights Indoor Gardens, LLC**, will furnish the utilities or amenities at his own expense.

**Northern Lights Indoor Gardens, LLC**, shall purchase at his own expense public liability insurance in the amount of one million dollars, or have it in the business insurance policy.

**Northern Lights Indoor Gardens, LLC**, shall not permit or commit waste the premises. **Northern Lights Indoor Gardens, LLC**, is responsible for snow and ice removal at the back and front of the business entrances. Snow removal of the parking lot is provided and during heavy snow, tenant will comply with all parking and removing vehicles as needed.

**Northern Lights Indoor Gardens, LLC** shall comply with all rules, regulations, ordinances codes, and laws of all Eagle Bay Inn, LLC members.

**Northern Lights Indoor Gardens, LLC**, shall not permit or engage in any activity that will affect an increase in the rate of insurance of the building which the premises is now contained nor shall **Northern Lights Indoor Gardens, LLC**, permit or commit any nuisance thereon.

## COMMERCIAL LEASE AGREEMENT

**Northern Lights Indoor Gardens, LLC**, shall not sublet or assign the premises nor allow any other person or business to use or occupy the premises without the prior written consent of Eagle Bay Inn, LLC.

At the end of this lease, **Northern Lights Indoor Gardens, LLC** shall surrender and deliver up the premises in the same condition (subject to any additions, alterations or improvements, if any) as presently exists, reasonable wear and tear excluded.

Upon default in any term of this lease, Eagle bay Inn, LLC, shall have the right to undertake any or all other remedies permitted by law.

This lease shall be binding upon and insure to the benefit of the parties, their heirs, successors, and assigns. Eagle Bay Inn, LLC, agrees to give **Northern Lights Indoor Gardens, LLC**, first option when renewing this lease on October 1, 2021.

  
\_\_\_\_\_  
NORTHERN LIGHTS INDOOR GARDENS, LLC

October 1, 2018

  
\_\_\_\_\_  
EAGLE BAY INN, LLC

October 1, 2018

Eagle Bay Inn LLC

1321 Sawmill Creek Road

Sitka, Alaska 99835

December 2, 2013

To Whom It May Concern

Vicki Brown is hereby authorized and empowered by Eagle Bay Inn LLC to pursue any and all litigation which concerns Eagle Bay Inn and Sawmill Creek Business Center.

Thank you,

A handwritten signature in cursive script that reads "Jo Ann Daly".

Jo Ann Daly

Managing Member

504-434-8154



THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

**Department of Commerce, Community,  
and Economic Development**

ALCOHOL & MARIJUANA CONTROL OFFICE  
550 West 7<sup>th</sup> Avenue, Suite 1600  
Anchorage, AK 99501  
Main: 907.269.0350

July 24, 2020

City & Borough of Sitka  
Attn: City & Borough of Sitka  
Via Email: [sara.peterson@cityofsitka.org](mailto:sara.peterson@cityofsitka.org)  
[melissa.henshaw@cityofsitka.org](mailto:melissa.henshaw@cityofsitka.org)

<b>License Number:</b>	10136
<b>License Type:</b>	Standard Marijuana Cultivation Facility
<b>Licensee:</b>	Northern Lights Indoor Gardens, LLC
<b>Doing Business As:</b>	NORTHERN LIGHTS INDOOR GARDENS, LLC
<b>Physical Address:</b>	1321 Sawmill Creek Road Suites M, N, O, and P sitka, AK 99835
<b>Designated Licensee:</b>	Michael Daly
<b>Phone Number:</b>	907-738-2242
<b>Email Address:</b>	dalys@gci.net

**License Renewal Application**       **Endorsement Renewal Application**

AMCO has received a complete renewal application and/or endorsement renewal application for a marijuana establishment within your jurisdiction. This notice is required under 3 AAC 306.035(c)(2). Application documents will be sent to you separately via ZendTo.

To protest the approval of this application pursuant to 3 AAC 306.060, you must furnish the director **and** the applicant with a clear and concise written statement of reasons for the protest within 60 days of the date of this notice, and provide AMCO proof of service of the protest upon the applicant.

3 AAC 306.060 states that the board will uphold a local government protest and deny an application for a marijuana establishment license unless the board finds that a protest by a local government is arbitrary, capricious, and unreasonable. If the protest is a “conditional protest” as defined in 3 AAC 306.060(d)(2) and the application otherwise meets all the criteria set forth by the regulations, the Marijuana Control Board may approve the license renewal, but require the applicant to show to the board’s satisfaction that the requirements of the local government have been met before the director issues the license.

At the May 15, 2017, Marijuana Control Board meeting, the board delegated to me the authority to approve renewal applications with no protests, objections, or notices of violation. However, if a timely protest or objection is filed for this application, or if any notices of violation have been issued for this license, the board will consider the application. In those situations, a temporary license will be issued pending board consideration.

If you have any questions, please email [amco.localgovernmentonly@alaska.gov](mailto:amco.localgovernmentonly@alaska.gov).



Sincerely,

A handwritten signature in black ink, appearing to read "Glen Klinkhart". The signature is written in a cursive style with a large initial "G" and a long horizontal stroke extending to the right.

Glen Klinkhart, Interim Director

[amco.localgovernmentonly@alaska.gov](mailto:amco.localgovernmentonly@alaska.gov)

**Alcohol & Marijuana Control Office****License Number:** 10136**License Status:** Active-Operating**License Type:** Standard Marijuana Cultivation Facility**Doing Business As:** NORTHERN LIGHTS INDOOR GARDENS, LLC**Business License Number:** 1019601**Designated Licensee:** Michael Daly**Email Address:** northernlightsig@acsalaska.net**Local Government:** Sitka (City and Borough of)**Community Council:****Latitude, Longitude:** 57.290940, -135.183000**Physical Address:** 1321 Sawmill Creek Road  
Suites M, N, O, and P  
sitka, AK 99835  
UNITED STATES**Licensee #1****Type:** Entity**Alaska Entity Number:** 10028235**Alaska Entity Name:** Northern Lights Indoor Gardens,  
LLC**Phone Number:** 907-747-1087**Email Address:** northernlightsig@acsalaska.net**Mailing Address:** 1321 Sawmill Creek Rd. Suite P  
sitka, AK 99835  
UNITED STATES**Entity Official #1****Type:** Individual**Name:** Michael Daly**SSN:** [REDACTED]**Date of Birth:** [REDACTED]**Phone Number:** 907-738-2242**Email Address:** dalys@gci.net**Mailing Address:** 501 Charteris Street  
Sitka, AK 99835  
UNITED STATES**Entity Official #2****Type:** Individual**Name:** Lorraine Daly**SSN:** [REDACTED]**Date of Birth:** [REDACTED]**Phone Number:** 907-738-0189**Email Address:** northernlightsig@acsalaska.net**Mailing Address:** 501 Charteris St.  
Sitka, AK 99835  
UNITED STATES**Note:** No affiliates entered for this license.

Department of Commerce, Community, and Economic  
Development

## CORPORATIONS, BUSINESS & PROFESSIONAL LICENSING

[State of Alaska / Commerce / Corporations, Business, and Professional Licensing / Search & Database](#)

[Download / Corporations / Entity Details](#)

# ENTITY DETAILS

## Name(s)

Type	Name
Legal Name	Northern Lights Indoor Gardens, LLC

**Entity Type:** Limited Liability Company

**Entity #:** 10028235

**Status:** Good Standing

**AK Formed Date:** 3/25/2015

**Duration/Expiration:** Perpetual

**Home State:** ALASKA

**Next Biennial Report Due:** 1/2/2021

**Entity Mailing Address:** 501 CHARTERIS ST, SITKA, AK 99835

**Entity Physical Address:** 1321 SAWMILL CR RD STE O & P, SITKA, AK 99835

## Registered Agent

**Agent Name:** Michael Daly

**Registered Mailing Address:** 501 CHARTERIS ST, SITKA, AK 99835

**Registered Physical Address:** 501 CHARTERIS ST, SITKA, AK 99835

## Officials

Show Former

AK Entity #	Name	Titles	Owned
	Lorraine Daly	Member	45.00
	Michael Daly	Member, Manager	55.00

## Filed Documents

Date Filed	Type	Filing	Certificate
3/25/2015	Creation Filing	<a href="#">Click to View</a>	<a href="#">Click to View</a>
4/09/2015	Initial Report	<a href="#">Click to View</a>	
3/01/2016	Agent Change	<a href="#">Click to View</a>	
3/01/2016	Change of Officials	<a href="#">Click to View</a>	
11/02/2016	Biennial Report	<a href="#">Click to View</a>	
10/07/2018	Biennial Report	<a href="#">Click to View</a>	
1/21/2020	Change of Officials	<a href="#">Click to View</a>	
4/29/2020	Change of Officials	<a href="#">Click to View</a>	

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SOA / DCCED / CBPL / Search / Corporations / Entity Details

## ENTITY DETAILS

### Name(s)

Type:	Legal Name
Name:	Northern Lights Indoor Gardens, LLC

Entity Type:  
Limited Liability Company

Entity #:  
10028235

Status:  
Good Standing

AK Formed Date:  
3/25/2015

Duration/Expiration:  
Perpetual

Home State:  
ALASKA

Next Biennial Report Due:  
1/2/2021

Entity Mailing Address:  
501 CHARTERIS ST, SITKA, AK 99835

Entity Physical Address:  
1321 SAWMILL CR RD STE O & P, SITKA, AK 99835

## Registered Agent

Agent Name:  
Michael Daly

Registered Mailing Address:  
501 CHARTERIS ST, SITKA, AK 99835

Registered Physical Address:  
501 CHARTERIS ST, SITKA, AK 99835

## Officials

	<a href="#">Show Former</a>
AK Entity #:	
Name:	Lorraine Daly
Titles:	Member
Owned:	45.00
AK Entity #:	
Name:	Michael Daly
Titles:	Member, Manager
Owned:	55.00

## Filed Documents

Date Filed:	3/25/2015
Type:	Creation Filing
Filing:	<a href="#">Click to View</a>
Certificate:	<a href="#">Click to View</a>
Date Filed:	4/09/2015
Type:	Initial Report
Filing:	<a href="#">Click to View</a>

**NORTHERN LIGHTS INDOOR GARDENS, LLC  
OPERATING AGREEMENT**

This Agreement is entered into this 27 day of Feb, 2016, by and between MICAH S. MILLER, of 1710 Halibut Point Road, Sitka, Alaska 99835, and MICHAEL S. DALY, of 501 Charteris Street, Sitka, Alaska 99835.

The parties have agreed to organize and operate a limited liability company in accordance with the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the parties, intending legally to be bound, agree as follows:

**Article I  
Definitions**

The following italicized terms shall have the meaning specified in this *Article I*. Other terms are defined in the text of this Agreement; and, throughout this Agreement, those terms shall have the meanings respectively ascribed to them:

*"Act"* means the Alaska Limited Liability Company Act, as amended from time to time.

*"Adjusted Capital Account Deficit"* means, with respect to any Interest Holder, the deficit balance, if any, in the Interest Holder's Capital Account as of the end of the relevant taxable year, after giving effect to the following adjustments:

(i) the Capital Account shall be credited with the amounts which the Interest Holder is deemed obligated to restore pursuant to Regulation Sections 1.704-2(g)(1) and (i)(5) (i.e., the Interest Holder's share of Minimum Gain and Member Minimum Gain); and

(ii) the Capital Account shall be debited with the items described in Regulation Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

*"Adjusted Capital Balance"* means, as of any day, an Interest Holder's total Capital Contributions less all amounts actually distributed to the Interest Holder pursuant to *Sections* 4.2.3.4.1 and 4.4 hereof. If any Interest is transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Adjusted Capital Balance of the transferor to the extent the Adjusted Capital Balance relates to the Interest transferred.

*"Affiliate"* means, with respect to any Member, any Person: (i) which owns more than 50% of the voting interests in the Member; or (ii) in which the Member owns more than 50% of

the voting interests; or (iii) in which more than 50% of the voting interests are owned by a Person who has a relationship with the Member described in clause (i) or (ii) above.

“*Agreement*” means this Operating Agreement, as amended from time to time.

“*Capital Account*” means the account to be maintained by the Company for each Interest Holder in accordance with the following provisions:

(i) an Interest Holder's Capital Account shall be credited with the Interest Holder's Capital Contributions, the amount of any Company liabilities assumed by the Interest Holder (other than liabilities secured by Company property distributed to the Interest Holder), the Interest Holder's allocable share of Profit and any item in the nature of income or gain specially allocated to the Interest Holder pursuant to the provisions of *Article IV* (other than *Section 4.3.3*); and

(ii) an Interest Holder's Capital Account shall be debited with the amount of money and the fair market value of any Company property distributed to the Interest Holder (net of liabilities secured by such distributed property that such Interest Holder is considered to assume or take subject to under Section 752 of the Code), the amount of the Interest Holder's individual liabilities that are assumed by the Company (other than liabilities that reduce the amount of any Capital Contribution made by such Interest Holder), the Interest Holder's allocable share of Loss, and any item in the nature of expenses or losses specially allocated to the Interest Holder pursuant to the provisions of *Article IV* (other than *Section 4.3.3*).

If any Interest is transferred pursuant to the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent the Capital Account is attributable to the transferred Interest. If the book value of Company property is adjusted as provided herein, the Capital Account of each Interest Holder shall be adjusted to reflect the aggregate adjustment in the same manner as if the Company had recognized gain or loss equal to the amount of such aggregate adjustment. It is intended that the Capital Accounts of all Interest Holders shall be maintained in compliance with the provisions of Regulation Section 1.704-1(b), and all provisions of this Agreement relating to the maintenance of Capital Accounts shall be interpreted and applied in a manner consistent with that Regulation.

“*Capital Contribution*” means the total amount of cash and the fair market value of any other assets contributed (or deemed contributed under Regulation Section 1.704-1(b)(2)(iv)(d)) to the Company by a Member, net of liabilities assumed by the Company or to which the assets are subject.

“*Capital Proceeds*” means the gross receipts received by the Company from a Capital Transaction.

*"Capital Transaction"* means any transaction not in the ordinary course of business which results in the Company's receipt of cash or other consideration other than Capital Contributions, including, without limitation, proceeds of sales or exchanges or other dispositions of property not in the ordinary course of business, financings, refinancings, condemnations, recoveries of damage awards, and insurance proceeds.

*"Cash Flow"* means all cash funds derived from operations of the Company (including interest received on reserves), without reduction for any noncash charges, but less cash funds used to pay current operating expenses and to pay or establish reasonable reserves for future expenses, debt payments, capital improvements, and replacements as determined by the General Manager. Cash Flow shall not include Capital Proceeds but shall be increased by the reduction of any reserve previously established.

*"Code"* means the Internal Revenue Code of 1986, as amended, or any corresponding provision of any succeeding law.

*"Company"* means the limited liability company formed in accordance with this Agreement.

*"Department"* means the Department of Commerce and Economic Development.

*"General Manager"* means the Person or his successor.

*"Interest"* means a Person's share of the profits and losses of, and the right to receive distributions from, the Company.

*"Interest Holder"* means any Person who holds an Interest, whether as a Member or an unadmitted assignee of a Member.

*"Involuntary Withdrawal"* of a Member shall mean the death, retirement, resignation, expulsion or bankruptcy of such Member and any other event which terminates the continued membership of such Member in the Company.

*"Member"* means each Person signing this Agreement and any Person who subsequently is admitted as a member of the Company.

*"Member Minimum Gain"* has the meaning and shall be determined as set forth in Regulation Section 1.704-2(i) for "partner nonrecourse debt minimum gain".

*"Member Nonrecourse Deductions"* has the meaning and shall be determined as set forth in Regulation Section 1.704-2(i) for "partner nonrecourse deductions".

*"Minimum Gain"* has the meaning and shall be determined as set forth in Regulation Sections 1.704-2(b)(2) and 1.704-2(d) for "partnership minimum gain".



*"Membership Rights"* means all of the rights of a Member in the Company, including a Member's: (i) Interest; (ii) right to inspect the Company's books and records; (iii) right to participate in the management of and vote on matters coming before the Company; and (iv) unless this Agreement or the Articles of Organization provide to the contrary, right to act as an agent of the Company.

*"Negative Capital Account"* means a Capital Account with a balance of less than zero.

*"Nonrecourse Deductions"* has the meaning set forth in Regulation Section 1.704-2(b)(1).

*"Nonrecourse Liability"* has the meaning set forth in Regulation Sections 1.704-2(b)(3) and 1.752-1(a)(2).

*"Percentage"* means, as to a Member, the percentage set forth after the Member's name on *Exhibit A*, as amended from time to time, and as to an Interest Holder who is not a Member, the Percentage of the Member whose Interest has been acquired by such Interest Holder, to the extent the Interest Holder has succeeded to that Member's Interest.

*"Person"* means and includes an individual, corporation, partnership, association, limited liability company, trust, estate, or other entity.

*"Positive Capital Account"* means a Capital Account with a balance of zero or greater.

*"Profit"* and *"Loss"* means, for each taxable year of the Company (or other period for which Profit or Loss must be computed), the Company's taxable income or loss determined in accordance with Section 703(a) of the Code, with the following adjustments:

(i) all items of income, gain, loss, deduction, or credit required to be stated separately pursuant to Section 703(a)(1) of the Code shall be included; and

(ii) any tax-exempt income of the Company, not otherwise taken into account in computing Profit or Loss, shall be included; and

(iii) any expenditures of the Company described in Section 705(a)(2)(B) of the Code (or treated as such pursuant to Regulation Section 1.704-1(b)(2)(iv)(i)) and not otherwise taken into account in computing Profit or Loss, shall be subtracted; and

(iv) gain or loss resulting from any taxable disposition of Company property shall be computed by reference to the adjusted book value of the property disposed of, notwithstanding the fact that the adjusted book value differs from the adjusted basis of the property for federal income tax purposes; and

(v) in lieu of the depreciation, amortization, or cost recovery deductions allowable in computing taxable income or loss, there shall be taken into account the depreciation or amortization computed for book purposes; and

(vi) notwithstanding any other provision of this definition, any items which are specially allocated pursuant to *Section 4.3* hereof shall not be taken into account.

"*Regulation*" or "*Regulations*" means the income tax regulations, including any temporary regulations, from time to time promulgated under the Code.

"*Transfer*" means, when used as a noun, any voluntary sale, hypothecation, pledge, assignment, attachment, or other transfer, and, when used as a verb, means voluntarily to sell, hypothecate, pledge, assign, or otherwise transfer.

## Article II Organization and Purpose

2.1 *Organization.* The parties shall organize a limited liability company pursuant to the Act and the provisions of this Agreement.

2.2 *Name of the Company.* The name of the Company shall be "Northern Lights Indoor Gardens, LLC". The Company may do business under that name and under any other name or names which the General Manager selects. If the Company does business under a name other than that set forth in its Articles of Organization, then the Company shall file an assumed business name as required by law.

2.3 *Purpose.* The Company is organized to conduct any or all lawful affairs for which an LLC may be organized under AS 10.50. The Company may do any and all things necessary, convenient, or incidental to that purpose.

2.4 *Term.* The term of the Company shall begin upon the acceptance of the Articles of Organization by the Department and shall be perpetual, unless its existence is sooner terminated pursuant to *Article VII* of this Agreement or the mandatory provisions of the Act.

2.5 *Principal Office.* The principal office of the Company in the State of Alaska shall be located at 501 Charteris Street, Sitka, Alaska 99835, or at any other place within the State of Alaska that the General Manager selects.

2.6 *Registered Agent.* The name and address of the Company's registered agent in the State of Alaska shall be Michael Daly.

2.7 *Members.* The name, present mailing address, taxpayer identification number, and Percentage of each Member are set forth on *Exhibit A*.

**Article III**  
**Capital**

3.1. *Initial Capital Contributions.* Upon the execution of this Agreement, the Members shall contribute to the Company cash in the amounts or assets with the value set forth on *Exhibit A*. The amount of the initial contribution of each Member shall be recorded by the General Manager as a contribution to the capital of the Company.

3.2. *No Additional Capital Contributions Required.* No Member shall be obligated, nor shall any Member have a right, to contribute any additional capital to the Company, other than as specified in *Exhibit A*, and no Member shall have any personal liability for any obligation of the Company.

3.3. *No Interest on Capital Contributions.* Interest Holders shall not be paid interest on their Capital Contributions.

3.4. *Return of Capital Contributions.* Except as otherwise provided in this Agreement, no Interest Holder shall have the right to receive any return of any Capital Contribution.

3.5. *Form of Return of Capital.* If an Interest Holder is entitled to receive a return of a Capital Contribution, the Interest Holder shall not have the right to receive anything but cash in return of the Interest Holder's Capital Contribution.

3.6. *Capital Accounts.* A separate Capital Account shall be maintained for each Interest Holder.

**Article IV**  
**Allocations and Distributions**

4.1. *Allocation of Profit or Loss and Distributions of Cash Flow.*

4.1.1. *Profit or Loss Other Than from a Capital Transaction.* After giving effect to the special allocations set forth in *Section 4.3*, for any taxable year of the Company, Profit or Loss (other than Profit or Loss resulting from a Capital Transaction, which Profit or Loss shall be allocated in accordance with the provisions of *Sections 4.2.1* and *4.2.2*) shall be allocated to the Interest Holders in proportion to their Percentages.

4.1.2. *Cash Flow.* Cash Flow for each taxable year of the Company shall be distributed to the Interest Holders in proportion to their Percentages no later than seventy-five (75) days after the end of the taxable year.

4.2. *Allocation of Profit or Loss from a Capital Transaction.*

4.2.1. *Profit.* After giving effect to the special allocations set forth in *Section 4.3*, Profit from a Capital Transaction shall be allocated as follows:

4.2.1.1. If one or more Interest Holders has a Negative Capital Account, to those Interest Holders, in proportion to their Negative Capital Accounts, until all Negative Capital Accounts have been reduced to zero.

4.2.1.2. Any Profit not allocated pursuant to *Section 4.2.1.1* shall be allocated to the Interest Holders in proportion to, and to the extent of, the amounts distributed or distributable to them pursuant to *Section 4.2.3.4.3*.

4.2.1.3. Any Profit in excess of the foregoing allocations shall be allocated to the Interest Holders in proportion to their Percentages.

4.2.2. *Loss.* After giving effect to the special allocations set forth in *Section 4.3*, Loss from a Capital Transaction shall be allocated as follows:

4.2.2.1. If one or more Interest Holders has a Positive Capital Account, to those Interest Holders, in proportion to their Positive Capital Accounts, until all Positive Capital Accounts have been reduced to zero.

4.2.2.2. Any Loss not allocated to reduce Positive Capital Accounts to zero pursuant to *Section 4.2.2.1* shall be allocated to the Interest Holders in proportion to their Percentages.

4.2.3. *Capital Proceeds.* Capital Proceeds shall be distributed and applied by the Company in the following order and priority:

4.2.3.1. to the payment of all expenses of the Company incident to the Capital Transaction; then

4.2.3.2. to the payment of debts and liabilities of the Company then due and outstanding (including all debts due to any Interest Holder); then

4.2.3.3. to the establishment of any reserves which the General Manager deems necessary for liabilities or obligations of the Company; then

4.2.3.4. the balance shall be distributed as follows:

4.2.3.4.1. to the interest Holders in proportion to their Adjusted Capital Balances, until their remaining Adjusted Capital Balances have been paid in full;

4.2.3.4.2. if any Interest Holder has a Positive Capital Account after the distributions made pursuant to *Section* 4.2.3.4.1 and before any further allocation of Profit pursuant to *Section* 4.2.1.3, to those Interest Holders in proportion to their Positive Capital Accounts; then

4.2.3.4.3. the balance, to the Interest Holders in proportion to their Percentages.

4.3. *Regulatory Allocations.* The allocations set forth in *Sections* 4.3.1 and 4.3.2 are included to comply with the requirements of the Regulations. If allocations under such provisions are different from the allocations which would be made under *Section* 4.1 or 4.2, as appropriate, then the General Manager shall make appropriate allocations, consistent with the Regulations, so that the net allocations are, as much as possible, consistent with those under *Sections* 4.1 and 4.2.

4.3.1. *Qualified Income Offset.* No Interest Holder shall be allocated Losses or deductions if the allocation causes the Interest Holder to have an Adjusted Capital Account Deficit. If an Interest Holder unexpectedly receives any adjustments, allocations, or distributions described in Regulation Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) which results in or increases an Adjusted Capital Account Deficit at the end of any taxable year, then all items of income and gain of the Company for that taxable year shall be allocated to that Interest Holder, before any other allocation pursuant to this *Article IV* (other than those pursuant to *Sections* 4.3.2.1 and 4.3.2.2), in an amount and manner sufficient to eliminate such Adjusted Capital Account Deficit as quickly as possible. This *Section 4.3.1* is intended to comply with, and shall be interpreted consistently with, the "qualified income offset" provisions of the Regulation Section 1.704-1(b)(2)(ii)(d) and all other Regulation Sections relating thereto.

4.3.2. *Minimum Gain.*

4.3.2.1. *Minimum Gain Chargeback.* Except as set forth in Regulation Section 1.704-2(f), if, during any taxable year, there is a net decrease in Minimum Gain, each Interest Holder, prior to any other allocation pursuant to this *Article V*, shall be specially allocated items of gross income and gain for such taxable year (and, if necessary, subsequent taxable years) in an amount equal to that Interest Holder's share of the net decrease of Minimum Gain, computed in accordance with Regulation Section 1.704-2(g). Allocations of items of gross income and gain pursuant to this *Section* 4.3.2.1 shall be made as described in Regulation Sections 1.704-2(f) and (j). This *Section* 4.3.2.1 is intended to comply with, and shall be interpreted consistently with, the "minimum gain chargeback" provisions of Regulation Section 1.704-2(f) and all other Regulation Sections relating thereto.

4.3.2.2. *Member Minimum Gain Chargeback.* Except as set forth in Regulation Section 1.704-2(i)(4), if, during any taxable year, there is a net decrease in Member Minimum Gain, each Interest Holder with a share of that Member Minimum Gain as of the beginning of such year, prior to any other allocation pursuant to this *Article V*, shall be specially allocated items of gross income and gain for such taxable year (and, if necessary, subsequent taxable years) in an amount equal to that Interest Holder's share of the net decrease of Member Minimum Gain, computed in accordance with Regulation Section 1.704-2(i)(4). Allocations of items of gross income and gain pursuant to this *Section 4.3.2.2* shall be made as described in Regulation Sections 1.704-2(i)(4) and (j). This *Section 4.3.2.2* is intended to comply with, and shall be interpreted consistently with, the "minimum gain chargeback" provisions of Regulation Section 1.704-2(i)(4) and all other Regulation Sections relating thereto.

4.3.3. *Contributed Property and Book-ups.* To the extent permitted or required by Section 704(c) of the Code and the Regulations thereunder, Regulation Section 1.704-1(b)(2)(iv)(d)(3) and Regulation Section 1-704-1(b)(2)(iv)(f), income, gain, loss, and deduction with respect to any property contributed (or deemed contributed) to the Company shall, solely for tax purposes, be allocated among the Interest Holders so as to take account of any variation between the adjusted basis of the property to the Company for federal income tax purposes and its fair market value at the date of contribution (or deemed contribution) under the rules of Regulation Section 704-3(b)(1). If the adjusted book value of any Company asset is adjusted as provided herein, subsequent allocations of income, gain, loss, and deduction with respect to the asset shall take account of any variation between the adjusted basis of the asset for federal income tax purposes and its adjusted book value in the manner required under Section 704(c) of the Code and the Regulations thereunder.

4.3.4. *Election under Section 754 of the Code.* To the extent an adjustment to the tax basis of any Company asset pursuant to Section 734(b) or Section 743(b) of the Code is required, pursuant to Regulation Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of the adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases basis), and the gain or loss shall be specially allocated to the Interest Holders in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to that Section of the Regulations.

4.3.5 *Nonrecourse Deductions.* Nonrecourse Deductions for a taxable year or other period shall be specially allocated among the Interest Holders in proportion to their Percentages.

4.3.6. *Member Nonrecourse Deductions.* Any Member Nonrecourse Deduction for any taxable year or other period shall be specially allocated to the Interest Holder who bears the risk of loss with respect to the liability to which the Member Nonrecourse Deduction is attributable in accordance with Regulation Section 1.704-2(i).



4.3.7. *Guaranteed Payments.* To the extent any compensation paid to any Member by the Company, is determined by the Internal Revenue Service not to be a guaranteed payment under Section 707(c) of the Code or is not paid to the Member other than in the Person's capacity as a Member within the meaning of Section 707(a) of the Code, the Member shall be specially allocated gross income of the Company in an amount equal to the amount of that compensation, and the Member's Capital Account shall be adjusted to treat the payment of that compensation as a distribution.

4.3.8. *Recapture.* In making any allocation among the Members of income or gain from the sale or other disposition of a Company asset, the ordinary income portion, if any, of such income and gain resulting from the recapture of cost recovery or other deductions shall be allocated among those Members who were previously allocated (or whose predecessors-in-interest were previously allocated) the cost recovery deductions or other deductions resulting in the recapture items, in proportion to the amount of such cost recovery deductions or other deductions previously allocated to them.

4.3.9. *Withholding.* All amounts required to be withheld pursuant to Section 1446 of the Code or any other provision of federal, state, or local tax law shall be treated as amounts actually distributed to the affected Interest Holders for all purposes under this Agreement.

4.3.10. *Other Allocations.* All items of Company income, gain, loss, deduction and credit the allocation of which is not otherwise provided for in this Agreement, including allocation of such items for tax purposes, shall be allocated among the Members in the same proportions as they share Profits or Losses for the taxable year pursuant to this *Article IV*.

#### 4.4. *Liquidation and Dissolution.*

4.4.1. If the Company is liquidated, the assets of the Company shall be distributed to the Interest Holders in accordance with the balances in their respective Capital Accounts, after taking into account the allocations of Profit or Loss pursuant to *Sections 4.1* or *4.2*.

4.4.2. No Interest Holder shall be obligated to restore a Negative Capital Account.

#### 4.5. *General.*

4.5.1. Except as otherwise provided in this Agreement, the timing and amount of all distributions shall be determined by the General Manager.

4.5.2. If any assets of the Company are distributed in kind to the Interest Holders, those assets shall be valued on the basis of their fair market value, and any Interest

Holder entitled to any interest in those assets shall receive that interest as a tenant-in-common with all other Interest Holders so entitled. Unless the Members otherwise agree, the fair market value of the assets shall be determined by an independent appraiser who shall be selected by the General Manager. The Profit or Loss for each unsold asset shall be determined as if the asset had been sold at its fair market value, and the Profit or Loss shall be allocated as provided in *Section 4.2* and shall be properly credited or charged to the Capital Accounts of the Interest Holders prior to the distribution of the assets in liquidation pursuant to *Section 4.4*.

4.5.3. All Profit and Loss shall be allocated, and all distributions shall be made, to the Persons shown on the records of the Company to have been Interest Holders as of the last day of the taxable year for which the allocation or distribution is to be made. Notwithstanding the foregoing, unless the Company's taxable year is separated into segments, if there is a Transfer or an Involuntary Withdrawal during the taxable year, the Profit and Loss shall be allocated between the original Interest Holder and the successor on the basis of the number of days each was an Interest Holder during the taxable year; provided, however, to the extent permitted under *Section 706* of the Code the Company's taxable year shall be segregated into two or more segments in order to account for Profit, Loss, or proceeds attributable to a Capital Transaction or to any other extraordinary nonrecurring items of the Company.

4.5.4. The General Manager is hereby authorized, upon the advice of the Company's tax counsel, to amend this *Article IV* to comply with the Code and the Regulations promulgated under *Section 704(b)* of the Code; provided, however, that no amendment shall materially affect distributions to an Interest Holder without the Interest Holder's prior written consent.

## **Article V Management**

### *5.1. General Manager.*

5.1.1. *In General.* The business and affairs of the Company shall be managed by the General Manager. Except as otherwise expressly provided in this Agreement, the General Manager shall have full and complete authority, power and discretion to manage and control the business, affairs and properties of the Company, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to the management of the Company's business.

5.1.2. *Specific Powers.* Without limiting the generality of the foregoing, the General Manager shall have the power and authority, on behalf of the Company, to:

5.1.2.1. Acquire by purchase, lease, or otherwise, any real or personal property, tangible or intangible;

5.1.2.2. Construct, operate, maintain, finance, and improve, and to own, sell, convey, assign, mortgage, or lease any real estate and any personal property;

5.1.2.3. Except as provided in *Section 5.1.3.6*, sell, dispose, trade, or exchange Company assets in the ordinary course of the Company's business;

5.1.2.4. Enter into agreements and contracts and to give receipts, releases and discharges;

5.1.2.5. Purchase liability and other insurance to protect the Company's properties and business;

5.1.2.6. Borrow money for and on behalf of the Company, and, in connection therewith, execute and deliver instruments to hypothecate, encumber and grant security interests in the assets of the Company to secure repayment of the sums borrowed;

5.1.2.7. Execute or modify leases with respect to any part or all of the assets of the Company;

5.1.2.8. Prepay, in whole or in part, refinance, amend, modify, or extend any mortgages or deeds of trust which may affect any asset of the Company and in connection therewith to execute for and on behalf of the Company any extensions, renewals or modifications of such mortgages or deeds of trust;

5.1.2.9. Execute any and all other instruments and documents which may be necessary or in the opinion of the General Manager desirable to carry out the intent and purpose of this Agreement, including, but not limited to, documents whose operation and effect extend beyond the term of the Company;

5.1.2.10. Make any and all expenditures which the General Manager, in its sole discretion, deems necessary or appropriate in connection with the management of the affairs of the Company and the carrying out of its obligations and responsibilities under this Agreement, including, without limitation, all legal, accounting and other related expenses incurred in connection with the organization and financing and operation of the Company;

5.1.2.11. Enter into any kind of activity necessary to, in connection with, or incidental to, the accomplishment of the purposes of the Company;

5.1.2.12. Invest and reinvest Company reserves in short-term instruments or money market funds; and

5.1.2.13. Employ accountants, legal counsel, agents, and other experts to perform services for the Company.

5.1.3. *Extraordinary Transactions.* Notwithstanding anything to the contrary in this Agreement, the General Manager shall not undertake any of the following without the approval of the Members:

- 5.1.3.1. Any Capital Transaction;
- 5.1.3.2. The Company's lending more than \$5,000.00 of its money on any one occasion;
- 5.1.3.3. The admission of additional Members to the Company;
- 5.1.3.4. The Company's engaging in business in any jurisdiction which does not provide for the registration of limited liability companies;
- 5.1.3.5. Discontinuance of the Company's business;
- 5.1.3.6. Sale of the Company's business or substantial portion thereof, or the sale, exchange or other disposition of all, or substantially all, of the company's assets;
- 5.1.3.7. Any merger, reorganization or recapitalization of the Company;
- 5.1.3.8. Any borrowings by the Company in excess of \$5,000.00;
- 5.1.3.9. Any contract which would require the Company to expend more than \$5,000.00 and the adoption of any profit sharing, bonus, pension or similar plan;
- 5.1.3.10. Settlement or confession of judgment in any legal matter;
- 5.1.3.11. Transactions with Affiliates [or family members] of the General Manager;
- 5.1.3.12. Taking or effecting any action that would render the Company bankrupt or insolvent or, except as expressly provided in this Agreement, cause the termination, dissolution, liquidation or winding-up of the Company; and
- 5.1.3.13. Such other matters and decisions as the Members may from time to time designate.

5.1.4. *Removal of General Manager.* The General Manager may only be removed under the following procedure. If any one or more of the following events occurs, the Members may remove the General Manager, and elect a new General Manager:

5.1.4.1. The General Manager's willful or intentional violation or reckless disregard of the General Manager's duties to the Company; or

5.1.4.2. The General Manager's Involuntary Withdrawal.

The determination of whether one or more of such events exist shall be made by those Members holding a majority of the Percentages then held by Members and shall be final, binding, and not reviewable unless the decision was based on a material mistake of fact or law or was arbitrary and capricious. The General Manager may not be removed for any other reasons or under any other procedure.

5.2. *Meetings of and Voting by Members.*

5.2.1. A meeting of the Members may be called at any time by any Member. Meetings of Members shall be held at the Company's principal place of business or at any other place in Sitka, Alaska. Not less than ten (10) nor more than ninety (90) days before each meeting, the Person calling the meeting shall give written notice of the meeting to each Member entitled to vote at the meeting. The notice shall state the time, place, and purpose of the meeting. Notwithstanding the foregoing provisions, each Member who is entitled to notice waives notice if before or after the meeting the Member signs a waiver of the notice which is filed with the records of Members' meetings, or is present at the meeting in person or by proxy. Unless this Agreement provides otherwise, at a meeting of Members, the presence in person or by proxy of a majority of the Members constitutes a quorum. A Member may vote either in person or by written proxy signed by the Member or by the Member's duly authorized attorney-in-fact.

5.2.2. Except as otherwise provided in this Agreement, the affirmative vote of a majority of the Members shall be required to approve any matter coming before the Members.

5.2.3. In lieu of holding a meeting, the Members may vote or otherwise take action by a written instrument indicating the consent of Members holding a majority of the Percentages then held by Members.

5.3. *Personal Service.*

5.3.1. No Member shall be required to perform services for the Company solely by virtue of being a Member. Unless approved by the General Manager, no Member shall perform services for the Company or be entitled to compensation for services performed for the Company.

5.3.2. Unless approved by a majority of the Members, the General Manager shall not be entitled to compensation for services performed for the Company. However, upon substantiation of the amount and purpose thereof, the General Manager shall be entitled to reimbursement for expenses reasonably incurred in connection with the activities of the Company.

5.4. *Limitation of Liability and Independent Activities.*

5.4.1. *Limitation of Liability.* Neither the Members nor the Managers (nor any of their Affiliates) shall be liable, responsible or accountable in damages or otherwise to the Company or the Members for any act or omission by any such Person (which shall include any applicable entity) performed in good faith pursuant to the authority granted to such Person by this Agreement or in accordance with its provisions, and in a manner reasonably believed by such Person to be within the scope of the authority granted to such Person and in the best interest of the Company; provided, however, that such Person shall retain liability for acts or omissions that involve intentional misconduct, a knowing violation of the law, a violation of AS 10.50.320 (in the case of Members only) or for any transaction from which the Person will personally receive a benefit in money, property, or services to which the person is not legally entitled.

5.4.2. *Independent Activities.* Any Member may engage in or possess an interest in other business ventures of every nature and description, independently or with others, including, without limitation, the ownership, financing, management, employment by, lending or otherwise participating in businesses that are similar to the business of the Company, and neither the Company nor the other Members shall have any right by virtue of this Agreement in and to such independent ventures as to the income or profits therefrom and shall not be liable for a breach of duty of loyalty or any other duty.

5.5. *Indemnification*

5.5.1. *Indemnification.* (i) To the fullest extent permitted by applicable law, a Member, the General Manager and each director, officer, partner, employee or agent thereof ("Covered Person") shall be entitled to indemnification from the Company for any loss, damage, or claim incurred by such Covered Person by reason or any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of authority conferred on such Covered Person by this Agreement, except that non Covered Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Covered Person by reason of gross negligence, bad faith, or willful misconduct with respect to such act or omissions; *provided, however*, that any indemnity under this Section 5.5.1 shall be provided out of and to the extent of Company assets only, and no other Covered Person shall have any personal liability on account thereof.

5.5.2. *Notice.* In the event that any claim, demand, action, suit or proceeding shall be instituted or asserted or any loss, damage or claim shall arise in respect of which



indemnity may be sought by a Covered Person pursuant to *Section 5.5.1(i)*, such Covered Person shall promptly notify the Company thereof in writing. Failure to provide notice shall not affect the Company's obligations hereunder except to the extent the Company is actually prejudiced thereby.

5.5.3. *Contest.* The Company shall have the right, exercisable subject to the approval of the disinterested Covered Persons, to participate in and control the defense of any such claim, demand, action, suit or proceeding, and in connection therewith, to retain counsel reasonably satisfactory to each Covered Person, at the Company's expense, to represent each Covered Person and any others the Company may designate in such claim, demand, action, suit or proceeding. The Company shall keep the Covered Person advised of the status of such claim, demand, action, suit or proceeding and the defense thereof and shall consider in good faith recommendations made by the Covered Person with respect thereto.

## **Article VI Admissions and Transfers**

6.1. *Transfers.* No Person may Transfer all or any portion of or any interest or rights in the Person's Membership Rights or Interest unless the following conditions ("Conditions of Transfer") are satisfied:

6.1.1. The Transfer will not require registration of Interests or Membership Rights under any federal or state securities laws;

6.1.2. The transferee delivers to the Company a written agreement to be bound by all the terms of this Agreement;

6.1.3. The Transfer will not result in the termination of the Company pursuant to Code Section 708;

6.1.4. The Transfer will not result in the Company being subject to the Investment Company Act of 1940, as amended;

6.1.5. The transferor or the transferee delivers the following information to the Company: (i) the transferee's taxpayer identification number, and (ii) the transferee's initial tax basis in the Transferred Interest; and

6.1.6. The transferor obtains, at the transferor's expense, and delivers to the Company, an opinion of legal counsel acceptable to the Company, confirming that the Conditions of Transfer have been satisfied.

6.2. If the Conditions of Transfer are satisfied, then a Member or Interest Holder may Transfer all or any portion of that Person's Interest. The Transfer of an Interest pursuant to this *Article IX* shall not result, however, in the Transfer of any of the transferor's other Membership Rights, if any, and the transferee of the Interest shall have no right to: (i) become a Member, or (ii) exercise any Membership Rights other than those specifically pertaining to the ownership of an Interest.

6.3. Each Member hereby acknowledges the reasonableness of the prohibition contained in this *Article VI* in view of the purposes of the Company and the relationship of the Members. The Transfer of any Membership Rights or Interests in violation of the prohibition contained in this *Article VI* shall be deemed invalid, null and void, and of no force or effect. Any Person to whom Membership Rights are attempted to be transferred in violation of this *Article* shall not be entitled to vote on matters coming before the Members, participate in the management of the Company, act as an agent of the Company, receive distributions from the Company, or have any other rights in or with respect to the Membership Rights.

6.4. *Admission of Transferee as Member.* Notwithstanding anything contained herein to the contrary, the transferee of all or any portion of or any interest or rights in any Membership Rights or Interest shall not be entitled to become a Member or exercise any rights of a Member. The transferee shall be entitled to receive, to the extent transferred, only the distributions to which the transferor would be entitled, and the transferee shall not be admitted as a Member unless the Members unanimously consent.

## **Article VII Dissolution and Liquidation**

7.1. *Events of Dissolution.* The Company shall be dissolved upon the happening of any of the following events:

7.1.1. when the period fixed for its duration in *Section 2.4* has expired;

7.1.2. upon the unanimous written agreement of the Members; or

7.1.3. upon the death, retirement, resignation, expulsion, or bankruptcy of a Member or the occurrence of any other event which terminates the continued membership of a Member in the Company, unless the remaining Members, within ninety (90) days after the event or occurrence, unanimously elect to continue the business of the Company pursuant to the terms of this Agreement.

7.2. *Procedure for Winding Up and Dissolution.* If the Company is dissolved, the General Manager shall wind up its affairs. On winding up of the Company, the assets of the

Company shall be distributed, first, to creditors of the Company, including Members who are creditors, in satisfaction of the liabilities of the Company, and then, amounts in excess of any reserves deemed reasonably necessary by the General Manager to pay all of the Company's claims and obligations shall be distributed to the Interest Holders in accordance with *Section 4.2.3.4* of this Agreement.

7.3. *Termination.* The General Manager shall comply with any requirements of applicable Law pertaining to the winding up of the affairs of the Company and the final distribution of its assets. Upon completion of the winding up, liquidation and distribution of the assets, the Company shall be deemed terminated.

## **Article VIII**

### **Books, Records, and Accounting**

8.1. *Bank Accounts.* All funds of the Company shall be deposited in a bank account or accounts opened in the Company's name. The General Manager shall determine the institution or institutions at which the accounts will be opened and maintained, the types of accounts, and the Persons who will have authority with respect to the accounts and the funds therein.

#### 8.2. *Books and Records.*

8.2.1. The General Manager shall keep or cause to be kept complete and accurate books and records of the Company and supporting documentation of the transactions with respect to the conduct of the Company's business. The records shall include, but not be limited to, complete and accurate information regarding the state of the business and financial condition of the Company, a copy of the Articles of Organization and this Agreement and all amendments thereto, a current list of the names and last known business, residence, or mailing addresses of all Members; and the Company's federal, state, and local tax returns.

8.2.2. The books and records shall be maintained in accordance with sound accounting practices consistently applied and shall be available at the Company's principal office for examination by any Member or the Member's duly authorized representative at any and all reasonable times during normal business hours.

8.2.3. Each Member shall reimburse the Company for all costs and expenses incurred by the Company in connection with the Member's inspection and copying of the Company's books and records.

8.3. *Annual Accounting Period.* The annual accounting period of the Company shall be its taxable year. The Company's taxable year shall be selected by the General Manager, subject to the requirements and limitations of the Code.

#### 8.4. *Reports*

8.4.1. *Biennial Report.* The Members shall file a biennial report as required by the Department.

8.4.2. *Reports to Members.* Within seventy-five (75) days after the end of each taxable year of the Company, the General Manager shall cause to be sent to each Person who was a Member at any time during the taxable year then ended: (i) an annual compilation report, prepared by the Company's independent accountants in accordance with standards issued by the American Institute of Certified Public Accountants; and (ii) a report summarizing the fees and other remuneration paid by the Company to any Member, the General Manager, or any Affiliate in respect of the taxable year. In addition, within seventy-five (75) days after the end of each taxable year of the Company, the General Manager shall cause to be sent to each Person who was an Interest Holder at any time during the taxable year then ended, that tax information concerning the Company necessary for preparing the Interest Holder's income tax returns for that year. At the request of any Member, and at the Member's expense, the General Manager shall cause an audit of the Company's books and records to be prepared by independent accountants for the period requested by the Member.

8.5. *Tax Matters Member.* The General Manager shall be the Company's tax matters partner ("Tax Matters Member"). The Tax Matters Member shall have all powers and responsibilities of a tax matters partner" as defined in Section 6231 of the Code. The Tax Matters Member shall keep all Members informed of all notices from government taxing authorities that may come to the attention of the Tax Matters Member. The Company shall pay and be responsible for all reasonable third-party costs and expenses incurred by the Tax Matters Member in performing those duties. A Member shall be responsible for any costs incurred by the Member with respect to any tax audit or tax-related administrative or judicial proceeding against any Member, even though it relates to the Company. The Tax Matters Member shall not compromise any dispute with the Internal Revenue Service without the approval of the Members.

8.6. *Tax Elections.* The General Manager shall have the authority to make all Company elections permitted under the Code, including, without limitation, elections of methods of depreciation and elections under Section 754 of the Code. The decision to make or not make an election shall be at the General Manager's sole and absolute discretion.

8.7. *Title to Company Property.* All real and personal property acquired by the Company shall be acquired and held by the Company in its name.

**Article IX**  
**Amendments; General Provisions**

9.1. *Assurances.* Each Member shall execute all certificates and other documents and shall do all such filing, recording, publishing, and other acts as the General Manager deems appropriate to comply with the requirements of law for the formation and operation of the Company and to comply with any laws, rules, and regulations relating to the acquisition, operation, or holding of the property of the Company.

9.2. *Notifications.* Any notice, demand, consent, election, offer, approval, request, or other communication (collectively a "notice") required or permitted under this Agreement must be in writing and either delivered personally or sent by certified or registered mail, postage prepaid, return receipt requested. Any notice to be given hereunder by the Company shall be given by the General Manager. A notice must be addressed to an Interest Holder at the Interest Holder's last known address on the records of the Company. A notice to the Company must be addressed to the Company's principal office. A notice delivered personally will be deemed given only when acknowledged in writing by the person to whom it is delivered. A notice that is sent by mail will be deemed given three (3) business days after it is mailed. Any party may designate, by notice to all of the others, substitute addresses or addressees for notices; thereafter, notices are to be directed to those substitute addresses or addressees.

9.3. *Specific Performance.* The parties recognize that irreparable injury will result from a breach of any provision of this Agreement and that money damages will be inadequate to remedy the injury fully. Accordingly, in the event of a breach or threatened breach of one or more of the provisions of this Agreement, any party who may be injured (in addition to any other remedies which may be available to that party) shall be entitled to one or more preliminary or permanent orders (i) restraining and enjoining any act that would constitute a breach or (ii) compelling the performance of any obligation that, if not performed, would constitute a breach.

9.4. *Complete Agreement.* This Agreement constitutes the complete and exclusive statement of the agreement among the Members. It supersedes all prior written and oral statements, including any prior representation, statement, condition, or warranty. Except as expressly provided otherwise herein, this Agreement may not be amended without the written consent of all of the Members.

9.5. *Applicable Law.* All questions concerning the construction, validity, and interpretation of this Agreement and the performance of the obligations imposed by this Agreement shall be governed by the internal law, not the law of conflicts, of the State of Alaska.

9.6. *Section Titles.* The headings herein are inserted as a matter of convenience only and do not define, limit, or describe the scope of this Agreement or the intent of the provisions hereof.

9.7. *Binding Provisions.* This Agreement is binding upon, and inures to the benefit of, the parties hereto and their respective heirs, executors, administrators, personal and legal representatives, successors, and permitted assigns.

9.8. *Jurisdiction and Venue.* Any suit involving any dispute or matter arising under this Agreement may only be brought in the United States District Court for Alaska or any Alaska State Court having jurisdiction over the subject matter of the dispute or matter. All Members hereby consent to the exercise of personal jurisdiction by any such court with respect to any such proceeding.

9.9. *Terms.* Common nouns and pronouns shall be deemed to refer to the masculine, feminine, neuter, singular, and plural, as the identity of the Person may in the context require.

9.10. *Separability of Provisions.* Each provision of this Agreement shall be considered separable; and if, for any reason, any provision or provisions herein are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Agreement which are valid.

9.11. *Counterparts.* This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which, when taken together, constitute one and the same document. The signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

9.12. *Estoppel Certificate.* Each Member shall, within ten (10) days after written request by the General Manager, deliver to the requesting Person a certificate stating, to the Member's knowledge, that: (a) this Agreement is in full force and effect; (b) this Agreement has not been modified except by any instrument or instruments identified in the certificate; and (c) there is no default hereunder by the requesting Person, or if there is a default, the nature and extent thereof. If the certificate is not received within that ten (10) day period, the General Manager shall execute and deliver the certificate on behalf of the requested Member.

9.13. *Amendment.* This Agreement may be amended by a vote of the members holding 100% of the capital accounts of all of the Members, *provided however* that no amendment which materially reduces the distributions which may be made to a Member (or changes the Profit or Loss allocation to such Member) may be made without such Member's consent.

9.14. *Consents.* Unless otherwise explicitly provided for herein, any and all consents, agreements or approvals provided for or permitted by this Agreement shall be in writing and a signed copy thereof shall be filed and kept with the books of the Company.



9.15. *Legends.* If certificates for any Interest or Interests are issued that evidence a Member's Interest, each such certificate shall bear such legends as may be required by applicable federal and state laws, or as may be deemed necessary or appropriate by the General Manager to reflect restrictions upon transfer contemplated herein.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

2-27-2016  
Date

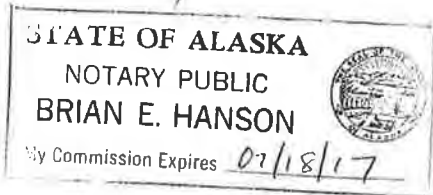
[Signature]  
Micah S. Miller

2-27-2016  
Date

[Signature]  
Michael J. Daly

STATE OF ALASKA )  
 ) ss:  
FIRST JUDICIAL DISTRICT )

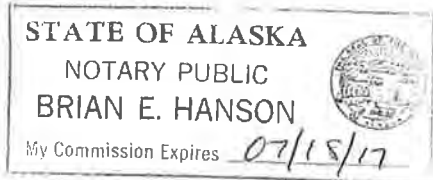
The foregoing instrument was acknowledged before me this 27<sup>th</sup> day of February, 2016, by MICAH S. MILLER.



[Signature]  
Notary Public in and for Alaska

STATE OF ALASKA )  
 ) ss:  
FIRST JUDICIAL DISTRICT )

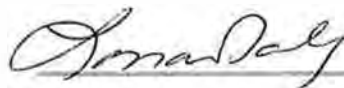
The foregoing instrument was acknowledged before me this 27<sup>th</sup> day of February, 2016, by MICHAEL J. DALY.

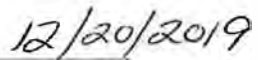


[Signature]  
Notary Public in and for Alaska

**AGREEMENT IN RESPECT OF OPERATING AGREEMENT**

IN WITNESS WHEREOF, the undersigned acknowledges and agrees that the undersigned is making the contribution with intent to be legally bound to the terms and conditions contained in the Operating Agreement attached hereto and executes this Agreement in Respect of Operating Agreement as a counterpart thereto.





Lorraine Daly

Date



Alaska Marijuana Control Board

# Form MJ-20: Renewal Application Certifications

### What is this form?

This renewal application certifications form is required for all marijuana establishment license renewal applications. Each person signing an application for a marijuana establishment license must declare that he/she has read and is familiar with AS 17.38 and 3 AAC 306. A person other than a licensee may not have direct or indirect financial interest (as defined in 3 AAC 306.015(e)(1)) in the business for which a marijuana establishment license is issued, per 3 AAC 306.015(a).

**This form must be completed and submitted to AMCO's main office by each licensee (as defined in 3 AAC 306.020(b)(2)) before any license renewal application will be considered complete.**

## Section 1 – Establishment Information

Enter information for the licensed establishment, as identified on the license application.

Licensee:	Northern Lights Indoor Gardens LLC	License Number:	10136		
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	Northern Lights Indoor Gardens LLC				
Premises Address:	1321 Sawmill Creek Rd. Suite M,N,O,P				
City:	Sitka	State:	Alaska	ZIP:	99835

## Section 2 – Individual Information

Enter information for the individual licensee who is completing this form.

Name:	Lorraine C Daly				
Title:	Owner				

## Section 3 – Violations & Charges

Read each line below, and then sign your initials in the box to the right of any applicable statements:

Initials

I certify that I have **not** been convicted of any criminal charge in the previous two calendar years.

I certify that I have **not** committed any civil violation of AS 04, AS 17.38, or 3 AAC 306 in the previous two calendar years.

I certify that a notice of violation has **not** been issued to this license between July 1, 2019 and June 30, 2020.

Sign your initials to the following statement only if you are unable to certify one or more of the above statements:

Initials

I have attached a written explanation for why I cannot certify one or more of the above statements, which includes the type of violation or offense, as required under 3 AAC 306.035(b).





# Form MJ-20: Renewal Application Certifications

## Section 4 – Certifications

Read each line below, and then sign your initials in the box to the right of each statement:

Initials

I certify that no person other than a licensee listed on my marijuana establishment license renewal application has a direct or indirect financial interest, as defined in 3 AAC 306.015(e)(1), in the business for which the marijuana establishment license has been issued.

JO

I certify that I meet the residency requirement under AS 43.23 or I have submitted a residency exception affidavit (MJ-20a) along with this application.

JO

I certify that this establishment complies with any applicable health, fire, safety, or tax statute, ordinance, regulation, or other law in the state.

JO

I certify that the license is operated in accordance with the operating plan currently approved by the Marijuana Control Board.

JO

I certify that I am operating in compliance with the Alaska Department of Labor and Workforce Development's laws and requirements pertaining to employees.

JO

I certify that I have not violated any restrictions pertaining to this particular license type, and that this license has not been operated in violation of a condition or restriction imposed by the Marijuana Control Board.

JO

I certify that I understand that providing a false statement on this form, the online application, or any other form provided by or to AMCO is grounds for rejection or denial of this application or revocation of any license issued.

JO

As an applicant for a marijuana establishment license renewal, I declare under penalty of unsworn falsification that I have read and am familiar with AS 17.38 and 3 AAC 306, and that this application, including all accompanying schedules and statements, is true, correct, and complete. I agree to provide all information required by the Marijuana Control Board in support of this application and understand that failure to do so by any deadline given to me by AMCO staff may result in additional fees or expiration of this license.

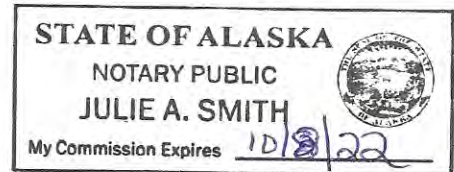
Lorraine Daly  
Signature of licensee

Julie A. Smith  
Notary Public in and for the State of Alaska

Lorraine Daly  
Printed name of licensee

My commission expires: 10/8/22

Subscribed and sworn to before me this 28<sup>th</sup> day of May, 2020





Alaska Marijuana Control Board

# Form MJ-20: Renewal Application Certifications

**What is this form?**

This renewal application certifications form is required for all marijuana establishment license renewal applications. Each person signing an application for a marijuana establishment license must declare that he/she has read and is familiar with AS 17.38 and 3 AAC 306. A person other than a licensee may not have direct or indirect financial interest (as defined in 3 AAC 306.015(e)(1)) in the business for which a marijuana establishment license is issued, per 3 AAC 306.015(a).

**This form must be completed and submitted to AMCO's main office by each licensee (as defined in 3 AAC 306.020(b)(2)) before any license renewal application will be considered complete.**

## Section 1 – Establishment Information

Enter information for the licensed establishment, as identified on the license application.

Licensee:	Northern Lights Indoor Gardens LLC	License Number:	10136		
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	Northern Lights Indoor Gardens LLC				
Premises Address:	1321 Sawmill Creek Rd. Suite M,N,O,P				
City:	Sitka	State:	Alaska	ZIP:	99835

## Section 2 – Individual Information

Enter information for the individual licensee who is completing this form.

Name:	Mike J Daly
Title:	Owner

## Section 3 – Violations & Charges

Read each line below, and then sign your initials in the box to the right of any applicable statements:

Initials

I certify that I have **not** been convicted of any criminal charge in the previous two calendar years.

I certify that I have **not** committed any civil violation of AS 04, AS 17.38, or 3 AAC 306 in the previous two calendar years.

I certify that a notice of violation has **not** been issued to this license between July 1, 2019 and June 30, 2020.

Sign your initials to the following statement only if you are unable to certify one or more of the above statements:

Initials

I have attached a written explanation for why I cannot certify one or more of the above statements, which includes the type of violation or offense, as required under 3 AAC 306.035(b).





# Form MJ-20: Renewal Application Certifications

## Section 4 – Certifications

Read each line below, and then sign your initials in the box to the right of each statement:

Initials

I certify that no person other than a licensee listed on my marijuana establishment license renewal application has a direct or indirect financial interest, as defined in 3 AAC 306.015(e)(1), in the business for which the marijuana establishment license has been issued.

*[Handwritten initials]*

I certify that I meet the residency requirement under AS 43.23 or I have submitted a residency exception affidavit (MJ-20a) along with this application.

*[Handwritten initials]*

I certify that this establishment complies with any applicable health, fire, safety, or tax statute, ordinance, regulation, or other law in the state.

*[Handwritten initials]*

I certify that the license is operated in accordance with the operating plan currently approved by the Marijuana Control Board.

*[Handwritten initials]*

I certify that I am operating in compliance with the Alaska Department of Labor and Workforce Development's laws and requirements pertaining to employees.

*[Handwritten initials]*

I certify that I have not violated any restrictions pertaining to this particular license type, and that this license has not been operated in violation of a condition or restriction imposed by the Marijuana Control Board.

*[Handwritten initials]*

I certify that I understand that providing a false statement on this form, the online application, or any other form provided by or to AMCO is grounds for rejection or denial of this application or revocation of any license issued.

*[Handwritten initials]*

As an applicant for a marijuana establishment license renewal, I declare under penalty of unsworn falsification that I have read and am familiar with AS 17.38 and 3 AAC 306, and that this application, including all accompanying schedules and statements, is true, correct, and complete. I agree to provide all information required by the Marijuana Control Board in support of this application and understand that failure to do so by any deadline given to me by AMCO staff may result in additional fees or expiration of this license.

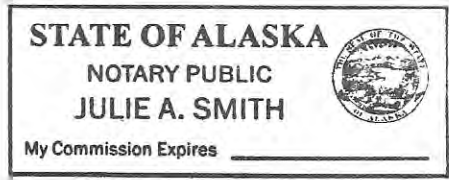
*[Handwritten signature]*  
\_\_\_\_\_  
Signature of licensee

*[Handwritten signature]*  
\_\_\_\_\_  
Notary Public in and for the State of Alaska

*MIKE DALY*  
\_\_\_\_\_  
Printed name of licensee

My commission expires: *10/8/22*

Subscribed and sworn to before me this *1<sup>st</sup>* day of *June*, 20*20*.





## COMMERCIAL LEASE AGREEMENT

EAGLE BAY INN LLC

1321 SAWMILL CREEK ROAD SUITE C

SITKA, ALASKA 99835

This lease is made this 1<sup>st</sup> day of October 2018 by and between Eagle Bay Inn, LLC and **Northern Lights Indoor Gardens, LLC**. In consideration for the mutual promises and covenants contained herein and for other good and valuable consideration, the parties hereby agree as follow:

Eagle Bay Inn, LLC leases to **Northern Lights Indoor Gardens, LLC**, the following described premises: M, N, O AND P bays, Eagle Bay Inn, LLC understands and knows that this is for a marijuana growing business distributions and retail store.

Eagle Bay Inn, LLC, will not take possession of and/or remove marijuana from the premises, and that Alaska Marijuana Control office (AMCO) will be contacted in the event that is necessary.

The term of this lease shall be for 36 months commencing 10/01/2018 and ending 10/01/2021.

**Northern Lights Indoor Gardens, LLC**, shall pay to Eagle Bay Inn, LLC rent in the amount of \$240,012.00 per 36 months in equal monthly installments of \$6667. 00.

**Northern Lights Indoor Gardens, LLC**, shall use and occupy the premises only as a business; this is subject at all times to the approval of Eagle Bay Inn, LLC.

**Northern Lights Indoor Gardens, LLC**, will furnish the utilities or amenities at his own expense.

**Northern Lights Indoor Gardens, LLC**, shall purchase at his own expense public liability insurance in the amount of one million dollars, or have it in the business insurance policy.

**Northern Lights Indoor Gardens, LLC**, shall not permit or commit waste the premises. **Northern Lights Indoor Gardens, LLC**, is responsible for snow and ice removal at the back and front of the business entrances. Snow removal of the parking lot is provided and during heavy snow, tenant will comply with all parking and removing vehicles as needed.

**Northern Lights Indoor Gardens, LLC** shall comply with all rules, regulations, ordinances codes, and laws of all Eagle Bay Inn, LLC members.

**Northern Lights Indoor Gardens, LLC**, shall not permit or engage in any activity that will affect an increase in the rate of insurance of the building which the premises is now contained nor shall **Northern Lights Indoor Gardens, LLC**, permit or commit any nuisance thereon.

## COMMERCIAL LEASE AGREEMENT

**Northern Lights Indoor Gardens, LLC**, shall not sublet or assign the premises nor allow any other person or business to use or occupy the premises without the prior written consent of Eagle Bay Inn, LLC.

At the end of this lease, **Northern Lights Indoor Gardens, LLC** shall surrender and deliver up the premises in the same condition (subject to any additions, alterations or improvements, if any) as presently exists, reasonable wear and tear excluded.

Upon default in any term of this lease, Eagle bay Inn, LLC, shall have the right to undertake any or all other remedies permitted by law.

This lease shall be binding upon and insure to the benefit of the parties, their heirs, successors, and assigns. Eagle Bay Inn, LLC, agrees to give **Northern Lights Indoor Gardens, LLC**, first option when renewing this lease on October 1, 2021.

  
\_\_\_\_\_  
NORTHERN LIGHTS INDOOR GARDENS, LLC

October 1, 2018

  
\_\_\_\_\_  
EAGLE BAY INN, LLC

October 1, 2018

Eagle Bay Inn LLC

1321 Sawmill Creek Road

Sitka, Alaska 99835

December 2, 2013

To Whom It May Concern

Vicki Brown is hereby authorized and empowered by Eagle Bay Inn LLC to pursue any and all litigation which concerns Eagle Bay Inn and Sawmill Creek Business Center.

Thank you,

A handwritten signature in cursive script that reads "Jo Ann Daly". The signature is written in black ink and is positioned above the printed name.

Jo Ann Daly

Managing Member

504-434-8154



# CITY AND BOROUGH OF SITKA

## Legislation Details

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File #: 20-159      Version: 1      Name:

Type: Item      Status: AGENDA READY

File created: 8/5/2020      In control: City and Borough Assembly

On agenda: 8/11/2020      Final action:

Title: Appoint Jamal Floate to an unexpired term on the GPIIP Board of Directors in the category of At-Large

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and Application Floate GPIIP](#)

Date	Ver.	Action By	Action	Result
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## **POSSIBLE MOTION**

**I MOVE TO** appoint Jamal Floate to an unexpired term on the GPIIP Board of directors in the category of At-Large.



**Application for Appointment to Boards, Committees, and Commissions  
City and Borough of Sitka**

Board/Commission/Committee: GPIP Advisory board  
Name: Jamal Floate Preferred Phone: [redacted]  
Address: [redacted] Alternate Phone: \_\_\_\_\_  
Email Address: [redacted] Fax Number: \_\_\_\_\_  
Length of Residence in Sitka: 21 yrs Registered to vote in Sitka? \_\_\_Yes \_\_\_No  
Employer: Renaissance Const. (self)

Organizations you belong to or participate in:  
Sitka youth soccer, fine arts camp,

Explain your main reason for applying:  
I would like to see forward movement at the park.

What background, experience or credentials will you bring to the board, commission, or committee membership?  
Heavy marine & construction background

Please disclose any potential conflicts of interest that may arise from your appointment. These may include but are not limited to:

- A substantial financial interest of \$1000 annually that could be influenced by your appointment.
- An immediate family member employed within the scope of this appointment.

I do own the admin building @ the park.

Please attach a letter of interest, outline, or resume which includes your education, work, and volunteer experience that will enhance your membership.

→ (To be considered, your application must be complete AND be accompanied by one of the above supporting documents.)

Date: 02 AUG 2020 Signature: [Signature]

Your complete application and resume should be returned to the Municipal Clerk's Office by noon on the Wednesday prior to an advertised Assembly meeting.

Please note: all information submitted will be made public and published online. Appointments are normally made during open session of an Assembly meeting, however, Assembly members may vote to discuss applicant(s) in closed executive session. In this case, do you wish to be present when your application is discussed? \_\_\_Yes \_\_\_No

Return to:  
Melissa Henshaw, Deputy Clerk/Records Specialist, 100 Lincoln Street  
Fax: 907-747-7403 Email: melissa.henshaw@cityofsitka.org



Mr. Mayor and members of the assembly,

My name is Jamal Floate, and I am writing to express an interest in joining the team of the GPIIP advisory board.

I was transferred to Sitka in 1999 as a member of the US Coast Guard, and have made Sitka my home ever since. In the last 21 years of my residency I have worked in food services, marine mechanics, heavy equipment operation, and construction. I have owned my own small construction company for over 14 years now and that is my primary occupation.

I am a multi-topic candidate for the board. The haul-out facility is a very important one to me, but it is not the only issue that I want to work on. I would very much like to see the park utilized to Sitka's fullest benefit, and I believe therefore the park has to be a diverse entity that caters to a lot of different needs.

I am recently the proud new owner of the administration building located at 4600 SMC within the park. It is my intention to restore the building to full operation over the course of the next few years. It is also my intention to beautify the building and its surrounding landscape, a task that I have already begun. I am planning on putting in shop spaces for tradesmen to use in the downstairs, because I believe that will be an important need when the haulout does eventually go in. I am also persuing putting a large greenhouse on the roof of the building so as to provide a space where a sustainable food source can be cultivated to the benefit of our entire town. I would like to be in the position to offer beautiful office spaces for rent, perhaps a cafe or food vendor, and perhaps even some space for lodging....

It is a work in progress. But I tell you all this so as to convey that I very much have a vested interest in the success of the park, and to demonstrate that I'm putting my money where my mouth is...

I have never served on a board or commission before. But I believe I'm a forward thinker, and a very good communicator. I work well with others, and if you've ever met me or heard of me, you will know that I am a very hard worker.

Thank you for your consideration.

Sincerely,

Jamal Floate

Renaissance Construction



## GARY PAXTON INDUSTRIAL PARK BOARD OF DIRECTORS

NAME	CONTACT NUMBERS	TERM STARTS	EXPIRES	CATEGORY
SCOTT WAGNER 304 Nicole Drive	747-6850 w 747-3791 h scott_wagner@nsraa.org	11/25/14 6/28/16 6/26/18 7/14/20	6/24/16 6/28/18 6/26/20 7/14/22	CHAIR
VAUGHN MORRISON 114 Toivo Circle	738-0294 vmorrison26@yahoo.com	9/25/18	9/25/20	VICE CHAIR
AL STEVENS 2606 Sawmill Creek Road	747-7996 738-8237 c al.stevens@silverbayseafoods.com	8/27/19	3/26/21	Parrish's term
MIKE JOHNSON 2017 Cascade Creek Road	747-1401 966-4042 southeastmike@hotmail.com	8/27/19 4/14/20	4/24/20 4/14/22	
<i>SHEILA FINKENBINDER 424 Andrews Street</i>	<i>738-3098 sitkasheila@gmail.com</i>	<i>3/28/17 3/26/19</i>	<i>3/28/19 3/26/21</i>	<i>At-Large Resigned 7/21/20</i>
Garry White 329 Harbor Drive, #202	747-2660 747-7688 fax garrywhite@gci.net			GPIP Director
John Leach City & Borough of Sitka 100 Lincoln Street	747-1808 747-7403 fax john.leach@cityofsitka.org			Municipal Administrator
Thor Christianson 100 Lincoln Street	738-2491 assemblychristianson@cityofsitka.org			Assembly Liaison
Steven Eisenbeisz 208 Lincoln Street	738-9075 assemblyeisenbeisz@cityofsitka.org			Alternate Assembly Liaison
Makena Hardwick 329 Harbor Drive, #202	747-2660 747-7688 fax sedasitka@gmail.com			Secretary

Established by Ordinance 00-1568

Five members appointed by the Assembly for 2-year terms, one designated At-Large

Revised: July 21, 2020



# CITY AND BOROUGH OF SITKA

## Legislation Details

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File #: 20-160      Version: 1      Name:  
Type: Item      Status: AGENDA READY  
File created: 8/5/2020      In control: City and Borough Assembly  
On agenda: 8/11/2020      Final action:  
Title: Reappoint Darrell Windsor to a three-year term on the Planning Commission  
Sponsors:  
Indexes:  
Code sections:  
Attachments: [Motion and Application Windsor Planning](#)

Date	Ver.	Action By	Action	Result
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## **POSSIBLE MOTION**

**I MOVE TO** reappoint Darrell Windsor to a three-year term on the Planning Commission.



**Application for Appointment to Boards, Committees, and Commissions  
City and Borough of Sitka**

Board/Commission/Committee: Planning  
Name: Darrell E Windsor Preferred [REDACTED]  
Address: [REDACTED] Alternate Phone: \_\_\_\_\_  
Email Address: [REDACTED] Fax Number: \_\_\_\_\_  
Length of Residence in Sitka: 26 years Registered to vote in Sitka?  Yes  No  
Employer: Self  
Organizations you belong to or participate in: Masons, Shriners, EIKS

Explain your main reason for applying:

To re-new

What background, experience or credentials will you bring to the board, commission, or committee membership?

9 years experience

Please disclose any potential conflicts of interest that may arise from your appointment. These may include but are not limited to:

- A substantial financial interest of \$1000 annually that could be influenced by your appointment.
- An immediate family member employed within the scope of this appointment.

Please attach a letter of interest, outline, or resume which includes your education, work, and volunteer experience that will enhance your membership.

→ (To be considered, your application must be complete AND be accompanied by one of the above supporting documents.)

Date: 7-27-20 Signature: [Signature]

Your complete application and resume should be returned to the Municipal Clerk's Office by noon on the Wednesday prior to an advertised Assembly meeting.

Please note: all information submitted will be made public and published online. Appointments are normally made during open session of an Assembly meeting, however, Assembly members may vote to discuss applicant(s) in closed executive session. In this case, do you wish to be present when your application is discussed?  Yes  No

Return to:

Melissa Henshaw, Deputy Clerk/Records Specialist, 100 Lincoln Street  
Fax: 907-747-7403 Email: melissa.henshaw@cityofsitka.org





## PLANNING COMMISSION

NAME	CONTACT NUMBERS	TERM STARTS	EXPIRES	CATEGORY
CHRIS SPIVEY 109 Lillian Drive	738-2524 c spi3050@yahoo.com	12/11/12	2/8/14 1/28/17 1/24/20 1/14/23	<b>CHAIR</b>
DARRELL WINDSOR PO Box 1973	738-4046 c dwindsor@gci.net	6/28/11	6/28/14 6/24/17 7/25/20	<b>VICE CHAIR</b>
RANDY HUGHEY 220 Lakeview Drive	738-2999 c randywhughey@gmail.com	2/24/15	10/23/15 10/13/18 10/23/21	
STACY MUDRY PO Box 1366	738-8693 stacym@sitkareadymix.com	8/27/19	8/27/22	
<i>VICTOR WEAVER PO Box 2034</i>	<i>907-461-2031 alaskanengineer@gmail.com</i>	<i>11/27/18</i>	<i>4/26/19 5/14/22</i>	<i>Resigned 7/1/20</i>
Amy Ainslie Planning Director	747-1815 amy.ainslie@cityofsitka.org			Staff Liaison
Planner I	747-1814			Secretary
Kevin Mosher 100 Lincoln Street	752-0467 assemblymosher@cityofsitka.org			Assembly Liaison
Kevin Knox PO Box 6415	738-4664 assemblyknox@cityofsitka.org			Alternate Assembly Liaison

5 members from public, 3-year terms

Established by Ordinance 74-118/SGC2.18 & Charter Article VIII

Must be registered to vote

First and Third Wednesday at 7:00 p.m. – Harrigan Centennial Hall, 330 Harbor Drive

### **CONFLICT OF INTEREST FORMS OATHS OF OFFICE**

Revised: July 16, 2020



# CITY AND BOROUGH OF SITKA

## Legislation Details

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File #: ORD 20-43    Version: 1    Name:  
Type: Ordinance    Status: AGENDA READY  
File created: 7/22/2020    In control: City and Borough Assembly  
On agenda: 8/11/2020    Final action:  
Title: Making supplemental appropriations for fiscal year 2021 (GPIP Haulout)  
Sponsors:  
Indexes:  
Code sections:  
Attachments: [Motion Ord 2020-43](#)  
[Memo Ord 2020-43](#)  
[Ord 2020-43](#)

Date	Ver.	Action By	Action	Result
7/28/2020	1	City and Borough Assembly		

## **POSSIBLE MOTION**

**I MOVE TO** approve Ordinance 2020-43 on second and final reading making supplemental appropriations for fiscal year 2021 (*GPIP Haulout*).




# City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

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## MEMORANDUM

**To:** Mayor Gary Paxton and Assembly Members

**From:** John Leach, Municipal Administrator 

**Date:** July 22, 2020

**Subject:** **GPIP Haul Out Project Development & Budget Appropriation**

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### Background

The CBS has long recognized the importance of the fishing and maritime industry to the community of Sitka. The GPIP Board and CBS have been working together on vessel haul out development concepts since the GPIP properties were acquired.

The public announcement in the fall of 2019, that Halibut Point Marina (HPM) will cease public haul out operations in the summer of 2021 has intensified the priority of establishing a marine haul out facility.

### Summary of project development to date:

- January 30, 2020 GPIP Board and Assembly held a joint work session to discuss different concepts regarding; ownership of facility and operations, infrastructure needed to support the fleet, and funding for the haul out construction and operations. The Assembly gave direction to develop an RFP to investigate private ownership and operations of a haul out.
- February 27, 2020 GPIP Board met to recommend approval of the RFP.
- March 10, 2020 CBS Assembly met and approved the RFP for release.
- On March 11th, 2020 City and Borough of Sitka (CBS) released a Request for Proposal (RFP) for the Construction and Operation of a Marine Haul Out and Shipyard.
- April 15, 2020 the RFP closed. The CBS received two proposals from the RFP process.
- April 27, 2020 GPIP Board met to discuss and score both proposals as part of the CBS RFP Selection Committee. The CBS Selection Committee scored the proposal from WC Enterprises (now SIMS) with the highest score.
- May 12, 2020 CBS Assembly accepted the GPIP Board's recommendation to move forward with negotiating terms to move forward on a haul out at the GPIP with WC/SIMS.

- The CBS negotiation team, consisting of the CBS Administrator, CBS Public Works Director, and the GPIIP Director, met multiple times since May 12th with the SIMS' principal owners to develop terms for consideration.
- June 22, 2020 SIM's development terms were reviewed by the GPIIP Board. GPIIP Board requested a legal review to determine if the terms expanded beyond what should be allowed in the RFP process given it shifted to requiring a major financial investment by CBS (BUILD grant).
- Legal concurred that the final terms were outside the limits of the RFP process and a recommendation went to the Assembly on June 30, 2020 to reject all bids, wait for a BUILD grant funding decision, and then resolicit with more structured requirements.

## **Analysis**

Based on discussion/direction during the June 30, 2020 Assembly meeting, staff moved forward to develop a plan to take lead on this project. Staff have prepared a high level schedule and cost to move the project forward through the pre-bid stages, develop project solutions with or without the BUILD Grant, and develop a design/construction RFP package based on a vetted design and approved Rough Order of Magnitude (ROM) cost estimate.

The following is a pre-bid development summary of scope for Stage-1:

### **Stage-1 Goal:**

Performing all needed pre-bid steps needed to put out an RFP once we have a better understanding of the BUILD Grant award.

### **Stage-1 Deliverables:**

1. **Develop a Plan:** Develop a detailed project delivery process with strong buy-in.
2. **Define the team structure/process:** Formulate a multi-level project development team to include high-level meetings with the GPIIP Board and technical working groups consisting of subject matter experts running haul out machines and operations.

These groups will function as follows:

- a. **Technical Working Group (TWG):** This group will consist of CBS project staff, Consultants, and 2 to 4 experienced haul out operators. This group will get into draft layout options, equipment sizing, and cost analysis needed to define a draft basis of design for review. The TWG will develop a project scope to execute once a decision is reached on BUILD grant funding with options that are scalable based on the level of funding received and the return on investment and to include how to proceed if no funding is received.
- b. **Haul Out Task Force (HTF):** The HTF would have a diverse knowledge of GPIIP, the regions vessel fleet and CBS finances along with having the time to commit to detailed reviews. The HTF is proposed to consist of 2 GPIIP Board Members, 2 Port and Harbors Commission Members, 1 Assembly member (as appointed by the Assembly), the GPIIP Director and the Administrator. This group's focus will be largely proofing the economics, business plan and

customer base assumptions. They will also provide focused first-line feedback to refine assumptions before draft options go public in the more formal GPIIP Board meetings and work sessions.

- c. **GPIIP Board:** The GPIIP Board will review all work products developed by TWG and reviewed by the HTF and will be the interface between these plans and obtaining public input and Assembly action. The GPIIP Board may need to have several work sessions to include public input and, at times, may bring in the Port and Harbors Commission. The GPIIP Board will give ultimate direction to task the HTF to refine and improve work products as needed.
3. **Set our course:** Finalize a basis of design document that becomes the core framework to develop the project (size of boats, type of haul out and machine, etc.)
4. **Execute:** Develop a draft RFP (likely design/build) to execute a project in accordance with the approved basis of design.

We have set a goal to complete Stage-1 by the end of November assuming we receive full grant funding or the end of April 2021 if we need to secure a general obligation bond. The best-case scenario is to have design/build contracting complete and have an operational haul out by spring 2022 assuming full grant funding and approval. Bonding the project, or more traditional project delivery methods, would likely push the project out another 6 to 8 months.

Managing projects and grant funding is something Public Works does on a regular basis and has a lot of experience doing successfully. There is a high level of confidence for executing a project such as the haul out following this recommended approach.

### **Fiscal Note**

We recommend an appropriation of \$100,000 to support specialized consultant services for the technical analysis and design related to the development of a haul out basis of design and RFP. It is recommended that funding for this work come from the Economic Development Fund.

The following is a beginning phase high-level ROM Cost for a haul out to get to the point of hauling and washing boats (assuming 150-ton). It is important to note there are other major elements/costs to developing the uplands not included in these costs.

Haul out pier:	\$2,600,000
Concrete washdown pad and water treatment:	\$1,000,000
150-ton travel lift:	\$1,200,000
Total:	<b>\$4,800,000</b>

### **Recommendation**

Recommend the Assembly approve the supplemental budget appropriation.

Encl: (1) City Haul Out Supplemental Appropriation



CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2020-43
AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA MAKING SUPPLEMENTAL
APPROPRIATIONS FOR FISCAL YEAR 2021
(GPIP Haulout)

BE IT ENACTED by the Assembly of the City and Borough of Sitka, Alaska as follows:

1. CLASSIFICATION. This ordinance is not of a permanent nature and is not intended to be a part of the Sitka General Code of the City and Borough of Sitka, Alaska.

2. SEVERABILITY. If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person and circumstances shall not be affected thereby.

3. PURPOSE. The purpose of this ordinance is to make a supplemental capital appropriation for FY2021.

4. ENACTMENT. In accordance with Section 11.10(a) of the Charter of the City and Borough of Sitka, Alaska, the Assembly hereby makes the following supplemental appropriation for the budget period beginning July 1, 2020 and ending June 30, 2021.

Table with 2 columns: FISCAL YEAR 2021 EXPENDITURE BUDGETS, CAPITAL PROJECTS. Fund 780 - GPIP Haulout Project: Transfer funds in the amount of \$100,000 from the Southeast Alaska Economic Development Fund to the Gary Paxton Industrial Park Capital Projects for the Engineering Consultant expense related to developing a marine haulout and shipyard at the Gary Paxton Industrial Park.

Explanation

Ensuring availability of marine haulout services is vital to Sitka's economy. As the existing provider has indicated that services will cease in the Summer of 2021, it is critical that this project move forward now. The initial phase (haul out and wash down pad) will be developed using funding from Southeast Economic Development Fund.

5. EFFECTIVE DATE. This ordinance shall become effective on the day after the date of its passage.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 11th Day of August 2020.

ATTEST:

Gary L. Paxton, Mayor

Sara Peterson, MMC
Municipal Clerk

1st reading 7/28/2020
2nd and final reading 8/11/2020

Sponsor: Administrator



# CITY AND BOROUGH OF SITKA

## Legislation Details

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File #: ORD 20-44    Version: 1    Name:  
Type: Ordinance    Status: AGENDA READY  
File created: 8/5/2020    In control: City and Borough Assembly  
On agenda: 8/11/2020    Final action:

Title: An Emergency Ordinance of the City and Borough of Sitka temporarily authorizing the Mayor to modify and/or waive various sections of the Sitka General Code dealing with public meetings and teleconference participation in those public meetings in order to protect the life, health, welfare, and property of elected and appointed officials, staff, and the public during the government declared COVID-19 public health emergency

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Memo and Ord 2020-44](#)

Date	Ver.	Action By	Action	Result
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## **POSSIBLE MOTION**

**I MOVE TO** approve Emergency Ordinance 2020-44 on first reading temporarily authorizing the Mayor to modify and/or waive various sections of the Sitka General Code dealing with public meetings and teleconference participation in those public meetings in order to protect the life, health, welfare, and property of elected and appointed officials, staff, and the public during the government declared COVID 19 public health emergency.




# City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

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## MEMORANDUM

**To:** Mayor Paxton and Assembly Members

**Thru:** John Leach, Municipal Administrator 

**From:** Brian Hanson, Municipal Administrator

**Date:** August 5, 2020

**Subject:** Emergency Ordinance for Temporary Modification of Public Meetings During the Government Declared COVID-19 Public Health Emergency.

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### Background

Since the federal, state, and municipal governments declared the COVID-19 public health emergency in March 2020, the Assembly has conducted public meetings that are not always strictly in compliance with code-examples include, but are not limited to, the following: Assembly members failing to timely notify Clerk of teleconference participation; Mayor presiding over a meeting when participating by teleconference; Assembly members participating by teleconference more than four times a year and/or consecutively for more than two regular meetings; and, the public submitting written public testimony to be read by the Clerk.

### Recommendation

Although the practices procedures used by the Assembly up to now, in my opinion, are clearly appropriate and necessary for public health and safety, I recommend you take this "housecleaning" measure by enacting this EO to legitimate, retroactively and proactively, those practices and procedures which were/are technically in violation of the code. If this EO is passed, I'll prepare a declaration for the Mayor which addresses past and future practices and procedures, which can be read by the Mayor at the next regular meeting.

CITY AND BOROUGH OF SITKA  
ORDINANCE NO. 2020-44

AN EMERGENCY ORDINANCE OF THE CITY AND BOROUGH OF SITKA  
TEMPORARILY AUTHORIZING THE MAYOR TO MODIFY AND/OR WAIVE  
VARIOUS SECTIONS OF THE SITKA GENERAL CODE DEALING WITH PUBLIC MEETINGS  
AND TELECONFERENCE PARTICIPATION IN THOSE PUBLIC MEETINGS  
IN ORDER TO PROTECT THE LIFE, HEALTH, WELFARE, AND PROPERTY  
OF ELECTED AND APPOINTED OFFICIALS, STAFF, AND THE PUBLIC  
DURING THE GOVERNMENT DECLARED COVID-19 PUBLIC HEALTH EMERGENCY

BE IT ENACTED by the Assembly of the City and Borough of Sitka as follows:

1. **CLASSIFICATION.** This emergency ordinance is not of a permanent nature and is not intended to be a part of the Sitka General Code of the City and Borough of Sitka.

2. **SEVERABILITY.** If any provision of this emergency ordinance and application thereof to any person and circumstances is held invalid, the remainder of this emergency ordinance and application thereof to any person and circumstances shall not be affected thereby.

3. **PURPOSE.** The purpose of this emergency ordinance is to temporarily authorize the Mayor, or presiding Assembly member, to modify and/or waive, either retroactively from inception of the government declared COVID-19 public health emergency and/or proactively until this emergency order expires, sections of the Sitka General Code dealing with public meetings and teleconference participation of elected and appointed officials and the public, such that scheduling, public participation, and teleconferencing (whether telephonic or audio-visual) is conducted in such a way as to protect the lives, health, and welfare of elected and appointed officials, staff, and the public, provided that any such modifications and/or waivers comply with state law. More specifically:

**WHEREAS**, in March of 2020, the federal, state and municipal governments declared a public health emergency due to the COVID-19 pandemic and those declarations remain in effect; and

**WHEREAS**, the Assembly recognizes that, for purposes of this emergency ordinance, an emergency currently exists due to the COVID-19 pandemic that affects the life, health, welfare and property of persons in Sitka; and

**WHEREAS**, the COVID-19 public health emergency continues to pose an imminent threat to life, health, welfare, and property of persons in Sitka; and

**WHEREAS**, the Assembly is concerned about its continuity of operations, and the continuity of operations of its boards, commissions, and committees, and requires the flexibility to schedule certain public meetings and/or modify meeting procedures, including teleconference participation by elected and appointed officials, staff, and the public, to protect the appointed and elected officials, staff, and the public; and

**WHEREAS**, this authorization is intended to be temporary during this government declared COVID-19 public health emergency and will provide time for the Assembly to further assess its code and procedures if permanent code changes are determined to be necessary.

4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka as follows:

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**A.** Notwithstanding anything in the Sitka General Code to the contrary, the Mayor, or presiding Assembly member, has the authority to modify and/or waive provisions pertaining to scheduling, public participation, teleconferencing, and other related provisions of code related to public meetings of the Assembly, if deemed necessary for public health and safety; provided that, any modification and/or waiver is in compliance with state law.

**B.** Notwithstanding anything in the Sitka General Code to the contrary, the Mayor, or presiding Assembly member, has the authority to modify and/or waive provisions pertaining to scheduling, public participation, teleconferencing, and other related provisions of code related to public meetings of boards, commissions and committees, if deemed necessary for public health and safety; provided that, any modification and/or waiver is in compliance with state law.

**C.** Enactments A and B may be applied retroactively from the inception of the government declared COVID-19 public health emergency and/or proactively until this emergency order expires.

**5. EMERGENCY DECLARATION.** In accordance with the Home Rule Charter of the City and Borough of Sitka, Section 3.03 “Emergency Ordinances,” the Assembly of the City and Borough of Sitka hereby declares that an emergency exists that affects the life, health, welfare or property of persons within Sitka for those reasons stated above.

**6. EFFECTIVE DATE.** This emergency ordinance shall become effective on the day it is adopted.

In accordance with the Home Rule Charter of the City and Borough of Sitka, Section 3.03 “Emergency Ordinances,” this emergency ordinance may be adopted at the meeting which it is presented and shall expire 61 days after adoption, but this shall not prevent re-enactment of this emergency ordinance if the emergency still exists upon expiration. Accordingly, this emergency ordinance is pre-scheduled for re-enactment under unfinished business at the September 22, 2020, regular meeting of the Assembly.

**PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka this 11<sup>th</sup> day of August, 2020.

\_\_\_\_\_  
Gary L. Paxton, Mayor

ATTEST:

\_\_\_\_\_  
Sara Peterson, MMC  
Municipal Clerk

1<sup>st</sup> reading – Emergency Ordinance 8/11/2020 in accordance with Home Rule Charter, Section 3.03.

Re-enactment pre-scheduled for 9/22/2020 to address and extend the 61-day expiration.

Sponsor: Administrator





# CITY AND BOROUGH OF SITKA

## Legislation Details

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File #: 20-162      Version: 1      Name:

Type: Item      Status: AGENDA READY

File created: 8/5/2020      In control: City and Borough Assembly

On agenda: 8/11/2020      Final action:

Title: Approve the Request for Proposal for the sale and development of Tract A11, Whitcomb Heights Subdivision

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and Memo Whitcomb Heights](#)  
[Draft RFP and Attachments Tract A11 Benchlands Development](#)

Date	Ver.	Action By	Action	Result
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## **POSSIBLE MOTION**

**I MOVE TO** approve the Request for Proposal for the sale and development of Tract A11, Whitcomb Heights Subdivision.

Note - Direction from the Assembly is needed on the following:

- Timeline/target of completion
- Other criteria of evaluation for the RFP responses



# City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

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## MEMORANDUM

**To:** Mayor Paxton and Assembly Members

**Thru:** John Leach, Municipal Administrator

**From:** Amy Ainslie, Planning Director

**Date:** August 5, 2020

**Subject:** Kramer Avenue Land Sale Discussion

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### Background

CBS received a request to purchase a portion of Tract A11 of Whitcomb Heights Subdivision encompassing approximately 41,000 square feet near the corner of Cushing Street and Kramer Avenue. This tract remains unsubdivided and has vehicular access from the Kramer Avenue right-of-way.

This tract of land is part of an R-1 Planned Unit Development (PUD) zone. The underlying uses of the R-1 zoning district would be applied to this lot, thus its sale and subsequent development would result in residential lots. Previously plans for the benchlands had this area flagged for a manufactured home park and/or single family homes.

Per the Shannon and Wilson, Inc. South Kramer Landslide Runout Analysis and Debris Flow Report dated 2/2/2016, this property is shown to be in a "Low Risk Area" for landslides, and is not considered to be a "Restricted Landslide Area" per our Landslide Area Management code, SGC 20.01.020(A).

Utility infrastructure is available in the area – some has been developed by the city and some has been privately developed. The developer of this lot would need to work with both the city and potentially other private developers to access utilities.

The Planning Commission reviewed this request at their regular meeting on May 20, 2020. Prior to the meeting, notice of the request and its upcoming review was mailed to almost 60 nearby property owners; no public comment was received before, during, or after the hearing. Commissioners voted unanimously to recommend approval of the sale for a portion of Tract A11 Whitcomb Heights Subdivision through a bidding process.

The Assembly reviewed this request on June 23, 2020. The Assembly directed the Administrator to prepare an RFP for the sale of the of the entire Tract. A draft of that RFP has been included in the packet.

### **Analysis**

This proposal is supported by the Comprehensive Plan – the Land Use section states that a key opportunity for the future is in “Developing vacant and underutilized property. Affordable housing and development costs are challenges that need a variety of approaches to reduce costs and provide creative solutions.” Moving land into interested private hands makes use of vacant, undeveloped property. The zoning of the tract ensures that it will be developed for residential purposes.

Wetland delineations surveyed in 2008 have been provided for information with the RFP, along with the 2016 Shannon & Wilson South Kramer Landslide Report.

The draft RFP has three evaluation criteria:

- Development Plan: Timely development of mixed housing types and qualifications to perform the work
- Time of Completion: Timeframe to bring lots to saleable conditions
- Purchase Price

Guidance is requested from the Assembly on the time of completion target for the RFP. In the past, a total build out of the project was expected to be complete within a certain number of years from the date of purchase. General consideration of this timeframe at the Planning Commission discussion ranged from three to five years.

### **Fiscal Note**

Direction was given from the Assembly that re-surveying and replatting of the tract by the municipality was not desired. The draft RFP has been structured so as to market the entire tract, and any additional surveying or platting will be done at the sole expense of the developer.

The draft RFP is also structured for the developer of the lot to install utility infrastructure and connections to the lots. Proposers will be required to submit details on proposed utilities and drainage improvements to be constructed along with information on whether they will remain private, or dedicated for public use. It is not anticipated at this time that the municipality will undertake utility infrastructure expansion in this area.

### **Recommendation**

Staff recommends approval to issue an RFP for the sale and development of Tract A11, Whitcomb Heights Subdivision.

Direction from the Assembly is needed on the following:

- Timeline/target of completion
- Other criteria of evaluation for the RFP responses

**REQUEST FOR PROPOSALS  
ISSUED BY  
THE CITY AND BOROUGH OF SITKA, ALASKA  
for  
PURCHASE AND DEVELOPMENT OF TRACT A11 WITHIN  
WHITCOMB HEIGHTS SUBDIVISION  
Month 2020**

**A. Overview**

The City and Borough of Sitka (CBS) owns 4.035 acres of development land located approximately 2.5 miles northwest of downtown Sitka. This property is part of the area generally known as the "Benchlands".

It is the objective of the CBS to sell Tract A11 for the purpose of residential development.

It is anticipated that proposers will request the flexibility that can be granted through the Planned Unit Development (PUD) subdivision process. The development parameters will be reflected on the approved subdivision plat.

There is PUD designation on the portion of the zoning map that covers the area. This PUD designation was used to list the types of structures that may be placed on specific parcels.

Prior to submitting proposals, submitters are strongly encouraged to review the Planned Unit Development chapter of Sitka subdivision regulations. A substantial amount of flexibility is offered through the code section. Proposed development plans that are submitted may recognize this flexibility and incorporate innovative components.

Zoning and subdivision regulations can be found online in the Sitka General Code at [www.cityofsitka.com](http://www.cityofsitka.com).

**B. Property Characteristics**

Between 1985 and 1987 approximately 13,300 feet of gravel surface roads were constructed. Kramer Avenue is the main collector street running lengthwise through the property for 1.17 miles.

Much of the gravel road system was constructed without utilities being installed. The roads have minimally maintained since construction, but the roads remain generally sound with minimal environmental damage.

In 2009 the CBS constructed a new 1 million gallon potable water storage tank on the Benchlands. The water tank is located such that it can provide gravity water service to the entire Benchlands property.

### **C. Existing Utilities and Construction Requirements**

Water, sanitary sewer, and electrical utilities have been extended in certain areas of Whitcomb Heights. Road and storm sewer improvements have also been extended. Kramer Avenue is an improved two lane gravel road just past Emmons Street.

Substantial storm drainage improvements have been made along Kramer Avenue, Jacobs Circle, and Emmons Street. Due to the importance of accommodating drainage and stream flows, requirements are outlined in Section D of this RFP.

A sixteen inch water main line extends up Kramer Avenue adjacent to an eight inch tank fill water line. There is an eight inch water main in Jacobs Circle. A sixteen inch and an eight inch tank fill water line also extend past Tracts A12, A13, and A14 up to the water tank on Emmons Street. There is a privately-owned water main in Kramer Avenue extending from Emmons Street to the Tisher Subdivision; any connections to this main must be approved by both the owner of the water main and the CBS. CBS Utility Connection Permitting and fees will apply along with any “late-comer fee” that may be assessed by the owner of the main.

The eight inch sanitary sewer line in Kramer Avenue branches off to serve Jacobs Circle. The Kramer line extends to the beginning of Emmons as well. Sanitary sewer is not present in either the Cushing or Emmons Street right of ways.

Electrical lines are extended in Kramer Avenue to the Emmons intersection and up Emmons to the water tank. 1. Electric infrastructure was installed recently by the Electric Department and the developer of Tisher Subdivision within the easement of the property that is directly across Kramer Avenue from the subject property. Tract A11 could be served from a primary junction that was installed during development of the Tisher Subdivision, and could also connect to existing electrical infrastructure at the entrance to Emmons Street at a later date to accommodate future development.

The water and electrical lines tend to be on the upland side of streets such as Kramer and Emmons. The sanitary sewer line, in Kramer, is on the seaward side of Kramer Avenue.

The City and Borough of Sitka subdivision regulations require that, lots in major subdivisions shall not be sold unless served by utilities and roads that are constructed to municipal standards. The municipality must also accept those roads and utilities for maintenance prior to the sale of any individual lot.



All utilities must be sized and constructed to accommodate development adequate for the proposed development. The construction of municipal utilities shall meet the standards of the CBS and the State of Alaska, Department of Environmental Conservation.

The proposed location and dimensions of utilities shall be shown in the proposed development plan so they can be evaluated along with the rest of the proposal elements.

For each of reference, the descriptions above use a relative compass. Relative north is uphill, east is towards town, and west is towards the Channel Club.

#### **D. Drainage Improvement Requirements**

Development of this land may increase stormwater runoff onto properties downstream. If sold, the developer of this property will be required to adhere to CBS Stormwater Design Standards and complete a comprehensive hydrology study completed by a State of Alaska licensed Civil Engineer and accepted by CBS Department of Public Works.

#### **E. Wetlands and Binding Plat Notes**

A wetlands delineation study has been completed for the property; the 2008 Whitcomb Heights Subdivision Wetland Delineation Report with Appendix A – Figures are included as attachments to this RFP. This is provided as informational only: CBS makes no warranties, either expressed or implied, nor assumes any liability whatsoever regarding the environmental aspects of the parcel to include without limitation: the soil conditions, water drainage, presence of wetlands, physical access, condition of improvements, natural or artificial hazards which may or may not exist, or the merchantability, suitability or profitability of the parcel or improvements for any use. It is the responsibility of the proposers to investigate and determine existing or pending regulations, restrictions and potential defects which would affect the parcel. The feasibility and costs of construction, permitting, engineering, replatting, etc., should be determined by the proposer, and will be borne solely by the selected developer.

Binding plat notes are in effect for the Whitcomb Heights Subdivision. These plat notes are regulatory in nature and have direct impacts on how the properties can and cannot be developed. The plat is provided in the Appendix of this RFP.

Any modification or subdivision of the parcels will trigger the requirement for a new subdivision plat. Additional plat notes may be required prior to recording. Any new surveying/subdivision of this property will be done at the sole expense of the selected developer.

#### **F. Requirements for Proposals**

It is the goal of the CBS for private developers to purchase these parcels and develop them for a mixture of housing types and income levels. Development must occur in a timely manner with total build out of the project expected within **X** years from the date of purchase.

Developers submitting Proposals must include the following requested information arranged in this order:

1. Narrative Statement of Qualifications of your Firm.
2. List of projects previously completed of a similar nature including a construction cost and completion date for each project.
3. Submit an organizational chart showing a designated project manager and staff.
4. Statement of Firm's experience working in Southeast Alaska or a similar environment.
5. Detailed proposed lot and structure layout with approximate dimensions of parcels, buildings, and improvements.
6. Details on proposed utilities and drainage improvements to be constructed along with notations as to whether they will remain in private lands or dedicated for public use.
7. Concept narrative of your Development Plan for the project including estimated time of completion, mixture of housing types and expected income levels of purchasers.
8. Sources of funding for the project and a tentative development timetable. In the event the project is contingent on funding from public housing programs, the deadline for application submittals and tentative award dates shall be provided.
9. Signed statement that plat notes for the Whitcomb Heights Subdivision have been reviewed and understood.
10. Proposed purchase price.
11. Responses are limited to no more than 15 pages.

Responses to this request for proposals will be evaluated and ranked based on the following criteria (100 points total):

1. Development Plan (0 to 30 points)  
Does the Proposal address the CBS's goals of timely providing a mixture of housing types? Is Developer qualified to perform the work?
2. Time of Completion (0 to 20 points)  
What is the timeframe to bring lots to a saleable condition?
3. Purchase Price (0 to 50 points)  
Points for Purchase Price shall be awarded based upon the following formula:  
(Your Purchase Price/Highest Purchase Price) X 50 points

## **G. Submissions and Inquiries**

Submit five (5) copies of your Proposal(s) to:

City and Borough of Sitka, Municipal Clerk  
100 Lincoln Street,  
Sitka, Alaska 99835

The exterior of packaging, containing the proposals, shall be clearly marked **Tract A11 Benchlands Development Proposal**.

Proposals will be received until **X:00 p.m. local time XXXday, XXX XX, 20XX.**

As a part of the review of proposals, the City and Borough may, at its discretion, require the submittal of additional detailed information on any or all projects.

The City and Borough of Sitka has not, as of the date of the preparation of this RFP, established a review timetable.

Prior to the submittal, inquires may be directed to Amy Ainslie, Planning Director, City and Borough of Sitka at [planning@cityofsitka.org](mailto:planning@cityofsitka.org). While phone inquiries can be made to (907) 747-1815, emails are requested to allow for tracking of potential questions.

*The City and Borough of Sitka reserves the right to modify this Request for Proposals at any time. The City and Borough further reserves the right to evaluate the proposals in any manner the City and Borough deems appropriate.*

*The City and Borough of Sitka reserves the right to accept or reject any and/or all proposals, to waive irregularities or informalities in the proposals, and to negotiate a contract with the respondent that best meets the selection criteria.*

*The materials provided in this RFCP and appendices are provided for informational purposes only. Potential submitters shall take responsibility for independently verifying all information. Any sale or lease of the land will be in the condition "as is". Any buyer will assume the entire risk as to the quality and suitability of the land for their intended purpose(s).*

## **Outline of Appendices**

**Aerial Imagery**

**Plat 83-17 Whitcomb Heights Subdivision**

**Previous Concept Planning**

**Whitcomb Heights Subdivision Wetland Delineation Report and Appendix A – Figures**

**Shannon & Wilson 2016 Report – South Kramer Avenue Landslide Report**





Brightman Street

Kramer Avenue

Cushing Street

Emmons Street

Halibut Point Road

Jacobs Circle

Kramer Avenue





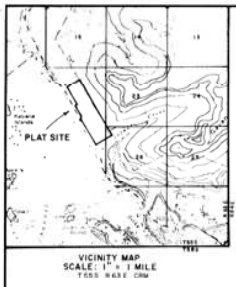
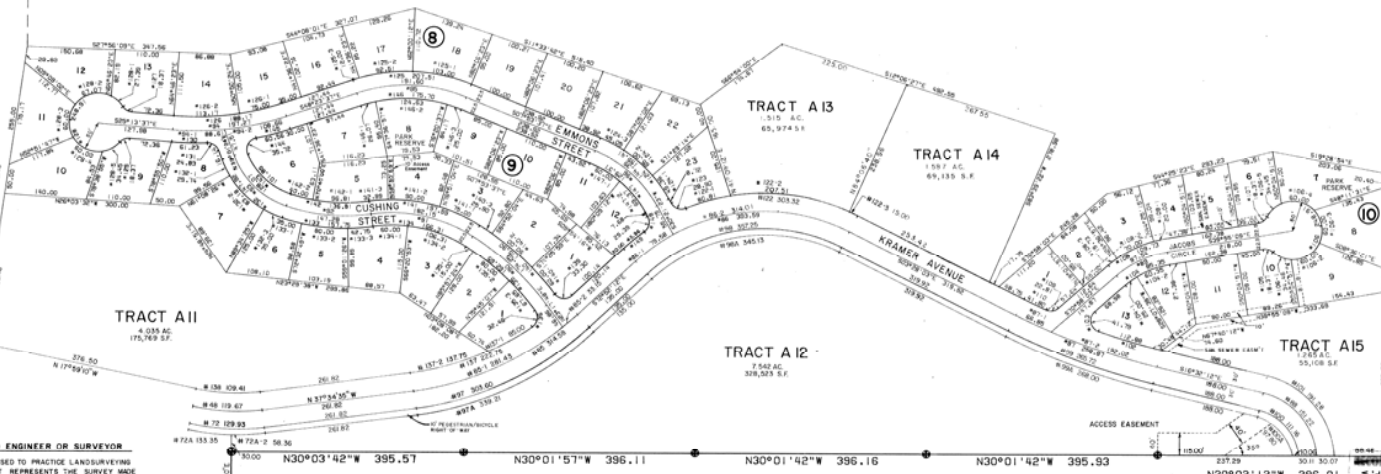


Table with columns for NUMBER, RADISS, ARC, DELTA, TAN, CHORD, CHORD BEARING, CHORD BEARING, NUMBER, RADISS, ARC, DELTA, TAN, CHORD, CHORD BEARING. It lists survey data for various points and lines.

SHEET 2 OF 3  
MATCH LINE  
SHEETS 1, 2, 3, 4

Table with columns for NUMBER, RADISS, ARC, DELTA, TAN, CHORD, CHORD BEARING. It lists survey data for various points and lines.



U.S. SURVEY 3565 (NATIONAL FOREST SERVICE)

U.S. SURVEY 2418

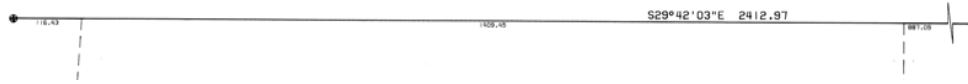
CERTIFICATE STATE OF ALASKA FIRST JUDICIAL DISTRICT I, THE UNDERSIGNED, BEING DULY APPOINTED AND QUALIFIED, AND AFTER REVISION FOR THE CITY AND BOROUGH OF SITKA, DO HEREBY CERTIFY THAT, ACCORDING TO THE RECORDS IN MY POSSESSION, THE FOLLOWING DESCRIBED PROPERTY IS CARRIED ON THE TAX RECORDS OF THE CITY AND BOROUGH OF SITKA, IN THE NAME OF THE CITY OF SITKA, AS FOLLOWS: [List of properties]

CERTIFICATE OF REGISTERED ENGINEER OR SURVEYOR I HEREBY CERTIFY THAT I AM LICENSED TO PRACTICE LAND SURVEYING IN ALASKA, AND THAT THIS PLAT REPRESENTS THE SURVEY MADE BY ME OR UNDER MY DIRECT SUPERVISION, AND THAT THE MONUMENTS SHOWN THEREON ACTUALLY EXIST AS LOCATED, AND THAT ALL DIMENSIONAL AND OTHER DETAILS ARE CORRECT.

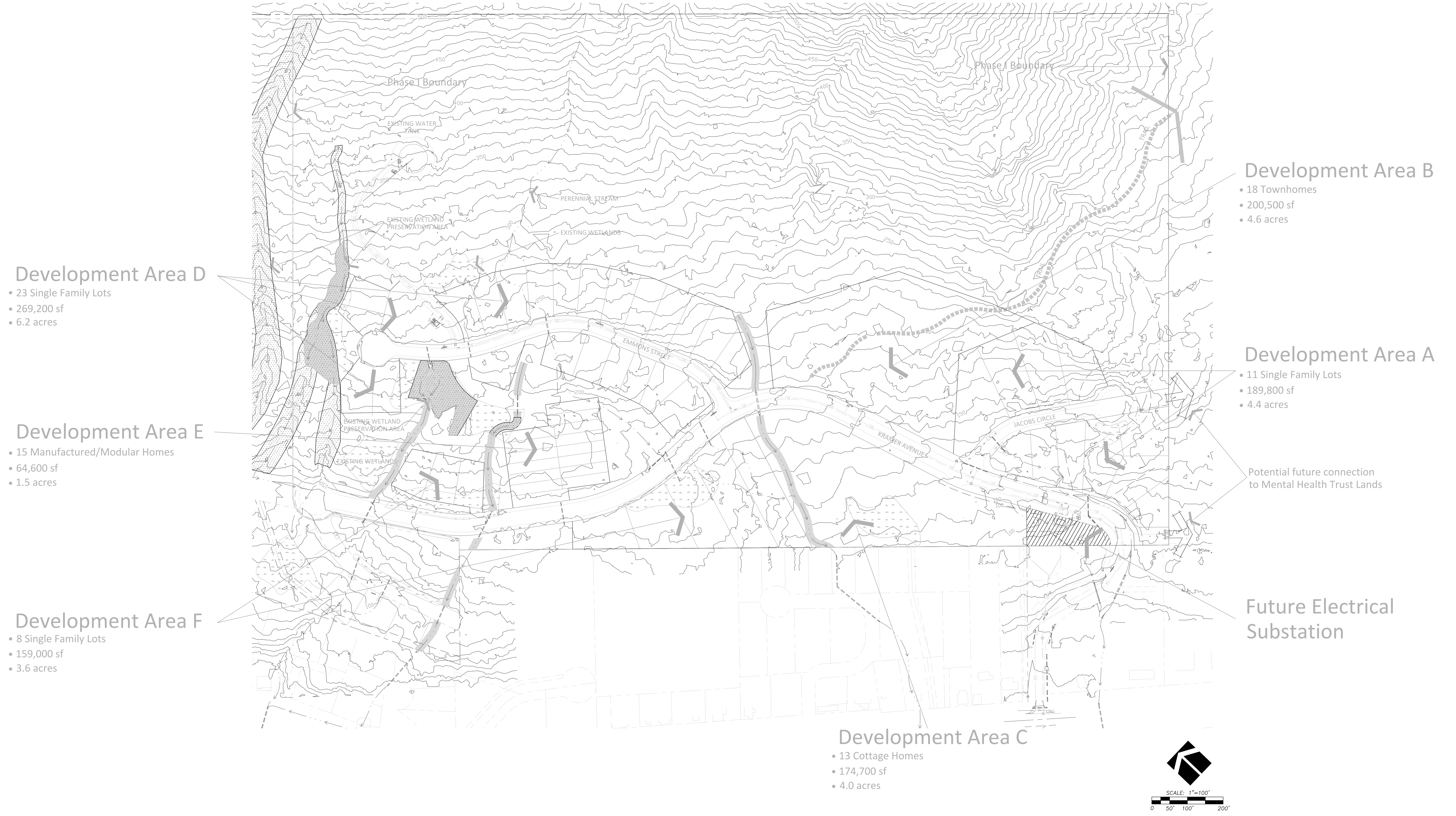
WHITCOMB HEIGHTS SUBDIVISION CITY AND BOROUGH OF SITKA, ALASKA. Includes a grid for recording information: Dated Feb. 9, 1980, Scale: 1" = 100', A SUBDIVISION OF TRACT A, USS 3806, Sitka, Alaska, 99801.



U.S. SURVEY 3565



NUMBER	RADIUS	ARC	DELTA	TAN	CHORD	CHORD BEARING
4	325.39	194.04	$34^{\circ}10'00''$	100.00	191.17	$S20^{\circ}16'19.0''W$
5	355.39	211.93	$34^{\circ}10'00''$	109.22	208.80	$N20^{\circ}16'19.0''W$
9-1	355.39	81.93	$17^{\circ}17'30''$	41.15	81.75	$S09^{\circ}47'34.0''W$
9-2	355.39	130.00	$20^{\circ}57'30''$	65.73	129.08	$N06^{\circ}52'34.0''W$



# Whitcomb Heights Subdivision, Phase 1 Development Plan

City and Borough of Sitka, Alaska



# Whitcomb Heights Subdivision Wetland Delineation

Project No.: 90570

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## WETLAND DELINEATION REPORT



Prepared for  
City and Borough of Sitka  
100 Lincoln Street  
Sitka, Alaska 99835

**July 2008**

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Prepared by  
USKH Inc.  
2515 A Street  
Anchorage, Alaska 99503

## SUMMARY

In August and October 2007, and May 2008, USKH Inc. (USKH) conducted a wetland delineation at the Whitcomb Heights subdivision in Sitka, Alaska for the City and Borough of Sitka (CBS). This survey delineates and classifies wetland and upland areas within the CBS property boundary and additional CBS rights-of-ways that would be utilized for drainage easements and utilities (delineation boundary). Wetland determinations herein follow the U. S. Army Corps of Engineers Wetland Delineation Manual (1987) as well as the Alaska Regional Supplement (2007) three-tier approach. USKH investigated vegetation, soils, and hydrology at all test plot locations. USKH also documented relatively permanent waterbodies within the subdivision and followed them to their terminus wherever practicable.

The project site is located along a benched area above Sitka Sound approximately two miles north of downtown Sitka on Baranof Island. The subdivision is bound on the east by the Tongass National Forest and on the west by housing developments along Halibut Point Road. The subdivision can be accessed from Halibut Point Road via Kramer Avenue to the south or Harbor Mountain Road to the north. Numerous drainages flow through the subdivision, and forested wetland/upland mosaics exist along stream corridors and/or where the topography and soils allow hydric conditions to persist throughout the growing season. Of the approximately 200-acre delineation boundary, USKH has determined that 5.2 acres are wetlands or Waters of the U.S. All wetlands found during field investigations were determined to be hydrologically connected to the Sitka Sound, and therefore under the jurisdiction of the USACE per Section 404 of the Clean Water Act. Development of the subdivision will be coordinated with the USACE and follow the guidelines outlined in Special Public Notice SPN 2005-8: *Evaluation and Review of New Subdivisions Developed Completely or Partially in Wetlands and Other Waters of the United States*.

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## **APPENDICES**

### Appendix A – Figures

Figure 1 – Location, Vicinity and Site Map

Figure 2 – Existing Conditions

Figure 3 – Wetland Delineation

Figure 4 – Wetland Delineation

Figure 5 – Wetland Delineation

### Appendix B – Wetland Delineation Data Sheets and Photo Log

### Appendix C – Supplemental Information

NWI Mapping

Survey Protocol Document

Whitcomb Heights Subdivision Final Hydrology Study

Geotechnical Investigation



# 1 INTRODUCTION

## 1.1 Site Location

The project area is located within the Whitcomb Heights subdivision, locally known as the Benchlands, named such because it sits on a bench that ranges in elevation from 100 to 300 feet above sea level, with steep grades both above and below. The bench runs parallel to the shoreline of Sitka Sound, on the west side of Baranof Island, approximately two miles north of downtown Sitka. The subdivision property is bound on the east by the Tongass National Forest and on the west by housing developments along Halibut Point Road. The subdivision can be accessed from Halibut Point Road via Kramer Avenue to the south or Harbor Mountain Road to the north. Sitka is within a maritime climatic zone, with cool summers, mild winters, and above average precipitation. The project area is located at 57°03'50" North latitude and 135°21'43" West longitude within Sections 22, 23, 26, and 27; Township 55 South; Range 63 East; Copper River Meridian. Figure 1 shows the location and vicinity of the project area (All figures are located in Appendix A).

## 1.2 Project Description

The Whitcomb Heights subdivision has been a concept in development off and on for 30 years. After subdividing the land into building lots, park preserves, and street rights-of-way (ROW), construction contractors built road bases for the subdivision in the early 1980's. Work ceased shortly thereafter, and trees and brush now crowd the area. Figure 2 shows an aerial photograph of the project area as it exists today. The old roads can be distinguished by vegetation color changes where vegetation has overgrown the roadbed. The City and Borough of Sitka (CBS) recently received a State grant to start the design of the subdivision infrastructure, including access roads, and water and sewer utilities. The CBS expects to acquire additional funding in the coming years to construct the subdivision utilities and roads, and begin the sale of lots. Major components of the project include:

- Constructing paved road surfaces and widen existing road bases for sidewalks.
- Constructing water and sewer systems with extensions to individual subdivision lots.
- Constructing stormwater systems that maintain natural drainage patterns while not overwhelming existing downstream drainage systems.

The majority of this project will fall within the existing road base. Material for the project is expected to come from existing local material sites, and the existing road base will be used for haul routes and staging areas.

The purpose of this analysis is to determine wetland locations within the delineation boundary, in support of the design of the subdivision infrastructure. The City of Sitka received a permit (POA-2007-1291) for a separate project that included the construction of a water tank and access road located within the boundaries of the subdivision. The current delineation area is approximately 200 acres. This report includes descriptions of the delineated wetland and upland habitats throughout the site.

## 2 BACKGROUND INFORMATION

### 2.1 Existing Wetland Information

The U.S. Fish and Wildlife Service, National Wetland Inventory (NWI) has mapped the wetlands in the project area (<http://wetlandsfws.er.usgs.gov/wtlnds/launch.html>). The NWI identifies large swaths of freshwater forested/shrub wetlands intersecting the subdivision. Subdivision construction downgradient (west) of the Benchlands area may have changed the size and extents of the wetlands shown on the NWI mapping. The NWI identifies these wetlands as *Palustrine Forested Needle Leaved Evergreen Saturated* (PFO4B). See Appendix C for NWI mapping of the project site. A feasibility study completed by Kean and Associates in 2004 for CBS states that no large wetland or open water areas were observed on the site. The study states that localized areas of skunk cabbage were observed during site investigations, indicating the presence of forested wetlands within the subdivision. No detailed wetland investigation or mapping effort was performed for these areas as part of the study (Kean and Associates, 2004).

### 2.2 Existing Vegetation Information

The *Alaska Vegetation Classification* handbook identifies the project area as Coastal Forest, characterized as being dominated by open evergreen needle leaf forests interspersed with mixed conifers (Viereck et al., 1997). The Kean feasibility study identifies the study area as being covered with old growth hemlock and spruce forest, intermixed with stands of Red alder (Kean and Associates, 2004). See Section 4 for detailed descriptions of the vegetation communities found in the project area during delineation fieldwork.

### 2.3 Existing Soils Information

The U.S. Department of Agriculture Natural Resource Conservation Service (NRCS) soil surveys do not provide detailed coverage of the project area. The Exploratory Soil Survey of Alaska gives general information about the soils in the project area (NRCS, 1979). According to the Exploratory Soil survey, the majority of the soils in southeast Alaska are loamy, gravelly Spodosols, typical to environments with heavy precipitation. In these places, iron and other minerals are leached through the organic soil horizon, becoming deposited in the lower soil layers. The survey also classifies the soils within the Benchlands subdivision as Typic Cryohumods and Humic Cryorthods. These soils are located in forested areas and are comprised mostly of volcanic ash in varying thicknesses and can be well or poorly drained (NRCS, 1979).

The Kean subdivision feasibility study is consistent with the soil survey, describing the soil layers as volcanic ash parent material overlain by organics of varying thicknesses. The feasibility study also states there may be historic (greater than 300-500 years old) slide debris soils in the subdivision based on records from the original 1985 construction of Kramer Avenue. These construction records indicate a large amount of overexcavation took place in order to build portions of Kramer Avenue due to what was called “slide debris” (Kean and Associates, 2004). Construction records do not identify the specific location where the overexcavation took place.

Golder Associates Inc. conducted a Geotechnical Investigation during the summer of 2007. The investigation found evidence of an ancient landslide in areas both east and west of the Emmons cul-de-sac that is causing a perched water table. According to the Golder report, areas with evidence of ancient landslides or disturbed volcanic ash tended to be poorly drained (Golder, 2008). See Appendix C for a copy of the Geotechnical Report. See Section 4 for detailed descriptions of soils found during fieldwork.

#### **2.4 Existing Hydrology Information**

The existing site work completed as part of the Kean feasibility study outlines several drainages flowing through the subdivision based on field observations of flow in neighborhoods down gradient of the area. Many of the drainage pathways within the subdivision are not well defined and stormwater run off is carried downstream by a small number of streams. During rain events, flows within these drainages can become high, and evidence of erosion is present at culvert inlets and across portions of Kramer Avenue (Kean and Associates, 2004). Aerial and satellite photography of the region show Cascade Creek to the south of the project area, an unnamed stream to the north, and Sitka Sound to the project's west. USKH completed a Hydrology Study of the Whitcomb Heights Subdivision in March 2008. The study described drainage characteristics of the subdivision and makes recommendations for culvert design throughout the subdivision. Appendix C contains a copy of the Final Hydrology Study. Results of this study were used in combination with the results of the wetland delineation to determine the hydrologic connection (if any) between the wetlands found within the subdivision and Sitka sound to the project's west.

### 3 METHODOLOGY

Methodology for this wetland delineation followed the process established in the U.S. Army Corps of Engineers (USACE) *Wetland Delineation Manual* (1987) and the *Alaska Regional Supplement* (2006). Methodology followed the three-tiered survey approach established in the USACE manual and included the examination of vegetation, soil, and hydrology at all wetland delineation test plot (TP) sites. Three separate site visits were completed from August 2007 to May 2008. An initial field visit took place on August 14 and 15, 2007, to establish a baseline of vegetation, soils, and hydrology within the subdivision. The initial site visit took place during the growing season for the Coastal Western Hemlock- Sitka Spruce Forest region. Weather at the project site during the initial investigation was sunny and warm. Temperatures averaged around 70 degrees Fahrenheit. August 2007 conditions in Sitka were relatively dry. Only 0.5 inches of precipitation was recorded at the Sitka airport between August 1 and August 14, 2007, with a total of 2.11 inches for the entire month of August. Average August precipitation for the area is 6.77 inches (<http://www.wrcc.dri.edu/summary/climsmak.html>). A second site visit took place on October 12 and 13, 2007. Weather during the October visit was rainy and cold with temperatures averaging around 40 degrees Fahrenheit. The third site visit took place May 12-16, 2008. Weather during the May site visit was rainy with temperatures in the upper 50s to low 60s (degrees Fahrenheit). Sara Lindberg and Jeff Raun, USKH environmental analysts, conducted the August field investigation; Sara Lindberg conducted the October investigation, and Sara Lindberg and Kacy McDonnell conducted the May trip.

#### 3.1 Field Preparation

Prior to the initial field visit, Lindberg used existing background information and mapping to assess the project area and to identify areas that needed further study or field verification. Thick vegetation adjacent to the roadway visible on the aerial photography made it difficult to identify open areas or drainages that may contain wetlands (Figure 2). An initial site reconnaissance was conducted in the delineation area on August 13, 2007, to ascertain the diversity of the vegetation communities within the subdivision and identify areas where wetland verification and mapping were needed. Subsequent visits were prepared for by reviewing the previous visit's data and planning delineation efforts around problem areas or areas where further study was needed to understand project impacts.

#### 3.2 Wetland Delineation

The site presented difficult field conditions. Steep terrain, thick vegetation and numerous stream channels and drainages made navigation of the subdivision difficult, and in places, impossible. After the first initial site visit, wetland delineation efforts were prioritized into three categories.

1. High priority areas: High priority areas are identified as areas where previous delineation efforts identified wetlands, or where contours show the area may be flat and thus merit further investigation. High priority areas also included areas that would be directly impacted by construction of roadway improvements.

2. Relatively Permanent Waterbodies (RPW) (flowing for at least three months a year) and their drainage corridors: RPWs were walked to the extent practicable to identify the presence of wetland buffers adjacent to the drainage.
3. Isolated or “pocket wetlands”: Transects were walked where practicable to establish a pattern of vegetation along a particular elevation gradient. Efforts were focused on finding localized areas not covered in the high priority areas where benching and hydrology may create wetland pockets.

Each subsequent field visit built on the knowledge of the last, helping to predict where wetlands were likely to occur based on contours and streams. Global Positioning System (GPS) coordinates identified prior to field work were located for each priority area. Delineators began by navigating via GPS to each priority area. General notation and photographs of site characteristics, vegetation and hydrology were taken to assess the different vegetation communities present at each location. Test Plots (TP) were recorded for each community type within the priority area. When investigating drainage corridors and transects, test plots were taken at breaks in vegetation communities as the team moved along the corridor. Vegetation communities well represented in other TPs were documented with field notes and photographs referring to the representative TP. As transects were walked through the different vegetation communities, it became apparent which communities were likely to contain wetlands, and delineation effort was concentrated in these communities.

Methodology at each TP followed the three-tiered survey approach established in the USACE manual including the examination of vegetation, soil, and hydrology at each site. A survey protocol document was sent the USACE prior to the May 2008 field visit that outlined delineation methods and showed areas of high priority and areas where transects would be walked. After the May visit was complete, Figures 3-5 of the protocol document were revised to reflect actual transects and pathways the delineation team walked as they surveyed the area. See Appendix C for the survey protocol document and further detail of delineation methods. TP data forms and representative photographs of the wetland areas can be found in Appendix B.

### **3.3 Data Analysis and Mapping**

Mapping of wetland delineation boundaries while in the field was completed by walking the boundary with a GPS unit where vegetation and terrain permitted. In areas where vegetation was too thick or terrain too steep to make mapping practicable, the wetland boundary was drawn on the map in the field using contour and other landmark data. Drainages were walked where practicable, and flow paths were marked with a GPS unit.

After returning to the office, field investigators reviewed data sheets and correlated field data with site photographs and GPS locations. Wetland areas were then assigned a classification using data collected from the field visit as well as existing NWI mapping and *Classification of Wetlands and Deepwater Habitats of the United States* (Cowardin et al., 1979). GPS points used to identify TP locations were correlated with known points on the ground from earlier survey efforts to verify their locations. Wetland boundaries were mapped using GPS information and

other notes taken in the field. Wetland boundaries and locations of wetland delineation TP are shown on Figures 3, 4 and 5.



## 4 RESULTS AND DISCUSSION

### 4.1 Wetland Habitat Types

The Benchlands subdivision consists of old growth Western hemlock forests, with numerous streams and drainages flowing throughout the benched area. One wetland habitat type exists within the delineation area. Forested wetland/upland mosaics (PFO4/Upland) exist along drainage pathways and in locally benched areas. The ratio of wetland to upland within a particular mosaic area is primarily driven by the local microtopography of the specific location. Some mosaics have a larger percentage of wetlands than others, depending on how much of the area is made up of microtopographic “lows”. PFO4/Upland mosaics make up approximately 5.2 acres of the area within the subdivision boundary. See Appendix B for TP data sheets and representative photos of this wetland type. Figures 3, 4 and 5 show the locations and extents of wetlands relative to the proposed project components.

#### 4.1.1 Palustrine Forested Needle-Leaved Evergreen Wetland/Upland Mosaics (PFO4/Upland)

PFO4/Upland mosaics are located along stream channels and low areas throughout the project. Western hemlock (*Tsuga heterophylla*), Western Redcedar (*Thuja plicata*) and Sitka spruce (*Picea sitchensis*) as well as the shrub species Red huckleberry (*Vaccinium parvifolium*) and False azalea (*Menziesia ferruginea*) dominate the overstory and exist on the microtopographic “highs”. Wetland lows are sparsely vegetated with Skunk cabbage (*Lysichiton americanum*) and mosses amid standing or flowing water. Forested wetland/upland mosaics within areas where ancient land slide debris were found have a slightly different vegetation community than the typical mosaics throughout the rest of the subdivision. These areas are located west of the Emmons cul-de-sac above and below a natural hill formation in the vicinity of TP 2, TP 66 and TP 67. This area is typically more flat and contains an open forest canopy with numerous large, standing dead trees. While the shrub and herb layers remain largely the same, tree and sapling species within the slide debris areas appear to be stressed and/or dying.

Soils in wet portions of the PFO4/Upland mosaics consist of organic layers of varying thickness underlain with layers of volcanic ash and cobbles. Organic layers measure eight inches in areas where water flows frequently and greater than 22 inches in areas where ancient slide debris were found. Saturation and presence of the water table within the soil pit occurs within all wetland/upland mosaics, but varies greatly depending on the location of the soil pit within the mosaic topography. Soils within low areas of the mosaic tend to have thicker organic layers and are saturated to the surface, whereas soils a few feet away in a slightly higher location are not saturated. In addition, soils in the microtopographic highs have numerous large roots within the organic soil horizon belonging to the tree and shrub layer. In many places, the microtopographic highs are made up entirely of roots, the trees growing on top of their own buttressed root system to escape inundation. Soils in these areas consist entirely of decomposing wood.

Hydric soil indicators were difficult to identify depending on the weather conditions and time of year the data was taken. Three separate site visits over the months of May to October provided an overall survey of the soil conditions within the subdivision. During the August site visit, saturation was sporadic partially due to local microtopography and partially due to the unusually

dry weather. During the October site visit, soils in all wetland mosaic “lows” were saturated. Some soils were oversaturated due to the lack of plant growth during the fall season to assist in the uptake of the water. The May site visit provided a balanced overview of the soils within the subdivision.

Hydrology indicators were the main driver in determining wetland boundaries for the project area. Obvious drainage patterns and changes in microtopography were visible throughout the subdivision. During the August site visit, soil saturation was not present for all wetland areas identified due to the unusually dry conditions. Wetland hydrology indicators in these cases were identified using obvious drainage patterns, microtopographic relief, and sparsely vegetated concave surface indicators. Oversaturation of the soil during the October site visit made hydrology indicators unreliable for some of the TPs. In these cases, data sheets from similar areas found during the August delineation were used to verify the hydrology of the wetlands visited in October. Hydrology indicators during the May trip were typical for conditions in south east Alaska. One area considered wet during the August 2007 site visit was later determined to be upland during the May 2008 site visit based on the lack of hydric soil and hydrology indicators.

## 4.2 Upland Habitat Types

The Benchlands subdivision supports great expanses of Western hemlock forests. Delineators used the *Alaska Vegetation Classification System* (Viereck et al., 1997) to classify upland habitats. Uplands make up approximately 195 acres within the 200-acre delineation boundary. Three different vegetation communities exist within the delineation boundary. *Open Western Hemlock-Sitka Spruce Forests* occur throughout the majority of the area, generally occurring on slopes less than 30 percent, and are comprised of an open forest canopy of Western hemlock and Sitka spruce with a dense shrub layer of False azalea and Red huckleberry. It is within this forest type that all the wetlands within the subdivision were found. Forests occurring on the steeper slopes (greater than 30 percent) within the subdivision are classified as *Closed Western Hemlock-Sitka Spruce-Western Redcedar Forest* and contain a closed forest canopy, with almost no shrub layer, and very little ground cover except for a thick layer of forest floor mosses. These closed forest areas contain large expanses of downed woody debris that are covered with moss. The closed canopy areas have shallower soils, and USKH delineators determined after the August and October site visits that wetlands were not likely to occur in this habitat type. The third upland vegetation type within the subdivision is *Closed Red Alder Forest*. These areas exist along and include the disturbed ground of the existing subdivision roads, and in most cases, are growing out from the road bed itself. The understory in these areas consists of almost exclusively Sitka spruce saplings, which also grow out of the rocky material of the road bed. Soils in all the upland forested communities except for the rocky soils of the disturbed road bed consist of an organic/loam forest duff layer of varying thickness, underlain by layers of volcanic ash and gravel or cobbles. Soils in the upland areas are not saturated. General topography of the upland areas is sloped and encourages surface water drainage towards adjacent streams and/or drainage ways.

### 4.3 Streams/Drainages

Streams and drainages occur throughout the subdivision, crossing the subdivision roads through culverts. Figures 3, 4 and 5 identify RPWs found during the site visits. Due to the unusually dry conditions during the August field visit, many of the drainage routes within the forested areas were dry. During the subsequent visit in October, almost all drainages contained flowing water. Determining whether a stream or drainage could be considered an RPW after one site visit was difficult. As a result the drainage pathways were revised after each site visit and finalized subsequent to the May site visit.

Drainages within the closed forested areas that had little shrub undergrowth were easily followed and mapped with a GPS unit or by using contours where steep topography made walking the corridor impractical. Drainages were followed to their western most termini where practicable as well as upgradient to the east where the RPW began to flow within a defined channel. Drainages within the open forested areas where shrub under growth was very thick were more difficult to follow. Drainages in these areas flow underground or under thick masses of downed logs covered in moss and following them was not always practicable. In the ancient slide area, and in some of the wetland/upland mosaics, drainages would often split and meander and then become indeterminate altogether, before coming out again at the ditch line of a road. Figures 3, 4 and 5 show all the RPWs within the subdivision boundary.

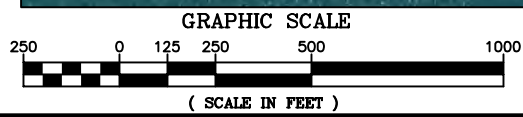
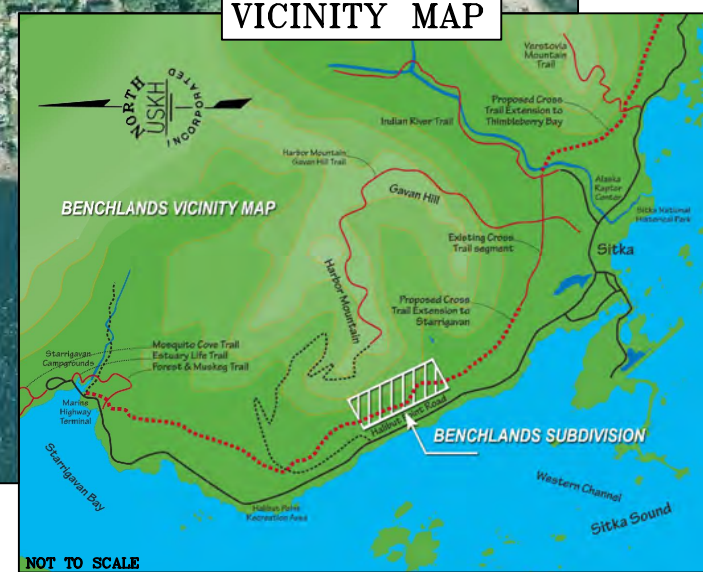
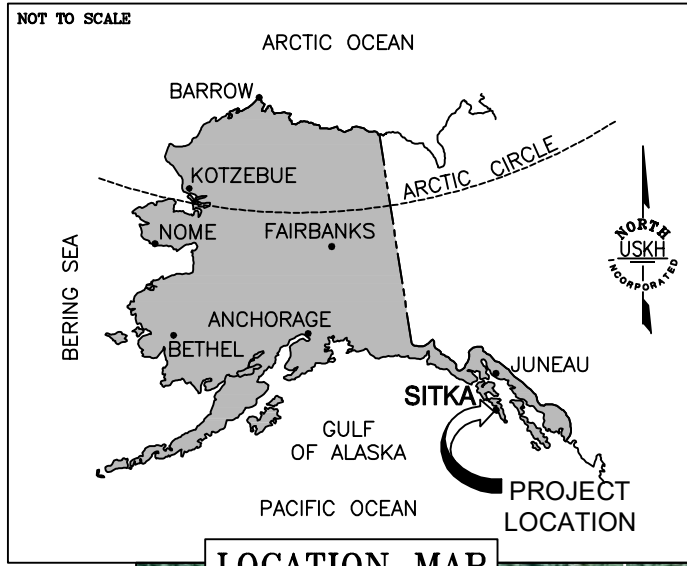
### 4.4 Conclusion

Development activities from road construction and lot development within the boundaries of the subdivision would likely impact wetlands and/or Waters of the U.S. under the jurisdiction of the USACE. 5.2 acres of PFO4/upland mosaic wetlands were identified within the approximately 200-acre delineation boundary. Development of the subdivision roads and utilities will include consideration of all subdivision impacts including those from individual lot development. According to SPN 2005-08, *Evaluation and Review of New Subdivisions Developed Completely or Partially in Wetlands and other Waters of the U.S.*, the subdivision will be developed and permitted in consideration of effects from lot development. It is anticipated that the permit application for the subdivision will follow "Alternative No. 2" for development of subdivisions, where the permittee will apply for a permit to construct the road improvements only, and require individual lot owners to obtain their own permits. Subdivision development will include coordination with the USACE and compliance with Section 404 of the Clean Water Act and Section 10 of the Rivers and Harbors Act.

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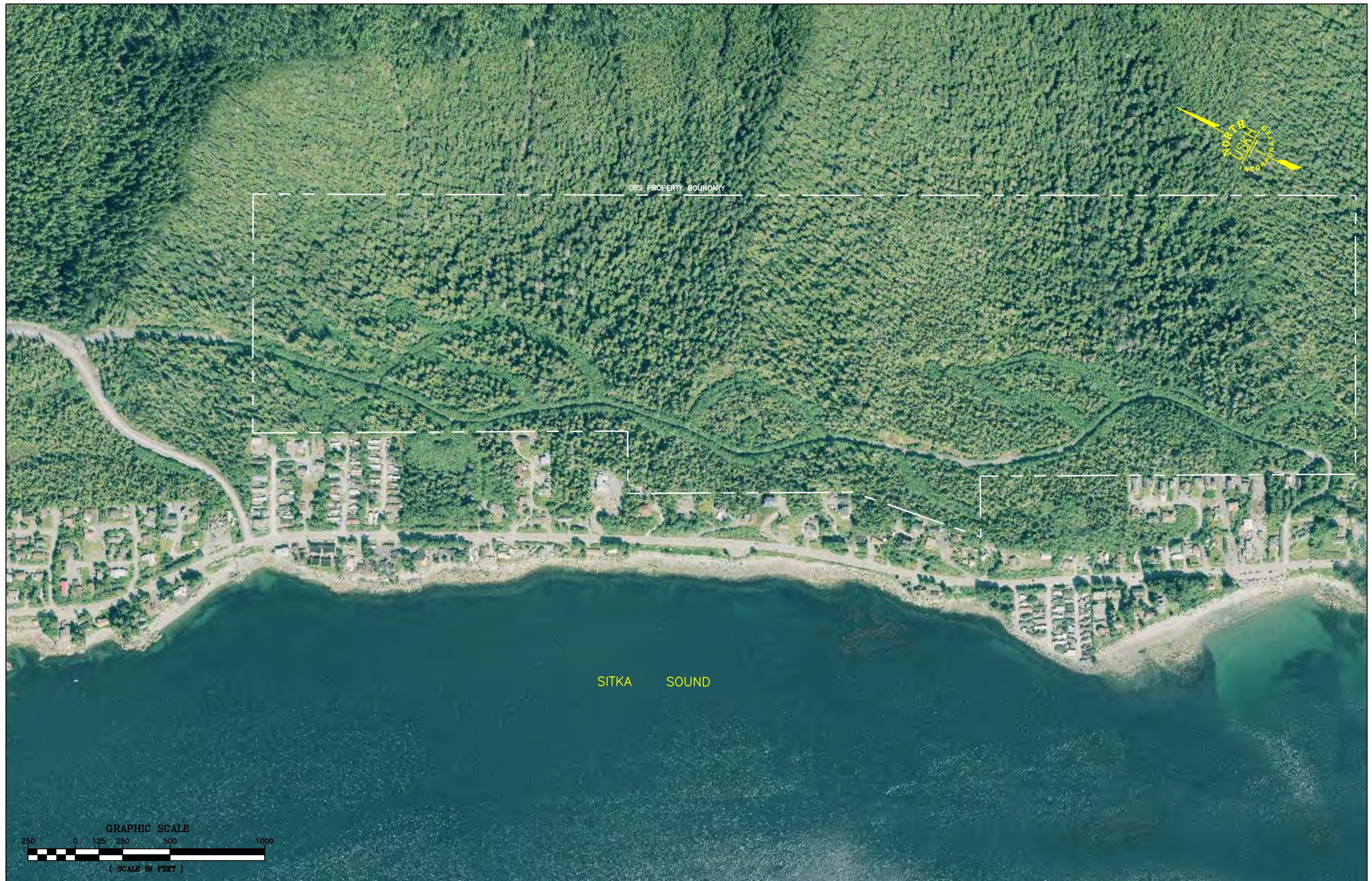
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CITY AND BOROUGH OF SITKA  
BENCHLANDS SUBDIVISION  
SITKA, ALASKA  
LOCATION, VICINITY, AND SITE MAP

**OCT. 2007**  
**FIGURE**  
1





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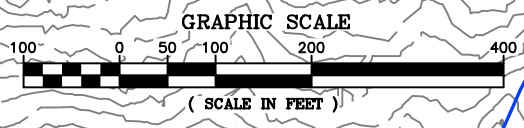
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CITY AND BOROUGH OF SITKA  
 BENCHLANDS SUBDIVISION  
 SITKA, ALASKA  
 EXISTING CONDITIONS

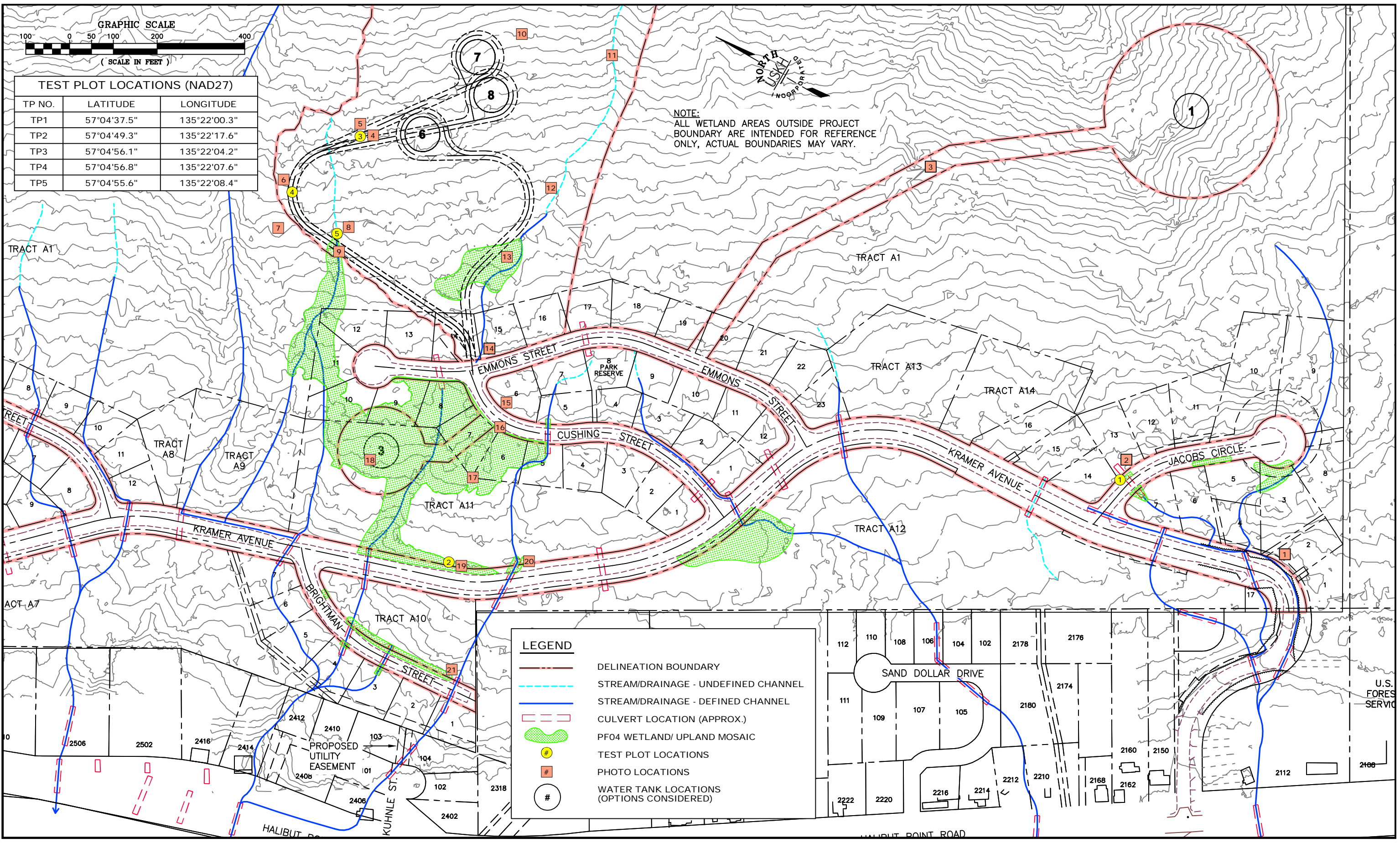
**OCT. 2007**  
**FIGURE**  
 2





TEST PLOT LOCATIONS (NAD27)		
TP NO.	LATITUDE	LONGITUDE
TP1	57°04'37.5"	135°22'00.3"
TP2	57°04'49.3"	135°22'17.6"
TP3	57°04'56.1"	135°22'04.2"
TP4	57°04'56.8"	135°22'07.6"
TP5	57°04'55.6"	135°22'08.4"

NOTE:  
ALL WETLAND AREAS OUTSIDE PROJECT  
BOUNDARY ARE INTENDED FOR REFERENCE  
ONLY, ACTUAL BOUNDARIES MAY VARY.



LEGEND	
	DELINEATION BOUNDARY
	STREAM/DRAINAGE - UNDEFINED CHANNEL
	STREAM/DRAINAGE - DEFINED CHANNEL
	CULVERT LOCATION (APPROX.)
	PF04 WETLAND/ UPLAND MOSAIC
	TEST PLOT LOCATIONS
	PHOTO LOCATIONS
	WATER TANK LOCATIONS (OPTIONS CONSIDERED)

REV.	DATE	BY	DESCRIPTION OF CHANGE

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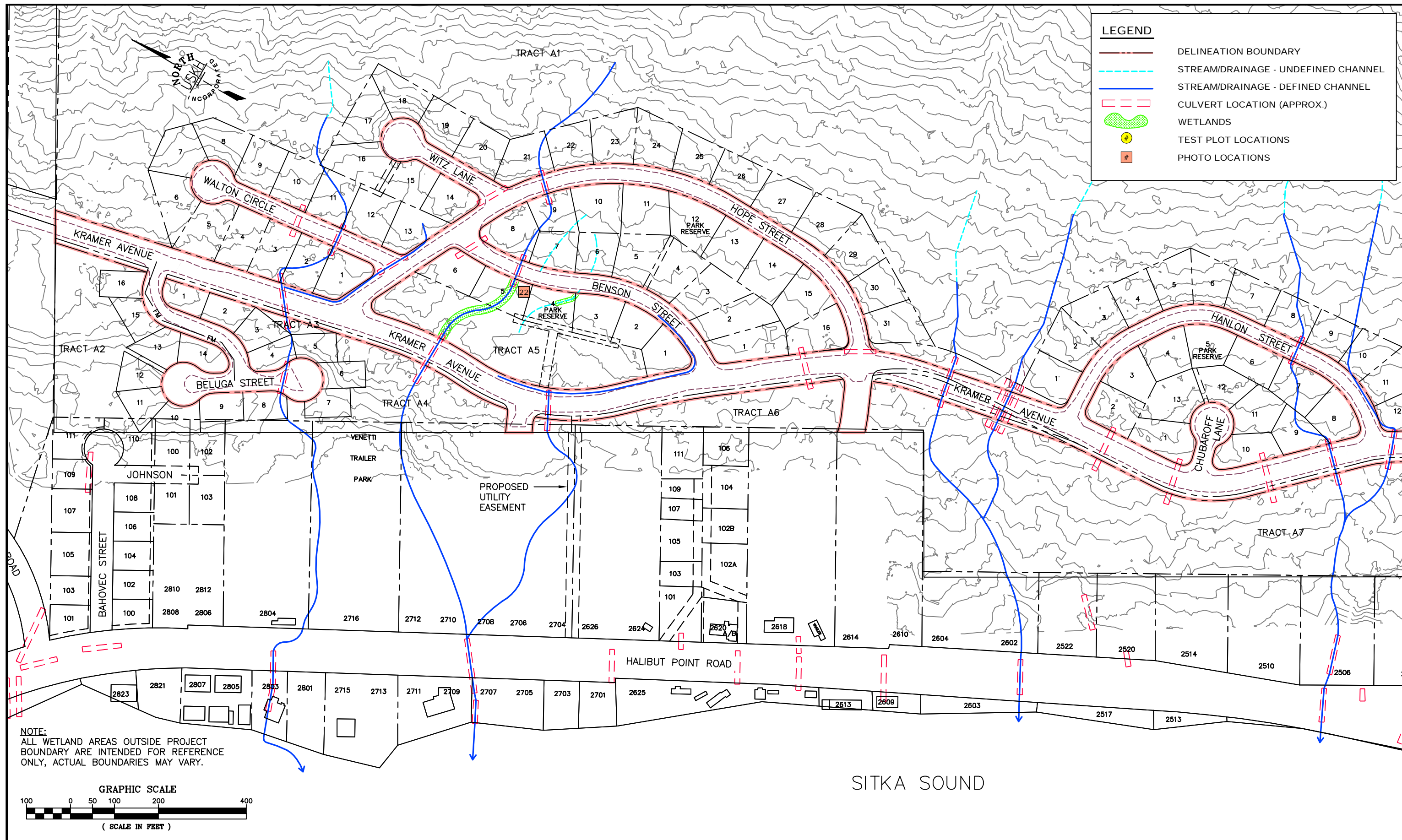
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CITY AND BOROUGH OF SITKA  
BENCHLANDS SUBDIVISION  
SITKA, ALASKA  
WETLAND DELINEATION

OCT. 2007  
FIGURE  
3





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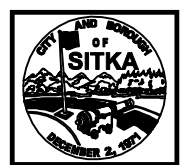
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CITY AND BOROUGH OF SITKA  
BENCHLANDS SUBDIVISION  
SITKA, ALASKA  
WETLAND DELINEATION

**OCT. 2007**  
**FIGURE**  
4

February 2, 2016



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Submitted To:  
Mr. Michael Harmon, P.E.  
Public Works Director  
City and Borough of Sitka, Alaska  
100 Lincoln Street  
Sitka, Alaska 99555

By:  
Shannon & Wilson, Inc.  
400 N 34<sup>th</sup> Street, Suite 100  
Seattle, Washington 98103

21-1-22168-001

February 2, 2016

Mr. Michael Harmon, P.E.  
Public Works Director  
City and Borough of Sitka, Alaska  
100 Lincoln Street  
Sitka, AK 99555

**RE: SOUTH KRAMER AVENUE LANDSLIDE: JACOBS CIRCLE TO  
EMMONS STREET, SITKA, ALASKA**

Dear Mr. Harmon:

This letter report presents our research, observations, discussions, analyses, conclusions, and recommendations regarding the South Kramer landslide that occurred in Sitka, Alaska, on August 18, 2015. The landslide caused three fatalities, the destruction of one residence, and the damage of another residence. It is our understanding that more than 50 landslides were documented to have occurred in the Sitka area on August 18 (Prussian, 2015). The purpose of our work is to aid the City and Borough of Sitka (CBS) in understanding the landslide in relation to the existing Kramer Avenue residential development and to offer input to CBS as it considers future development in this area. This study concentrated on the portion of Kramer Avenue between Jacobs Circle and Emmons Street.

The scope of Shannon & Wilson, Inc.'s (Shannon & Wilson's) services included:

1. Review of existing published geologic literature and scientists' reports about the recent landslide.
2. Discussions with local officials and scientists familiar with the geology and the August 18, 2015, landslide.
3. Field reconnaissance of the lower part of the Harbor Mountain hillside and the Kramer Avenue residential development between Jacobs Circle and Emmons Street.
4. Runout analysis of the debris flow.
5. Meetings with the CBS Assembly and staff.
6. Preparation of this report with our findings.

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February 2, 2016  
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Our work was authorized in a contract signed by Mr. Mark Gorman, CBS city administrator, on November 11, 2015. The contract was amended on December 9, 2015, to include a limited field reconnaissance.

### **SITE DESCRIPTION**

The South Kramer landslide is located north of downtown Sitka on the western flank of Harbor Mountain, as shown in the Vicinity Map, Figure 1. It initiated near the top of a ridge, at the southern end of the west-facing slope of Harbor Mountain. The debris from the debris flow came to rest near the southern end of Kramer Avenue, as shown in Figure 2.

The topography in the vicinity of the landslide is variable. Harbor Mountain rises to about elevation 2,000 feet. The face of the mountain has slope inclinations that exceed 100 percent, and the slope on which the landslide initiated reportedly is inclined at about 85 percent (Landwehr and others, 2015). The slope maintains inclinations steeper than 70 percent down to between elevations 260 and 320 feet at which point it gradually flattens. Along Kramer Avenue, the slope inclination is reduced to 12 to 14 percent.

Kramer Avenue is located on a terrace that is about 400 to 600 feet wide and is continuous for about one and a quarter miles (Figure 2). This area is locally known as the “Benchlands.” From the western edge of the Benchlands, the slope steepens down through the residential areas of Sand Dollar Drive and Whale Watch Drive. Another terrace is located to the west of these streets. Halibut Point Road is situated on this lower bench, a raised marine terrace. The sea is directly west of Halibut Point Road.

Little of Kramer Avenue is presently developed. Roads along the Benchlands are in place. A water tank is constructed on the slope above the northern end of Emmons Street (Figure 3), and distribution is established to the south of it. A sewer main extends from the southern end of Kramer Avenue northward to the Emmons/Kramer intersection. The only part of Kramer Avenue on which residences have been built is the southern end. One of these houses was destroyed by the landslide; another was damaged. Several other houses further south were undamaged.

The natural vegetation on the mountainside consists of a dense stand of conifers, including spruce and hemlock, and intermixed stands of red alder (USKH, Inc., 2008). Undergrowth is highly variable, ranging from very dense to sparse. We understand that the west-facing side of



Harbor Mountain has not been logged by the U.S. Forest Service. On the private property to the west of the U.S. Forest Service property, trees have been removed for the Benchlands streets and for utilities and residential lots at the southern end of the Benchlands.

We understand the landslide occurred at about 9:30 a.m. on August 18, 2015. It initiated on undisturbed U.S. Forest Service forest land near elevation 1,350 feet, traveled about 3,000 feet down an unnamed channel (Gould and others, 2015), and ended at about elevation 110 feet on Kramer Avenue. The upper part of the headscarp (Figure 2) is located at a drainage divide between the west- and south-facing slopes of Harbor Mountain. The initiation zone was estimated to be about 50 (Landwehr and others, 2015) to 85 feet wide (Gould and others, 2015), 90 feet long, and 6 to 10 feet deep (Landwehr and others, 2015). Along its path, it locally deposited but mostly scoured the channel of colluvium. In the upper portion of the path, the channel was scoured to bedrock (Figure 4). The path ranged from 40 to 70 feet wide, as shown in Figure 5. We understand that soil is exposed in the headscarp, but no additional blocks of cracked or detached soil are imminently in danger of falling from the headscarp (Prussian, 2015).

From aerial photographs and from field observations, it appears that the first pulse of the debris flow left the channel and plowed into the woods near elevation 240 feet, as indicated in Figures 2 and 3. This was likely the result of an upslope, straight segment of the channel and the debris wanting to maintain a straight line. After the first pulse, the bulk of the debris followed the existing channel that was directed toward the residence at 430 Kramer Avenue. The debris killed three people, and destroyed one residence and damaged another. Upon reaching Kramer Avenue, the debris encountered a low berm on the south side of the road that appears from photographs to have been 2 to 3 feet higher than Kramer Avenue. Farther south along the western side of Kramer Avenue, fill was mounded 8 to 10 feet high in an earthfill berm. When the debris flow encountered these berms, it turned southward down the road. It came to a stop about 400 feet from the point at which it reached Kramer Avenue, as shown in Figures 2, 3, and 6.

We understand that the more southerly earthfill berm (Figure 6) is a temporary stockpile of soil that was placed by the development contractor for future site grading in Tract C.

## WEATHER

We understand that the Sitka area had incurred above-normal precipitation in the 2½ months before the August 18 landslide. For June and July 2015, rainfall was 15.13 inches, whereas the

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normal total for those two months is 7.0 inches; more than double the normal (YourWeather Service, 2015). For August 2015, 3.23 inches of rain had fallen in the first 17 days of the month, about normal rainfall.

On August 18, an anomalous area of upper level high pressure was positioned over the northeastern Pacific. This upper level pattern steered a heavy rain system toward the central Alaska panhandle (Jacobs and others, 2015) on August 18.

Between 4:00 and 10:00 am on August 18, the Sitka area received 2.5 to 3.25 inches of precipitation, considered by the National Weather Service to be a, “very exceptional and extreme weather and hydrologic event.” (Jacobs and others, 2015) The National Weather Service reported that rainfall in the mountains of the Sitka area could have exceeded the recorded amounts due to orographic effects. Moderate winds of 11 to 17 miles per hour from the southwest were recorded at the Sitka Airport during this storm.

### **GEOLOGIC CONDITIONS**

Harbor Mountain is geologically diverse, comprised of metamorphic bedrock and glacial, volcanic, and mass wasting soils. The mountain is cored by Sitka greywacke, a slightly metamorphosed sandstone (Karl and others, 2015). The rock is moderately hard, light brown, and fine to medium grained. In the Kramer Avenue area, it outcrops sporadically in road cuts along Kramer Avenue and Halibut Point Road.

The greywacke is overlain by glacial till, a compact to dense, gray, poorly graded gravel with silt, sand, and cobbles (Yehle, 1974; Golder Associates, 2008). The till probably covers bedrock throughout the area, but is only exposed in several road cuts. It stands steeply in the cuts, because it was overridden by ice. Test pits logged by Golder Associates indicate that the till is at least 2 feet thick to more than 13 feet thick in the subject area. Only one test pit encountered bedrock beneath the till.

Till is overlain by volcanic ash, a product of eruptions of Mount Edgecumbe. The ash at the Kramer Avenue site is reportedly comprised of deposits from two eruptions (Rhiele, 1996). The ash is described in the Golder Associates report as loose to compact, brown, gray, red, and yellow, silty sand with a trace clay. This report indicates that the deposit (two combined eruptive

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deposits) is 1.5 to 7 feet thick in the study area. One test pit did not expose ash. It was observed in all road cuts in the Kramer Avenue area.

Locally draping the above geologic units is landslide debris. This diamict is a mixture of the weathered bedrock, till, and ash. It is described as compact, gray, silty sand with trace clay, gravel, cobbles, and boulders in the Golder Associates report, and ranges from 1.5 to 18.5 feet thick where encountered. Four of the 12 test pits in the study area contained no landslide debris. It appears to have accumulated in the Benchlands at the foot of debris flow channels that head on Harbor Mountain. No surficial exposures of landslide debris were observed. Our only knowledge of its locations and characteristics in the study area comes from the Golder Associates report.

Groundwater is perched in this area. In the Golder report, groundwater levels ranged from 1.5 to 8.5 feet below ground surface. Numerous springs, as noted in Figure 3, emerge from the hillside. In some cases, they form the heads of through-going surface streams. In other cases, they infiltrate back into the ground and pop out farther downslope. In some areas, such as Tract C, most of the ground is covered with standing water, likely perched on ash or till.

The Light Detection and Ranging (LiDAR) hillshade image (Figure 2) of the study area is informative but enigmatic. On a very broad scale, it has been suggested by others that the west-facing slope of Harbor Mountain collapsed in ancient times, spreading landslide debris into the ocean, one remnant of which is a shoreline protrusion. There is no evidence in outcrop or exposure of debris of such a widespread event, and the LiDAR image does not unequivocally support such a hypothesis.

The LiDAR image does support the hypothesis that the Benchlands is, in part, constructed of landslide materials supplied by repeated debris flows along several discrete chutes that originate on Harbor Mountain. The depositional distribution of the landslide debris also supports this idea. No landslide debris is observed or reported to the west of Kramer Avenue.

## CONCLUSIONS

In our opinion, the South Kramer debris flow was a natural event. There is no evidence that human actions, past or recent, had an influence on the initiation of this landslide. Five

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contributing factors that appear to have influenced this mass wasting event are: (a) above-normal precipitation in the 2½ months prior to August 18, (b) very steep slopes in the initiation zone, (c) a bedrock hollow that concentrated groundwater and channeled failed soil to the bottom of the slope, (d) weak soil in the initiation zone, and (e) exposure to high winds on the initiation ridge.

The intense storm of August 18, 2015, was judged to be extraordinary by the National Weather Service. This extraordinary event was added to 2½ months of more than twice the normal precipitation for Sitka. The rainfall intensity combined with the other contributing factors was the major factor for this landslide, in our opinion. Debris flows normally initiate on slopes steeper than about 70 percent. The inclination of the slope at the initiation zone of this debris flow was 85 percent, and susceptible to failure.

Bedrock hollows, areas where the topography is convergent, are at particular risk of failure because they are capable of concentrating groundwater, thereby lowering the stability of accumulated soils in the swale.

The soils in the headwall of the debris flow consisted of colluvium, ash, and glacial till. The colluvium is weak because it accumulated from sloughing of surrounding formations. The ash is also weak because it was never overridden and compacted by glacial ice and has low strength. Ash soils are also typically hydrophylic and impermeable creating perched water and can cause an elevated groundwater level in the soil above it.

Although high winds may not have been recorded at the Sitka Airport on August 18, the position of the landslide initiation zone is on a ridge that is vulnerable to south and southwestern winds. During strong winds, the trees in this area would be especially prone to rocking and opening up cracks in the ground surface, thereby allowing relatively fast infiltration of rainfall. Studies in southeastern Alaska have shown wind and windthrow to be a factor in landslides (Buma and Johnson, 2015) in the region.

### **RUNOUT ANALYSIS**

In order to assess the potential future risk to infrastructure and residential development in the Kramer Avenue area between Jacobs Circle and Emmons Street, runout modeling was performed using an empirical-based computer program developed for debris flows in the Queen Charlotte

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Islands at the University of British Columbia (Fannin and Bowman, 2007). We judge this program to be appropriate for use in Sitka owing to its regional application, and the similarity of topography of western British Columbia terrain and that of southeastern Alaska.

The model utilized is UBCDFLOW, in which the main factors are the initial volume in the initiation zone, and the channel widths and runout slope angles over channel reaches of similar character (University of British Columbia [UBC] Civil Engineering Department, 2014). The channel widths and runout angles were readily obtained by recent LiDAR data and photographs; however, the initial volume of soil is based on observations by others, and only a best estimate, because the shape of the original topography in the headscarp area cannot be known.

We performed several iterations of the model to calibrate it, and then ran five scenarios (see Figure 3):

1. The full length of the channel along which the August 18 debris flow moved, deflected by the berms on the west side of Kramer Avenue (Terminus 1).
2. The full length of the channel along which the August 18 debris flow moved, if the berms along the west side of Kramer Avenue had not been in place (Terminus 2).
3. The northern tributary chute originating at the top of Harbor Mountain, deflected by the berms on the west side of Kramer Avenue (Terminus 3).
4. The northern tributary chute originating at the top of Harbor Mountain without the berms on the west side of Kramer Avenue (Terminus 4).
5. The northern branch of the August 18 debris flow that ended in the woods uphill from Kramer Avenue (Terminus 5).

The locations of the distal ends of the modeled runouts are presented in Figure 3. Modeling indicated that another debris flow along the August 18 alignment would end up in the same place as before, assuming that the berms on the west side of Kramer Avenue were left in place. If the berms were not in place on August 18, the debris could potentially have runout into Tract C about 400 feet southwest of Kramer Avenue. If the August 18 debris flow deposit had continued straight westward through the woods, as shown in Figures 2 and 3, it could have reached Kramer Avenue. Modeling of this side branch of the debris flow showed that once the debris flow material leaves the channelized section of the creek and becomes a uniform unchannelized slope, the debris slows and deposits relatively quickly, as shown in Figure 3. The modeling does not



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take the roughness of the in-place trees into account, so it would probably come to rest sooner than the model indicates.

The bedrock hollow in the August 18 initiation zone has mostly emptied out and the channel below has been scoured, so the future hazard from that source is likely low; however, a tributary creek/hollow to the north that extends to the top of Harbor Mountain has the potential to fail and recreate a similar or larger debris flow than the August 18 event. This bedrock hollow is about 700 feet higher in elevation than the initiation zone of the August 18 debris flow.

If this higher bedrock hollow failed in a manner similar to the August 18 debris flow, the model predicts that it would flow down Kramer Avenue about 400 feet beyond the Kramer Avenue debris deposit, assuming the berms were in place. Without the berms in place, this modeled debris flow would move about 580 feet southwest of Kramer Avenue, reaching residences on the eastern side of Whale Watch Drive and Sand Dollar Drive.

### **RISK ZONES AND DEVELOPMENT RECOMMENDATIONS**

The implication of the runout analysis is that residences, utilities, and roads in the path of the identified potential debris flow paths are at high risk. However, the modeling analysis cannot be relied upon singularly. It is a supplement for geologic judgment and experience. In the case of the southern end of Kramer Avenue, the use of LiDAR hillshade images is most instructive. They show the corridors of erosion/incision and deposition, as well as relative ages of the related landforms, factors of particular importance in informing land use decisions.

Based on our assessment of the modeling, field observations, and LiDAR images, we have created three categories of risk in the Jacobs Circle/Emmons Street area for debris flows originating on Harbor Mountain. The three categories described below range from high to low. There are **no** no-risk zones in the study area.

The high-risk zone is in and adjacent to the recent debris flow path and two other debris flow paths that were identified in the field and on the LiDAR hillshade image. They have incised channels and uneven, hummocky, and lobate topography. We recommend no new residential development or transportation and utility corridors through this area without extensive study and protective measures. If any new development or redevelopment is contemplated for these areas, a geotechnical evaluation should be performed by a licensed civil engineer specializing in

Mr. Michael Harmon, P.E.  
City and Borough of Sitka, Alaska  
February 2, 2016  
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geotechnical practice or professional geologist experienced in mass wasting processes. The evaluation should include subsurface explorations, evaluation of the hazard and risk from debris flows, and design of debris flow mitigation or protective measures. Such reports should be reviewed by a third-party for completeness and appropriateness.

Some existing residences are in the high-risk zone. Although this report does not attempt to assess or predict the risk to any individual parcel or structure, it may be prudent for those property owners to evaluate their exposure, obtain professional assistance, and take protective action, as discussed above.

Three moderate risk zones were identified, as shown in Figure 3. They are either buffer areas between high- and low-risk zones, or areas that offer slightly higher risk than low, as discussed below. One is the buffer zone adjacent to the debris chute high-risk zone on the northern edge of the study area. Another buffer zone is located downhill (west) of Tract C. Another moderate zone is located uphill of Emmons Street where there appear to be deposits of ancient, relict debris flows. The channel that originally supplied debris to this area is presently incapable of delivering debris to this same area, in our opinion; however, if the adjacent incised creek/swale should become blocked during a debris flow, the relict channel could potentially deliver debris to this area again. If any new development or redevelopment is contemplated for these areas, a geotechnical evaluation should be performed and reviewed in the same manner as recommended above for high-risk zones.

The low-risk debris flow zones are areas that are unlikely to be impacted by debris flows; however, they should be evaluated by a professional, as described above to confirm that condition. They may be subject to other geotechnical issues such as local slope instability, high groundwater level, spring seepage, and soft ground.

### **CONCEPTUAL MITIGATION MEASURES**

In our opinion, it is not possible or practical to prevent debris flows from originating in the undisturbed, natural ground on the western slope of Harbor Mountain.

Mitigation measures have been designed and built throughout the world to protect existing and new structures and infrastructure. They can be categorized into two types: containment and diversion. Containment measures consist of excavated basins with or without outlet structures.

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February 2, 2016  
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This type of mitigation normally requires a large space; not readily available in this study area for individual property owners, but potentially possible for groups of lots, if reconfiguration of lot lines is possible.

Wire mesh nets are also used to contain debris flow material, but need to be applied to a relatively narrow confined channel. Their use in this area could be assessed.

Diversion measures consist of earth berms and structural walls capable of deflecting the hypothesized debris volume. They can be effective for the properties downhill from the protective works, but the deflected debris can then be deposited on adjacent property.

### **CLOSURE**

The conclusions and recommendations in this letter report are based on a review of published and unpublished literature, discussions with other professionals familiar with the landslide, and a visual examination of the surface conditions as they existed during the time of our field reconnaissance. No subsurface explorations were performed for this study. This work has been performed using practices consistent with geologic and geotechnical industry standards in the region for slope stability; however, prediction of slope movement with absolute certainty is not possible with currently available scientific knowledge. As with any steep slope, there are always risks of instability that present and future owners must accept. Such risks include extreme or unusual storm events and forest fire, among others. If conditions described in this letter report change, we should be advised immediately so that we can review those conditions and reconsider our conclusions and recommendations.

The runout modeling analysis cannot be relied upon singularly. It is an empirical model. Although similar to topographic conditions in the Queen Charlotte Islands, the Harbor Mountain topography may be different, and therefore lead to different runout distances than those described in this letter report. Other factors such as water content, surface roughness, and routing may also contribute to differences between modeled runout distances and actual distances. It is a supplement for geologic judgment and experience.

Mr. Michael Harmon, P.E.  
City and Borough of Sitka, Alaska  
February 1, 2016  
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SHANNON & WILSON, INC.

Recommendations included in this letter report are presented to assist CBS. Shannon & Wilson has included the enclosed, "Important Information About Your Geotechnical/Environmental Report," to assist you and others in understanding the use and limitations of our reports.

We appreciate the opportunity to be of service. If you have any questions or concerns, please contact me.

Sincerely,

SHANNON & WILSON, INC.



William T. Laprade  
Senior Vice President

WTL:KLB/wtl

Enc: References (2 pages)  
Figure 1 – Vicinity Map  
Figure 2 – Site Plan – LiDAR Hillshade  
Figure 3 – Runout Analysis and Debris Flow Risk  
Figure 4 – Photograph of Debris Flow Initiation Zone  
Figure 5 – Photograph of Debris Flow Chute  
Figure 6 – Photograph of Debris Flow Deposit on Kramer Avenue  
Important Information About Your Geotechnical/Environmental Report

## REFERENCES

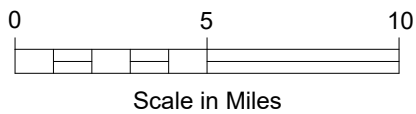
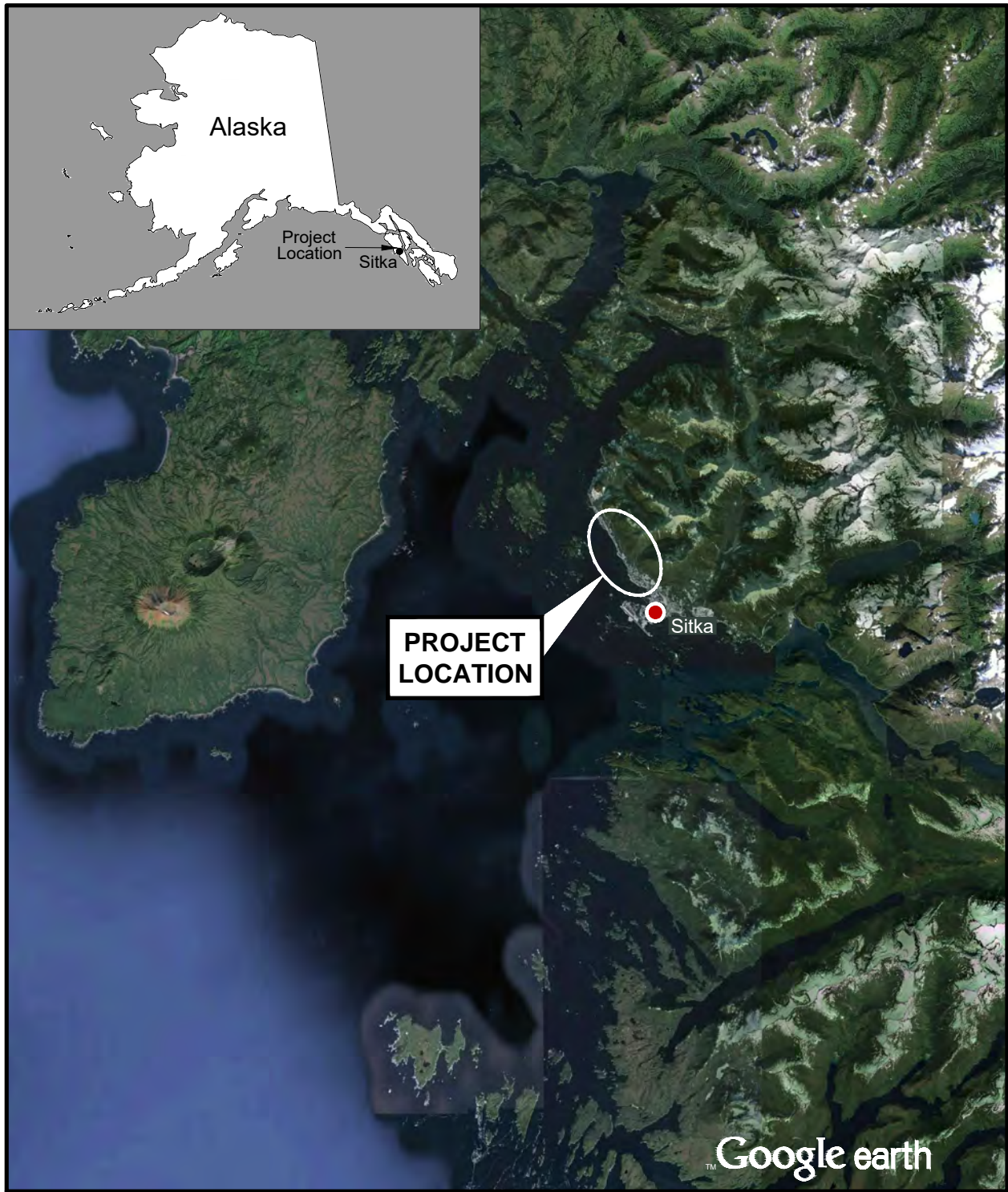
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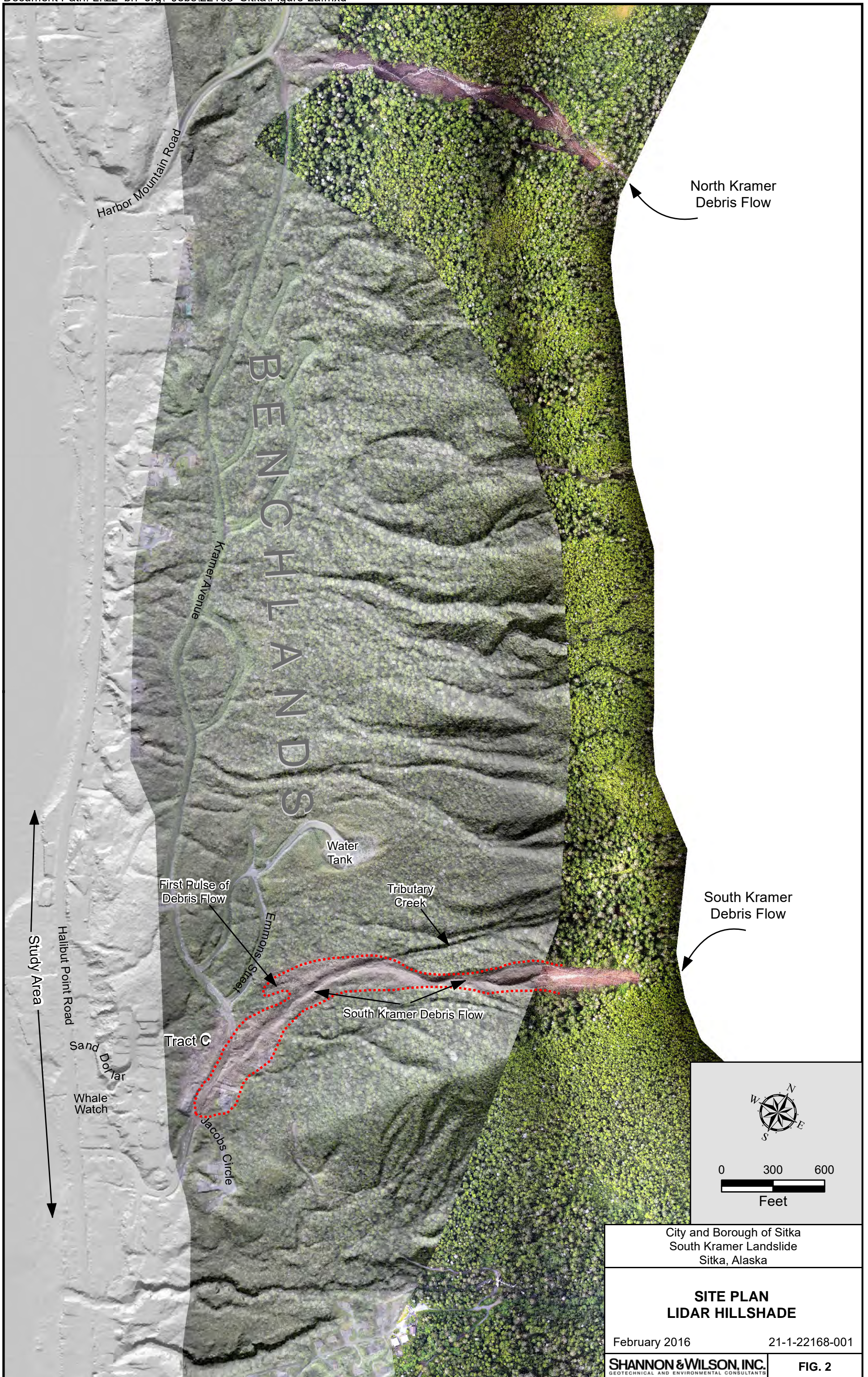


**NOTE**

Map adapted from aerial imagery provided by Google Earth Pro, Image © 2015 Terrametrics, Image IBCAO, Image © 2015 DigitalGlobe, and Image Landsat, reproduced by permission granted by Google Earth™ Mapping Service.

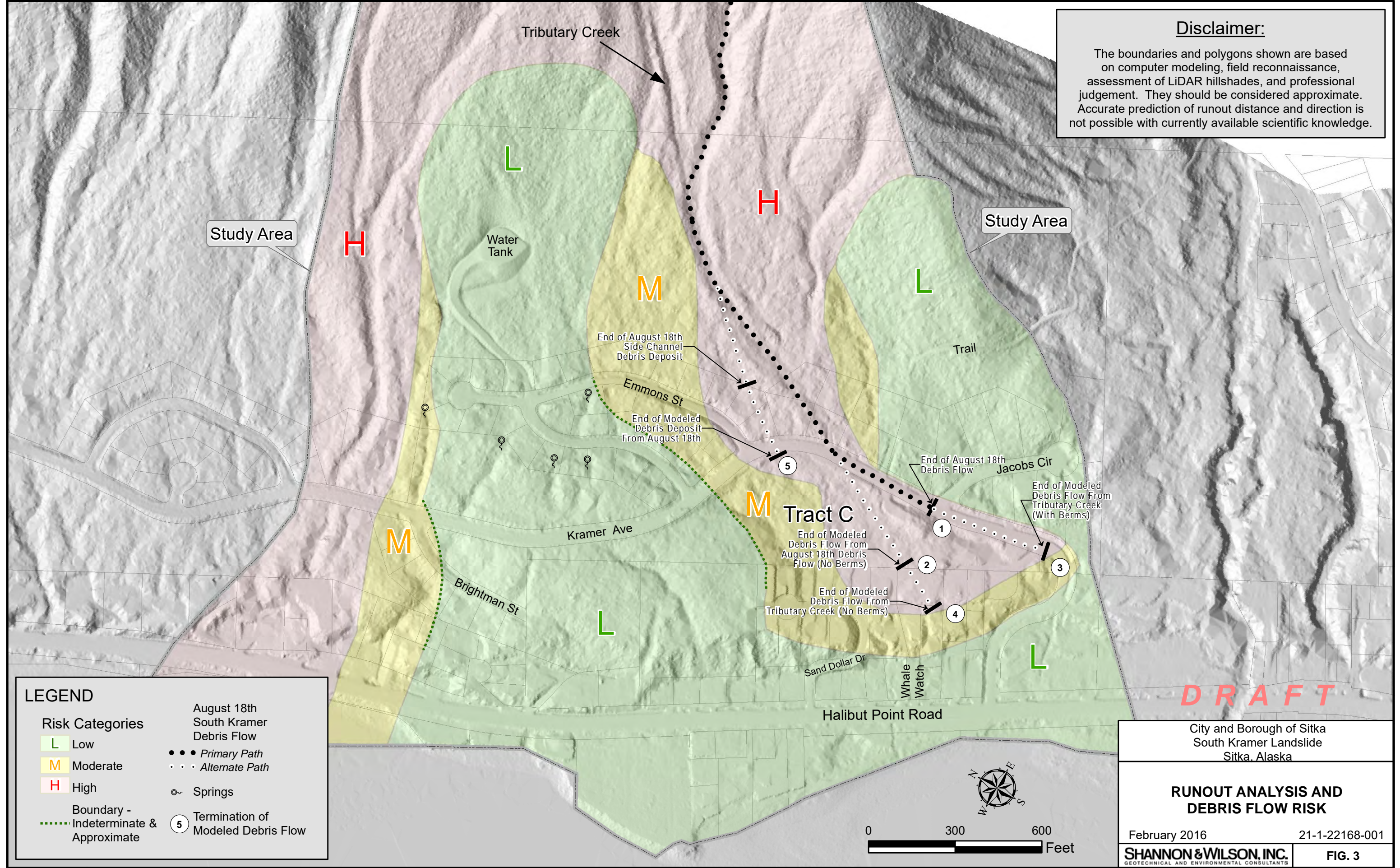
City and Borough of Sitka South Kramer Landslide Sitka, Alaska	
<b>VICINITY MAP</b>	
February 2016	21-1-22168-001
<b>SHANNON &amp; WILSON, INC.</b> <small>GEOTECHNICAL AND ENVIRONMENTAL CONSULTANTS</small>	<b>FIG. 1</b>





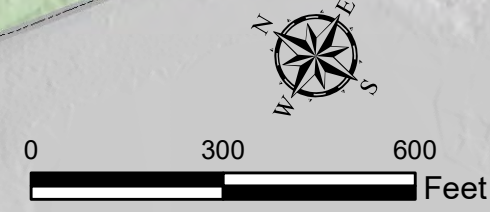


**Disclaimer:**  
 The boundaries and polygons shown are based on computer modeling, field reconnaissance, assessment of LiDAR hillshades, and professional judgement. They should be considered approximate. Accurate prediction of runout distance and direction is not possible with currently available scientific knowledge.



**LEGEND**

<b>Risk Categories</b>	August 18th South Kramer Debris Flow
<span style="background-color: #90EE90; border: 1px solid black; padding: 2px;">L</span> Low	●●● Primary Path
<span style="background-color: #FFD700; border: 1px solid black; padding: 2px;">M</span> Moderate	··· Alternate Path
<span style="background-color: #FF6347; border: 1px solid black; padding: 2px;">H</span> High	○ Springs
Boundary - Indeterminate & Approximate	⑤ Termination of Modeled Debris Flow



DRAFT

City and Borough of Sitka  
 South Kramer Landslide  
 Sitka, Alaska

**RUNOUT ANALYSIS AND  
 DEBRIS FLOW RISK**

February 2016 21-1-22168-001

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GEOTECHNICAL AND ENVIRONMENTAL CONSULTANTS

**FIG. 3**





City and Borough of Sitka  
South Kramer Landslide  
Sitka, Alaska

**PHOTOGRAPH OF DEBRIS FLOW  
INITIATION ZONE**

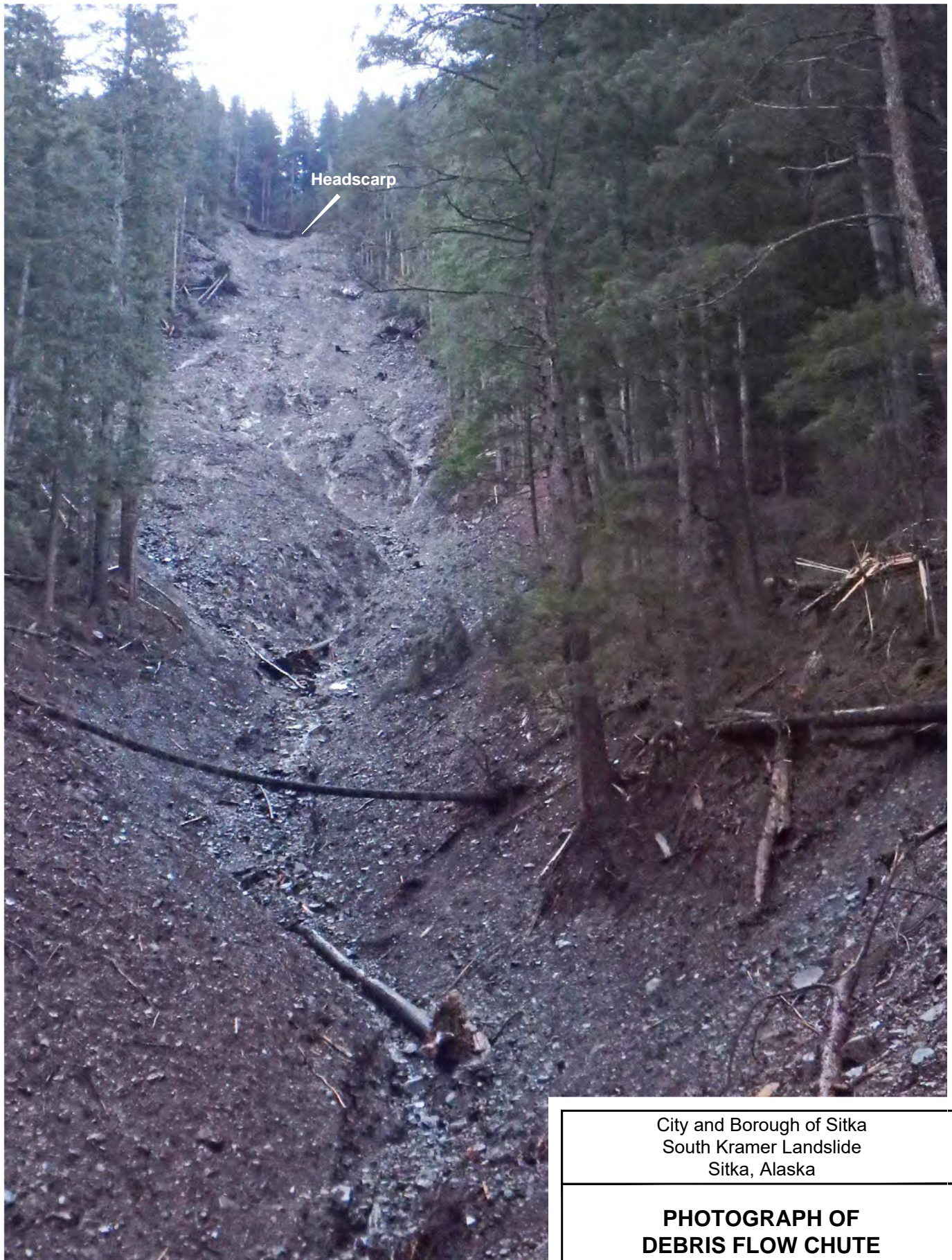
February 2016

21-1-22168-001

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GEOTECHNICAL AND ENVIRONMENTAL CONSULTANTS

**FIG. 4**





City and Borough of Sitka  
South Kramer Landslide  
Sitka, Alaska

**PHOTOGRAPH OF  
DEBRIS FLOW CHUTE**

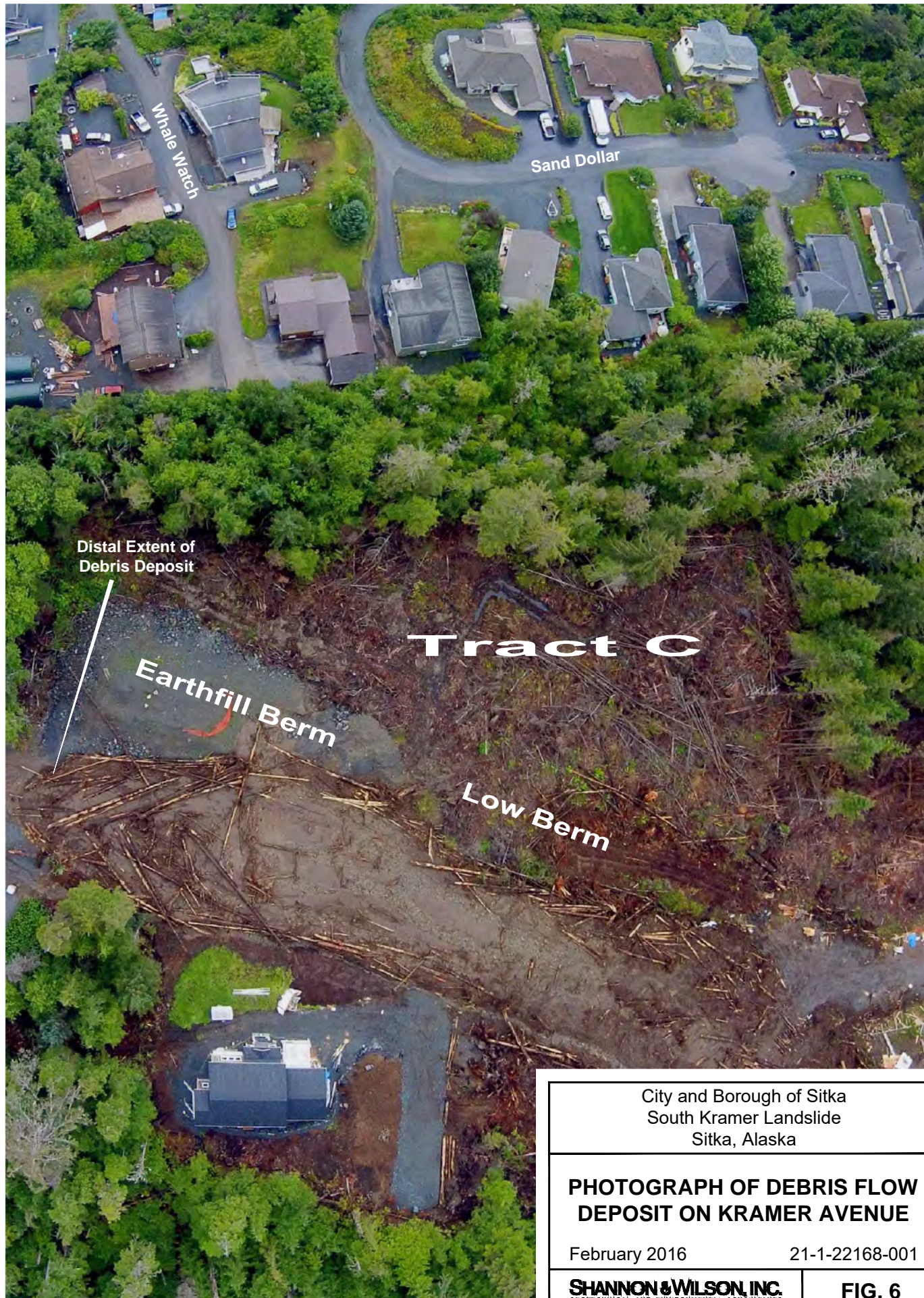
February 2016

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GEOTECHNICAL AND ENVIRONMENTAL CONSULTANTS

**FIG. 5**





Distal Extent of  
Debris Deposit

Earthfill Berm

Tract C

Low Berm

Whale Watch

Sand Dollar

City and Borough of Sitka South Kramer Landslide Sitka, Alaska	
<b>PHOTOGRAPH OF DEBRIS FLOW DEPOSIT ON KRAMER AVENUE</b>	
February 2016	21-1-22168-001
<b>SHANNON &amp; WILSON, INC.</b> <small>GEOTECHNICAL AND ENVIRONMENTAL CONSULTANTS</small>	<b>FIG. 6</b>





Date: February 2, 2016  
To: Mr. Michael Harmon, P.E.  
City and Borough of Sitka, Alaska

## **IMPORTANT INFORMATION ABOUT YOUR GEOTECHNICAL/ENVIRONMENTAL REPORT**

### **CONSULTING SERVICES ARE PERFORMED FOR SPECIFIC PURPOSES AND FOR SPECIFIC CLIENTS.**

Consultants prepare reports to meet the specific needs of specific individuals. A report prepared for a civil engineer may not be adequate for a construction contractor or even another civil engineer. Unless indicated otherwise, your consultant prepared your report expressly for you and expressly for the purposes you indicated. No one other than you should apply this report for its intended purpose without first conferring with the consultant. No party should apply this report for any purpose other than that originally contemplated without first conferring with the consultant.

### **THE CONSULTANT'S REPORT IS BASED ON PROJECT-SPECIFIC FACTORS.**

A geotechnical/environmental report is based on a subsurface exploration plan designed to consider a unique set of project-specific factors. Depending on the project, these may include: the general nature of the structure and property involved; its size and configuration; its historical use and practice; the location of the structure on the site and its orientation; other improvements such as access roads, parking lots, and underground utilities; and the additional risk created by scope-of-service limitations imposed by the client. To help avoid costly problems, ask the consultant to evaluate how any factors that change subsequent to the date of the report may affect the recommendations. Unless your consultant indicates otherwise, your report should not be used: (1) when the nature of the proposed project is changed (for example, if an office building will be erected instead of a parking garage, or if a refrigerated warehouse will be built instead of an unrefrigerated one, or chemicals are discovered on or near the site); (2) when the size, elevation, or configuration of the proposed project is altered; (3) when the location or orientation of the proposed project is modified; (4) when there is a change of ownership; or (5) for application to an adjacent site. Consultants cannot accept responsibility for problems that may occur if they are not consulted after factors which were considered in the development of the report have changed.

### **SUBSURFACE CONDITIONS CAN CHANGE.**

Subsurface conditions may be affected as a result of natural processes or human activity. Because a geotechnical/environmental report is based on conditions that existed at the time of subsurface exploration, construction decisions should not be based on a report whose adequacy may have been affected by time. Ask the consultant to advise if additional tests are desirable before construction starts; for example, groundwater conditions commonly vary seasonally.

Construction operations at or adjacent to the site and natural events such as floods, earthquakes, or groundwater fluctuations may also affect subsurface conditions and, thus, the continuing adequacy of a geotechnical/environmental report. The consultant should be kept apprised of any such events, and should be consulted to determine if additional tests are necessary.

### **MOST RECOMMENDATIONS ARE PROFESSIONAL JUDGMENTS.**

Site exploration and testing identifies actual surface and subsurface conditions only at those points where samples are taken. The data were extrapolated by your consultant, who then applied judgment to render an opinion about overall subsurface conditions. The actual interface between materials may be far more gradual or abrupt than your report indicates. Actual conditions in areas not sampled may differ from those predicted in your report. While nothing can be done to prevent such situations, you and your consultant can work together to help reduce their impacts. Retaining your consultant to observe subsurface construction operations can be particularly beneficial in this respect.

## **A REPORT'S CONCLUSIONS ARE PRELIMINARY.**

The conclusions contained in your consultant's report are preliminary because they must be based on the assumption that conditions revealed through selective exploratory sampling are indicative of actual conditions throughout a site. Actual subsurface conditions can be discerned only during earthwork; therefore, you should retain your consultant to observe actual conditions and to provide conclusions. Only the consultant who prepared the report is fully familiar with the background information needed to determine whether or not the report's recommendations based on those conclusions are valid and whether or not the contractor is abiding by applicable recommendations. The consultant who developed your report cannot assume responsibility or liability for the adequacy of the report's recommendations if another party is retained to observe construction.

## **THE CONSULTANT'S REPORT IS SUBJECT TO MISINTERPRETATION.**

Costly problems can occur when other design professionals develop their plans based on misinterpretation of a geotechnical/environmental report. To help avoid these problems, the consultant should be retained to work with other project design professionals to explain relevant geotechnical, geological, hydrogeological, and environmental findings, and to review the adequacy of their plans and specifications relative to these issues.

## **BORING LOGS AND/OR MONITORING WELL DATA SHOULD NOT BE SEPARATED FROM THE REPORT.**

Final boring logs developed by the consultant are based upon interpretation of field logs (assembled by site personnel), field test results, and laboratory and/or office evaluation of field samples and data. Only final boring logs and data are customarily included in geotechnical/environmental reports. These final logs should not, under any circumstances, be redrawn for inclusion in architectural or other design drawings, because drafters may commit errors or omissions in the transfer process.

To reduce the likelihood of boring log or monitoring well misinterpretation, contractors should be given ready access to the complete geotechnical engineering/environmental report prepared or authorized for their use. If access is provided only to the report prepared for you, you should advise contractors of the report's limitations, assuming that a contractor was not one of the specific persons for whom the report was prepared, and that developing construction cost estimates was not one of the specific purposes for which it was prepared. While a contractor may gain important knowledge from a report prepared for another party, the contractor should discuss the report with your consultant and perform the additional or alternative work believed necessary to obtain the data specifically appropriate for construction cost estimating purposes. Some clients hold the mistaken impression that simply disclaiming responsibility for the accuracy of subsurface information always insulates them from attendant liability. Providing the best available information to contractors helps prevent costly construction problems and the adversarial attitudes that aggravate them to a disproportionate scale.

## **READ RESPONSIBILITY CLAUSES CLOSELY.**

Because geotechnical/environmental engineering is based extensively on judgment and opinion, it is far less exact than other design disciplines. This situation has resulted in wholly unwarranted claims being lodged against consultants. To help prevent this problem, consultants have developed a number of clauses for use in their contracts, reports, and other documents. These responsibility clauses are not exculpatory clauses designed to transfer the consultant's liabilities to other parties; rather, they are definitive clauses that identify where the consultant's responsibilities begin and end. Their use helps all parties involved recognize their individual responsibilities and take appropriate action. Some of these definitive clauses are likely to appear in your report, and you are encouraged to read them closely. Your consultant will be pleased to give full and frank answers to your questions.

The preceding paragraphs are based on information provided by the  
ASFE/Association of Engineering Firms Practicing in the Geosciences, Silver Spring, Maryland



# CITY AND BOROUGH OF SITKA

## Legislation Details

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File #: 20-163      Version: 1      Name:

Type: Item      Status: AGENDA READY

File created: 8/5/2020      In control: City and Borough Assembly

On agenda: 8/11/2020      Final action:

Title: Approve the Request for Proposal for the lease of a portion of Tract C, ASLS 79-4 on Harbor Mountain Bypass Road for the purposes of a cell tower site

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and Memo Cell Tower](#)  
[Draft RFP and Attachments Cell Tower Site Lease](#)

Date	Ver.	Action By	Action	Result
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## **POSSIBLE MOTION**

**I MOVE TO** approve the Request for Proposal for the lease of a portion of Tract C, ASLS 79 4 on Harbor Mountain Bypass Road for the purposes of a cell tower site.




# City and Borough of Sitka


100 Lincoln Street • Sitka, Alaska 99835

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## MEMORANDUM

**To:** Mayor Paxton and Assembly Members

**Thru:** John Leach, Municipal Administrator 

**From:** Amy Ainslie, Planning Director 

**Date:** August 5, 2020

**Subject:** Lease of Municipal Land for Cell Tower – Harbor Mountain Bypass

---

### Background

New Horizons LLC (on behalf of Verizon Wireless) is requesting to lease a portion of Tract C ASLS 79-4 encompassing approximately 2,500 – 10,000 square feet on Harbor Mountain Bypass road near the municipal water tower. This tract remains unsubdivided and has vehicular access from the Harbor Mountain Bypass road.

The intended use of the lease area is for construction, placement, and operation of a cell tower.

This tract of land is zoned as R-1 single family and duplex residential district. However, R-1 is often used as a holding or placeholder zone for unplanned and/or undeveloped municipal lands. Per SGC 22.20.055, communications towers and antennas can be built as permitted accessory uses in the R-1 and related zones.

The necessary utility infrastructure is available in the area, primarily just electric service. The lessee intends to construct utilities and road access to the lease site.

Background: SGC 18.12.010(E), Real Property Disposal states “*Sale or lease of municipal real property, including tidelands, shall be by competitive bid, unless the assembly finds that competitive bidding is inappropriate, due to the size, shape, or location of the parcel, rendering it of true usefulness to only one party, or is waived by subsection C of this section. The assembly may also find that competitive bidding is inappropriate due to the nature of the property or the circumstances surrounding its disposal to include possible unjust results with regard to the existing lessee, or adjacent or neighboring property owners.*” Staff finds no particular characteristics of the lot that would render competitive sale/lease of this property inappropriate. Therefore, Staff recommends putting the lease area out to RFP (Request for Proposal). An RFP has been drafted to put out the lease area specifically for the use of cell tower/communication infrastructure.

The Planning Commission reviewed this request on July 1<sup>st</sup> and voted unanimously to recommend the lease of municipal property for a cell tower development.

### **Analysis**

The initial applicant described a few needs for a new cell tower development in Sitka that the area in question offers. It is proximate to electric service (as a municipal water tower is up the road from the intended site), accessible by road, outside of known wetlands (though the selected developer will need to determine that definitively) and in the Granite Creek area.

This property is part of Tract C, ASLS 79-4 which is a large, unsubdivided tract. The RFP has been drafted showing the general vicinity. The selected developer will need to commission a survey of the lease parcel through a surveyor licensed in the State of Alaska, which will be agreed upon before the execution of the lease.

The RFP has four scoring criteria:

- Development/Site Plan: Plans for site security, provisions for buffering and other visual screening, qualifications of the proposer to perform the work
- Co-Location Opportunities: How many spaces to accommodate co-location for future wireless carriers are designed/planned
- Timeliness: How soon will the tower be constructed and service available
- Lease Price: Expressed as dollars/year

The maximum building height in the R-1 zone is 35 vertical feet - CBS recognizes this is below the usual/industry standard for cell tower construction. Upon receiving and selecting a proposal, CBS will apply for a variance through the Sitka Planning Commission to secure rights to build a tower taller than 35 feet based on the total maximum height as described in the Site Plan submitted with the selected proposal. This variance will be sought prior to execution of the lease.

Overall, the site appears to be suitable for cell tower development. It is away from developed residential neighborhoods, minimizing visual and traffic impacts that could occur from placement closer to the main road system. This is an opportunity to monetize otherwise vacant municipal land.

### **Fiscal Note**

No municipal expenses are anticipated at this time – the RFP is structured so as to require the developer to pay for surveying expenses. Staff will have more information on anticipated revenues after RFP proposals are submitted. The Assembly will have to authorize the final lease document once prepared for execution.

### **Recommendation**

Staff recommends approval to issue an RFP for a lease of municipal property within Tract C, ASLS 79-4 of no less than 2,500 square feet and no more than 10,000 on Harbor Mountain Bypass Road for the purpose of a cell tower site.

**REQUEST FOR PROPOSALS  
ISSUED BY  
THE CITY AND BOROUGH OF SITKA, ALASKA  
for  
LEASE OF MUNICIPAL LAND FOR CELL TOWER DEVELOPMENT – A PORTION  
OF TRACT C ASLS 79-4, HARBOR MOUNTAIN BYPASS ROAD  
Month 2020**

**A. Overview**

The City and Borough of Sitka (CBS) intends to lease a 2,500 – 10,000 square foot tract of land within the northeast portion of Tract C, ASLS 79-4 for the purposes of cellular tower development, construction, and operation. The lease parcel is not yet surveyed, as the intent was to retain flexibility for the selected developer to identify a suitable location for a tower within the area of interest. An aerial vicinity map is provided to indicate the area of interest for lease.

**B. Property Characteristics**

The area of interest for the lease is located on Harbor Mountain Bypass Road, which is a right-of-way maintained by CBS. It is also proximate to a municipal water tower. Electric service is available in the vicinity; the selected developer will need to extend electric service into the lease parcel.

There are mapped wetlands in the area; the selected developer will need to contact the Alaska Army Corps of Engineers to definitively determine wetlands delineation in the area, and for information regarding development in the wetlands. A map of known wetlands is available in the Appendices and provided as informational only. CBS makes no representations, determinations, or waivers of wetlands in the area and/or regulatory requirements for development of wetlands in this area.

The property is zoned as R-1 single-family and duplex residential. Cellular antennas and towers are allowed. Proposers are encouraged to review the zoning code which can be accessed at: <https://www.codepublishing.com/AK/Sitka/>

### **C. Existing Utilities and Construction Information**

Single-phase electric service is available in the area; approximately 1,000 feet of underground feed would need to be run to the site and a pad mount transformer installed. If larger electrical needs or three phase power is requested by the selected proposal, CBS can work with the selected developer to meet the needs for the project. Responses to the RFP should include power needs/demand.

The proposed location and dimensions of utilities shall be shown in the proposed development plan so they can be evaluated along with the rest of the proposal elements.

The maximum building height in the R-1 zone is 35 vertical feet - CBS recognizes this is below the usual/industry standard for cell tower construction. Upon receiving and selecting a proposal, CBS will apply for a variance through the Sitka Planning Commission to secure rights to build a tower taller than 35 feet based on the total maximum height as described in the Site Plan (see section E) of the selected proposal. This variance will be sought prior to execution of the lease.

### **D. Surveying**

This lease area is not yet surveyed – flexibility is offered for the selected developer to define the lease boundaries within the designated vicinity. The area to be leased shall be no smaller than 2,500 square feet and no larger than 10,000 square feet. The selected developer shall commission a survey of the lease area (with a surveyor licensed in the State of Alaska), which will be agreed upon between the developer and the CBS prior to execution of the lease documentation. The survey will be completed at the sole expense of the selected developer.

### **E. Requirements for Proposals**

It is the goal of the CBS for private developers to lease this property and develop it with a cellular tower.

Developers submitting Proposals must include the following requested information arranged in this order:

1. Narrative Statement of Qualifications of your Firm.
2. List of projects previously completed of a similar nature including a construction cost and completion date for each project.
3. Submit an organizational chart showing a designated project manager and staff.
4. Statement of Firm's experience working in Southeast Alaska or a similar environment.
5. Site Plan: Detailed proposed lease lot and structure layout with approximate dimensions of parcel, buildings/structures/improvements, site security, and landscaping, fences, or any other features that would provide buffer or visual screening of the tower.
6. Details on proposed utilities and drainage improvements to be constructed. Include expected electric power demand.



7. Concept narrative of your Development Plan for the project including estimated time of completion, site security, and improvements to services for cell users.
8. Sources of funding for the project and a tentative development timetable.
9. Proposed lease price: Proposed lease price should be expressed as US dollars per year.

Responses to this request for proposals will be evaluated and ranked based on the following criteria (100 points total):

1. Development/Site Plan (0 to 20 points)  
Does the Proposal address site security? Does the proposal include provisions for buffering/visual screening? Is Developer qualified to perform the work?
2. Co-Location Opportunities (0 to 20 points)  
How many spaces to accommodate co-location for future wireless carriers will be designed?
3. Timeliness of Development (0 to 10)  
How soon will the tower be constructed and service available once the lease is executed?
4. Lease Price (0 to 50 points)  
Points for lease price shall be awarded based upon the following formula:  
(Your Lease Price/Highest Lease Price) X 50 points

## **F. Submissions and Inquiries**

Submit five (5) copies of your Proposal(s) to:

City and Borough of Sitka, Municipal Clerk  
100 Lincoln Street,  
Sitka, Alaska 99835

The exterior of packaging, containing the proposals, shall be clearly marked **Harbor Mountain Bypass Cell Tower Parcel Lease**.

Proposals will be received until **X:00 p.m. local time XXXday, XXX XX, 20XX**.

As a part of the review of proposals, the City and Borough may, at its discretion, require the submittal of additional detailed information on any or all projects.

The City and Borough of Sitka has not, as of the date of the preparation of this RFP, established a review timetable.

Prior to the submittal, inquires may be directed to Amy Ainslie, Planning Director, City and Borough of Sitka at [planning@cityofsitka.org](mailto:planning@cityofsitka.org). While phone inquiries can be made to (907) 747-1815, emails are requested to allow for tracking of potential questions.

*The City and Borough of Sitka reserves the right to modify this Request for Proposals at any time. The City and Borough further reserves the right to evaluate the proposals in any manner the City and Borough deems appropriate.*

*The City and Borough of Sitka reserves the right to accept or reject any and/or all proposals, to waive irregularities or informalities in the proposals, and to negotiate a contract with the respondent that best meets the selection criteria.*

*The materials provided in this RFP and appendices are provided for informational purposes only. Potential submitters shall take responsibility for independently verifying all information. Any lease of the land will be in the condition “as is”. Any lessee will assume the entire risk as to the quality and suitability of the land for their intended purpose(s).*

**Outline of Appendices**

- A. Aerial vicinity map – area of interest
- B. Topography map
- C. Known wetlands mapping
- D. Survey Document: Tract C, ASLS 79-4



Municipal Water Tower

Vicinity of Lease Area

Harbor Mountain Road

Harbor Mountain Bypass

Harbor Point Road

Kinross Way

Nixie Drive

Ross Street

Bayview Court

Kin



An aerial photograph of a paved road, "Harbor Mountain Bypass", winding through a dense green forest. The road is highlighted with yellow lines on both sides. In the upper right portion of the image, there is a circular structure, possibly a water tower or a large storage tank, with a light-colored top and a dark base. The road curves from the bottom left towards the top right.

Harbor Mountain Bypass





Municipal Water Tower

Vicinity of Lease Area





Source: Esri, Maxar, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

June 15, 2020

**Wetlands**

- |  |   |  |
|--|---|--|
|  Estuarine and Marine Deepwater |  Freshwater Emergent Wetland       |  Lake     |
|  Estuarine and Marine Wetland   |  Freshwater Forested/Shrub Wetland |  Other    |
|  |  Freshwater Pond                   |  Riverine |

This map is for general reference only. The US Fish and Wildlife Service is not responsible for the accuracy or currentness of the base data shown on this map. All wetlands related data should be used in accordance with the layer metadata found on the Wetlands Mapper web site.



LEGAL DESCRIPTION - BOUNDARY SURVEY OF TRACTS A, B, C & D, U.S. SURVEY NO. 3806

A CERTAIN TRACT OR PARCEL OF LAND LYING AND BEING SITUATE WITHIN A FRACTION OF U.S. SURVEY NO. 3806 (FRACTIONS OF PROTRACTED SECS. 15, 16, 22, 26 AND 27, T.55S., R.63E., C.R.M.), CITY AND BOROUGH OF SITKA, FIRST JUDICIAL DISTRICT, STATE OF ALASKA, BEING MORE PARTICULARLY BOUND AND DESCRIBED AS FOLLOWS:

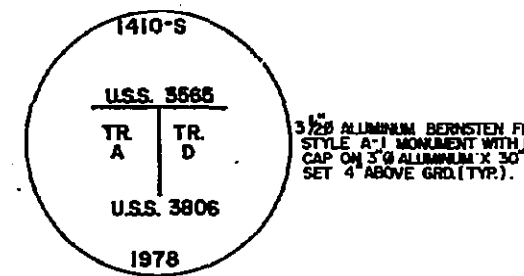
BEGINNING AT THE ORIGINAL GLO/BLM MONUMENT CORNER NO. 1, U.S. SURVEY NO. 3806, SAID MONUMENT HAVING AN APPROXIMATE GEOGRAPHIC POSITION OF LATITUDE = 57°06'N; LONGITUDE = 135°23'12"W; THENCE ALONG LINE 1-2, U.S. SURVEY NO. 3806, SAID LINE BEING THE COMMON BOUNDARY BETWEEN TRACT C, U.S. SURVEY NO. 3806; LOTS 22 AND 23, U.S. SURVEY NO. 2419; LOT 2, U.S. SURVEY NO. 3806 AND LOTS 24 THROUGH 31, U.S. SURVEY NO. 2420, ALONG A SURVEY LINE PASSING THROUGH COMMON MONUMENTS ALONG THE AFOREMENTIONED COMMON BOUNDARY LINE, THE FOLLOWING COURSES; S 30°08'14.5" E - 396.07'; S 30°01'00" E - 396.02'; S 30°05'15" E - 395.34'; S 30°04'00" E - 396.12'; S 30°03'45" E - 395.69'; S 30°01'45" E - 395.21'; S 30°05'15" E - 395.40'; S 30°09'30" E - 165.27'; S 29°59'15" E - 395.95'; S 30°02'00" E - 395.95' TO CORNER NO. 2, U.S. SURVEY NO. 3806; THENCE ALONG LINE 2-3, U.S. SURVEY NO. 3806, SAID LINE BEING THE COMMON BOUNDARY BETWEEN TRACT B, U.S. SURVEY NO. 3806 AND A DEDICATED RIGHT-OF-WAY WITHIN U.S. SURVEY NO. 2419, N 76°39'09" C - 376.05' TO THE ORIGINAL GLO/BLM MONUMENT CORNER NO. 3, U.S. SURVEY NO. 3806; THENCE ALONG LINE 3-4 AND 4-5, U.S. SURVEY NO. 3806, SAID LINE BEING THE COMMON BOUNDARY LINE BETWEEN TRACT A, U.S. SURVEY NO. 3806 AND LOTS 17 THROUGH 21, U.S. SURVEY NO. 2419 ALONG SURVEY LINES PASSING THROUGH COMMON MONUMENTS ALONG THE AFOREMENTIONED COMMON BOUNDARY LINE, THE FOLLOWING COURSES; S 30°01'15" E - 395.55'; S 29°58'50" E - 792.16'; S 30°02'30" E - 395.95'; S 30°01'15" E - 395.57'; S 59°59'15" W - 329.40' TO ORIGINAL GLO/BLM MONUMENT CORNER NO. 5, U.S. SURVEY NO. 3806; THENCE ALONG LINES 5-6 AND 6-7, U.S. SURVEY NO. 3806, SAID LINE BEING THE COMMON BOUNDARY LINE BETWEEN TRACT A, U.S. SURVEY NO. 3806 AND LOTS C THROUGH K, U.S. SURVEY NO. 2749 ALONG A SURVEY LINE PASSING THROUGH COMMON MONUMENTS ALONG THE AFOREMENTIONED COMMON BOUNDARY LINE, THE FOLLOWING COURSES; S 30°01'45" E - 263.97'; S 30°01'45" E - 264.08'; S 30°02'30" E - 164.98'; S 30°01'15" E - 161.71'; S 30°01'15" E - 168.32'; S 29°59'15" E - 164.98'; S 10°27'15" E - 264.06'; S 10°27'15" E - 165.04'; S 10°27'15" E - 265.18' TO ORIGINAL GLO/BLM MONUMENT CORNER NO. 7, U.S. SURVEY NO. 3806; THENCE ALONG LINES 7-8 AND 8-9, U.S. SURVEY NO. 3806, SAID LINE BEING THE COMMON BOUNDARY LINE BETWEEN TRACT A, U.S. SURVEY NO. 3806 AND LOTS 10 THROUGH 14, U.S. SURVEY NO. 2418 ALONG A SURVEY LINE PASSING THROUGH COMMON MONUMENTS ALONG THE AFOREMENTIONED COMMON BOUNDARY LINE, THE FOLLOWING COURSES; N 59°59'00" E -

320.24'; S 30°03'30" E - 395.57'; S 30°01'45" E - 396.11'; S 30°01'30" E - 396.16'; S 30°01'30" E - 395.93'; S 30°02'00" E - 396.01' TO ORIGINAL GLO/BLM MONUMENT CORNER NO. 9, U.S. SURVEY NO. 3806; THENCE ALONG LINES 9-10 AND A FRACTION OF LINE 10-11, U.S. SURVEY NO. 3806, SAID LINE BEING THE COMMON BOUNDARY LINE BETWEEN TRACT D, U.S. SURVEY NO. 3806 AND LOT 1, U.S. SURVEY NO. 3746 AND LOT 6-A, U.S. SURVEY NO. 2774, THE FOLLOWING COURSES; S 28°11'45" E - 471.24'; S 30°00'45" E - 488.12' TO MONUMENT CORNER NO. 7, LOT 1, BLOCK 4, CASCADE CREEK SUBDIVISION, SAID CORNER BEING ON THE AFOREMENTIONED COMMON BOUNDARY LINE BETWEEN TRACT D, U.S. SURVEY NO. 3806 AND LOT 6-A, U.S. SURVEY NO. 2774 AND BEING ON THE NORTHWESTERLY MOST CORNER OF CASCADE CREEK SUBDIVISION; THENCE ALONG THE NORTHERLY BOUNDARY LINE OF CASCADE CREEK SUBDIVISION BEING COMMON TO THE SOUTHERLY BOUNDARY LINE OF TRACT D, U.S. SURVEY NO. 3806, THE FOLLOWING COURSES; N 59°32'00" E - 67.34'; N 59°48'45" E - 336.53'; N 46°47'30" E - 448.34' TO A POINT ON CURVATURE; THENCE ALONG A 12°09'30" CURVE TO THE RIGHT (RADIUS = 471.14') THROUGH AN ARC OF 22°29'42", AN ARC LENGTH OF 184.98' (CHORD = N 31°20'30" E - 183.79') TO A POINT OF TANGENCY ON THE NORTHERLY RIGHT-OF-WAY LIMITS OF CASCADE CREEK ROAD; THENCE CONTINUING ALONG THE AFOREMENTIONED NORTHERLY RIGHT-OF-WAY LIMITS OF CASCADE CREEK ROAD, N 42°35'15" E - 243.69' TO A POINT OF CURVATURE; THENCE ALONG A 13°56'38" CURVE TO THE LEFT (RADIUS = 410.90') THROUGH AN ARC OF 22°42'54", AN ARC LENGTH OF 162.99' (CHORD = N 31°12'45" E - 161.84') TO A POINT OF TANGENCY; THENCE CONTINUING N 19°52'15" E - 139.84' TO A POINT ON THE COMMON BOUNDARY LINE BETWEEN U.S. SURVEY NO. 3806 AND THE NATIONAL FOREST BOUNDARY, SAID POINT BEING ON LINE 16-17, U.S. SURVEY NO. 3806 AND LINE AP NO. 1-AP NO. 2, U.S. SURVEY NO. 3565; THENCE ALONG AFOREMENTIONED COMMON BOUNDARY LINE ALONG LINE 16-17, U.S. SURVEY NO. 3806 ALONG A SURVEY LINE PASSING THROUGH COMMON MONUMENTS ON THE AFOREMENTIONED COMMON BOUNDARY LINE, THE FOLLOWING COURSES; N 29°59'00" W - 35.59' TO WITNESS POSITION MONUMENT NO. 2, U.S. SURVEY NO. 3565; THENCE N 29°40'15" W - 1932.05' TO WITNESS POSITION MONUMENT NO. 3, U.S. SURVEY NO. 3565; THENCE N 29°02'15" W - 2412.97' TO WITNESS POSITION MONUMENT NO. 4, U.S. SURVEY NO. 3565; THENCE N 29°30'30" W - 1041.98' TO WITNESS POSITION MONUMENT NO. 5, U.S. SURVEY NO. 3565; THENCE N 29°38'15" W - 2530.15' TO WITNESS POSITION MONUMENT NO. 6, U.S. SURVEY NO. 3565; THENCE N 29°27'30" W - 2632.07' TO ANGLE POINT MONUMENT NO. 2, U.S. SURVEY NO. 3565 BEING COMMON TO CORNER NO. 17, U.S. SURVEY NO. 3806; THENCE ALONG LINE 17-18, U.S. SURVEY NO. 3806 BEING COMMON TO LINE 3-4, U.S. SURVEY NO. 3670, S 59°46'00" W - 1659.50' TO CORNER NO. 1, U.S. SURVEY NO. 3806 BEING THE TRUE POINT AND PLACE OF BEGINNING.

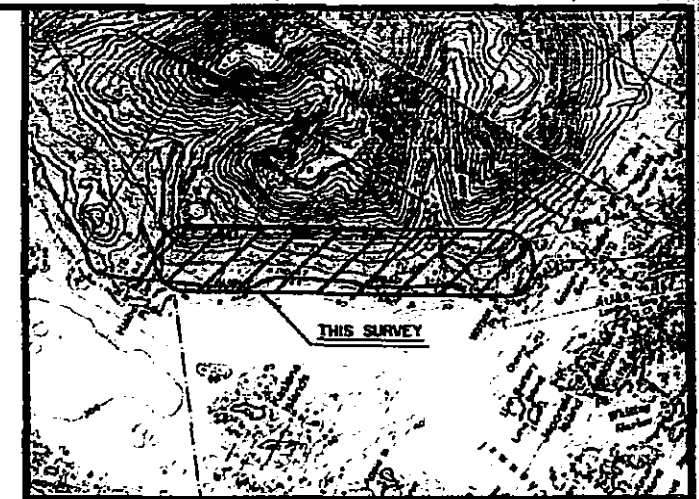
CONTAINING 380.17 ACRES (153.85 HECTARES)

GENERAL NOTES

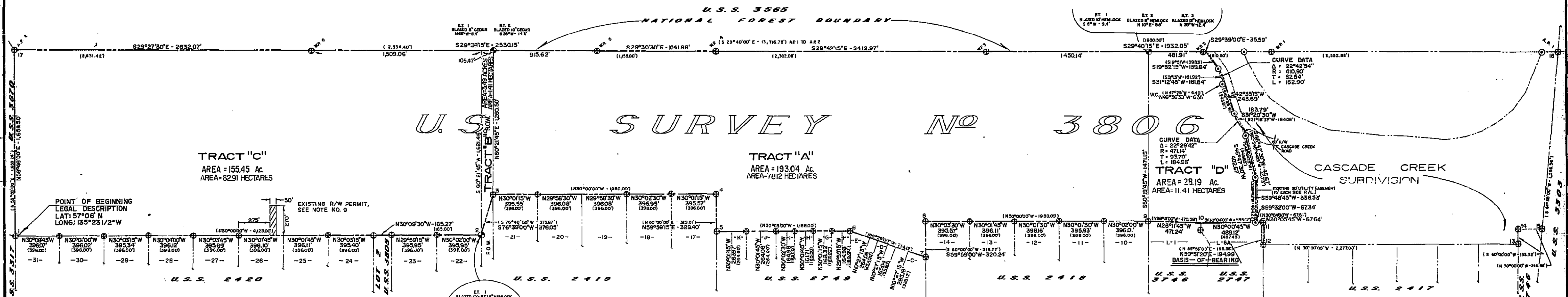
- AUTHORIZATION TO CONDUCT THE BOUNDARY RETRACEMENT SURVEY OF U.S. SURVEY NO. 3806 AND SUBSEQUENT SUBDIVISION OF SAID LAND INTO TRACTS A, B, C AND D, U.S. SURVEY NO. 3806 WAS BY LETTER DATED SEPTEMBER 18, 1978 FROM MR. GENE REHFELD, CITY ENGINEER, CITY AND BOROUGH OF SITKA, ALASKA.
- SPECIAL INSTRUCTIONS FOR THIS SURVEY WERE BY CONTRACTUAL DOCUMENTS DATED AUGUST 24, 1978 AS WRITTEN BY MR. JERRY D. SIMPSON, L.S., DIRECTOR OF PUBLIC WORKS, CITY AND BOROUGH OF SITKA, ALASKA.
- THE BASIS-OF-BEARING UTILIZED FOR THE RETRACEMENT SURVEY OF ALL WORK DENOTED BY THIS PLAT WAS THE ORIGINAL RECOVERED G.L.O. MONUMENTS LOCATED ON CORNERS 5 AND 6, LOT 1, BLOCK 4, CASCADE CREEK SUBDIVISION, A FRACTION OF U.S. SURVEY NO. 3806. THE ACCEPTED BEARING OF RECORD OF SAID MONUMENTS WAS N 59°51'20" E.
- FIELD EQUIPMENT UTILIZED TO CONDUCT THIS SURVEY INCLUDED, BUT WAS NOT LIMITED TO, THE FOLLOWING; WILD T2E THEODOLITE, WILD T1 THEODOLITE, HELMETT-PACKARD MODEL 3805 ELECTRONIC DISTANCE MEASURING DEVICE, 200' MADDY BABBIT TAPE CERTIFIED TO A STANDARD LOYAR TAPE, NUMEROUS HAND TOOLS, ETC.
- THE WORK WAS CONDUCTED FOLLOWING SURVEY SPECIFICATIONS AS PUBLISHED WITHIN THE DEPARTMENT OF COMMERCE, NATIONAL OCEAN SURVEY PUBLICATION, "CLASSIFICATION, STANDARDS OF ACCURACY, AND GENERAL SPECIFICATIONS OF GEODETIC CONTROL SURVEYS", THIRD ORDER, CLASS II TRAVERSE SURVEYS.
- WHERE RECORD GLO/BLM SURVEY COURSES (BEARING AND DISTANCE) DIFFER FROM FIELD SURVEY COURSES AS RECOVERED BY THIS RETRACEMENT AND SUBDIVISION SURVEY, THE RECORD SURVEY COURSE IS SHOWN IN PARENTHESES, THUSLY, (N 30°00'00" W - 396.00') WHILE THE FIELD MEASURED COURSE BY THIS RETRACEMENT SURVEY IS SHOWN WITHOUT PARENTHESES, THUSLY, N 30°03'45" W - 395.69'.
- 1 U.S. ACRE = 0.4047 HECTARE.
- 1 METER = 3.280833 U.S. SURVEY FEET.
- A RIGHT-OF-WAY PERMIT EXISTS WITHIN TRACT C, U.S. SURVEY NO. 3806, AS SHOWN. SAID RIGHT-OF-WAY PERMIT WAS ISSUED BY THE STATE OF ALASKA IN 1964 TO MR. BARTON SOLLARS, BOX 771, SITKA, ALASKA. THE RIGHT-OF-WAY PERMIT IS TO CONSTRUCT AND MAINTAIN A DOMESTIC WATER SUPPLY.
- ALL G.L.O. AND/OR B.L.M. CORNER MONUMENTS RECOVERED BY THIS SURVEY WERE SET AND MARKED AS CALLED OUT WITHIN ORIGINAL GLO/BLM FIELD NOTES OF RECORD.
- THE ORIGIN OF THE APPROXIMATE GEOGRAPHIC POSITION OF CORNER NO. 1, U.S. SURVEY NO. 3806 WAS THE B.L.M. PLAT OF RECORD FOR SAID SURVEY, DATED DECEMBER 23, 1960.



TYPICAL MONUMENT ESTABLISHED THIS SURVEY



VICINITY MAP  
SOURCE: U.S.G.S. QUADRANGLE SITKA (A-4 & A-5), ALASKA  
SCALE: 1:65,360  
DATE: A-4: 1951; A-5: 1951  
REV: A-4: 1969; A-5: 1965



**OWNERSHIP CERTIFICATION**  
I, THE UNDERSIGNED, HEREBY CERTIFY THAT I AM THE DIRECTOR, ALASKA DIVISION OF LANDS AND THAT THE STATE OF ALASKA IS THE OWNER OF U.S. SURVEY NO. 3806, AS SHOWN HEREON. I HEREBY APPROVE THIS SURVEY AND SUBDIVISION PLAT FOR THE STATE OF ALASKA.  
DATE 4/19/79  
*Al Carason*  
DIRECTOR, ALASKA DIVISION OF LANDS

**CERTIFICATE DEDICATION OF RIGHT OF WAY**  
I HEREBY DEDICATE TRACT B AS A RIGHT-OF-WAY THAT IS PUBLIC ACCESS AND/OR PUBLIC UTILITIES AS SHOWN AND DESCRIBED HEREON.  
DATE 4/19/79  
*Al Carason*  
DIRECTOR, ALASKA DIVISION OF LANDS

**NOTARY'S ACKNOWLEDGEMENT**  
SUBSCRIBED AND SWORN TO BEFORE ME THIS 19 DAY OF April, 1979.  
*Sharon C. Juelich*  
NOTARY FOR ALASKA

**SELECTION INFORMATION**  
Mental Health - 94  
Tentative Approval dated 4/30/62  
Patent No. 1226844 dated 5/11/62

**CERTIFICATION OF APPROVAL BY THE STATE**  
I HEREBY CERTIFY THAT THE PLAT OF SURVEY SHOWN HEREON HAS BEEN FOUND TO COMPLY WITH THE SURVEY REQUIREMENTS OF THE STATE OF ALASKA AND IS APPROVED FOR RECORDING IN THE OFFICE OF THE RECORDER.  
DATE 4/19 1979  
*Al Carason*  
DIRECTOR, DIVISION OF LANDS, DEPARTMENT OF NATURAL RESOURCES

ALASKA STATE LAND SURVEY  
No. 79-4  
BOUNDARY RETRACEMENT  
AND  
SUBDIVISION SURVEY  
OF  
U.S. SURVEY No 3806  
WITHIN THE CITY & BOROUGH OF SITKA, ALASKA

**CERTIFICATION OF APPROVAL BY THE BOARD**  
I HEREBY CERTIFY THAT THE SUBDIVISION PLAT SHOWN HEREON HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS OF THE CITY AND BOROUGH PLATTING BOARD, AND THAT SAID PLAT HAS BEEN APPROVED BY THE BOARD BY RESOLUTION NO. \_\_\_\_\_ DATED \_\_\_\_\_ AND THAT THE PLAT SHOWN HEREON HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE DISTRICT COURT, EX OFFICIO RECORDER, SITKA, ALASKA.  
DATE 2-27-79  
*Robert Houch*  
CHAIRMAN, PLATTING BOARD

**CERTIFICATION OF APPROVAL BY THE ASSEMBLY**  
I HEREBY CERTIFY THAT THE SUBDIVISION PLAT SHOWN HEREON HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS OF THE CITY AND BOROUGH OF SITKA, AND THAT SAID PLAT HAS BEEN APPROVED BY THE ASSEMBLY AS RECORDED IN MINUTE BOOK \_\_\_\_\_ PAGE \_\_\_\_\_ DATED \_\_\_\_\_ AND THAT THE PLAT SHOWN HEREON HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE DISTRICT COURT, EX OFFICIO RECORDER, SITKA, ALASKA.  
DATE 2/27/79  
*Robert Houch*  
CHAIRMAN, PLATTING BOARD

**ATTEST:**  
*Sharon C. Juelich*  
SECRETARY  
SEAL 79-615

**ATTEST:**  
*Robert Houch*  
CLERK-TREASURER  
SEAL

**COPY**  
RECORDED - FILED  
Sitka REC. DIST.  
DATE 4-26-79  
TIME 9:10 A.M.  
Prepared by AS/RL  
Anch.  
BOOK \_\_\_\_\_ PAGE \_\_\_\_\_

**SURVEYOR'S STATEMENT**  
I HEREBY CERTIFY THAT I AM PROPERLY REGISTERED AND LICENSED TO CONDUCT LAND SURVEYING IN THE STATE OF ALASKA, AND THAT THIS PLAT REPRESENTS A SURVEY MADE BY ME OR UNDER MY DIRECT SUPERVISION AND THE MONUMENTS SHOWN THEREON ACTUALLY EXIST AS DESCRIBED, AND THAT ALL DIMENSIONS AND OTHER DETAILS ARE CORRECT.  
DATE 2-15-79 REGISTRATION NO. 1410-5

- SYMBOLS**
- Recovered G.L.O./B.L.M. Monument
  - Survey Boundary Line
  - Primary Monument (Set This Survey)
  - Monument Set by Other

PLAT PREPARED 11-1-78

DATE OF SURVEY Beginning 9-22-78 Ending 10-15-78	NAME OF SURVEYOR R & M CONSULTANTS, INC. P.O. BOX 1706 SITKA, ALASKA 99802
STATE OF ALASKA DEPARTMENT OF NATURAL RESOURCES DIVISION OF LANDS ANCHORAGE, ALASKA	
ALASKA STATE LAND SURVEY NO. 79-4 WITHIN FRACTIONS OF PROTRACTED SECS. 15, 16, 22, 26 & 27, T. 55 S., R. 63 E., C. R. M., BOUNDARY RETRACEMENT & SUBDIVISION SURVEY OF U.S. SURVEY NO. 3806 WITHIN THE CITY & BOROUGH OF SITKA, ALASKA	
DRAWN BY M.A.J.	APPROVAL RECOMMENDED For the Chief Cadastral Engineer
DATE APPROVED: 4/19/79	APPROVED: <i>Al Carason</i> Director of Lands
CHECKED BY M.A.J.	FILE NO. 2314, 081 79-1 (ASL 79-4)



# CITY AND BOROUGH OF SITKA

## Legislation Details

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File #: 20-164      Version: 1      Name:

Type: Item      Status: AGENDA READY

File created: 8/5/2020      In control: City and Borough Assembly

On agenda: 8/11/2020      Final action:

Title: Discussion / Direction on what level of information the Assembly would like to see before the Administrator enters any CARES Act contracts or subrecipient agreements

Sponsors:

Indexes:

Code sections:

Attachments: [Disc Dir CARES Act - Contracts Subrecipient Agreements - Signed](#)

Date	Ver.	Action By	Action	Result
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## **Discussion / Direction**

on what level of information the Assembly would like to see before the Administrator enters any CARES Act contracts or subrecipient agreements.






# City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

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## MEMORANDUM

**To:** Mayor Paxton and Assembly Members  
**From:** John Leach, Municipal Administrator   
**Date:** August 5, 2020  
**Subject:** CARES Act Funding – Contracts and Subrecipient Agreements

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### Background

It was proposed at the May 19<sup>th</sup> Assembly work session that a Working Group (WG) be established to design a framework for CARES Act funds. The framework would be presented to the Assembly for modification and approval as appropriate and would include criteria for local applicants to qualify for CARES grants.

### Analysis

The formally chartered CARES Act WG developed a budget outline which addresses six (6) specific funding categories. The below outlined CARES funding design was approved by a 4-1 vote at the July 7, 2020 Special Assembly Meeting. The categories are as follows:

**Category 1:** Utility/Moorage Assistance

**Category 2:** Business and Non-profit Grants

**Category 3:** New City Funded Programs

**Category 4:** City Impact/Mitigation Spending

**Category 5:** Sitka School District Request

**Category 6:** Contingency

The proposed CARES Act budget was approved on second reading at the July 7, 2020 Assembly meeting.

### Fiscal Note

Sitka is scheduled to receive \$14,057,653.37 in CARES Act funding. This funding is Federal support to be passed through the State of Alaska.

The CARES Act provides that funding may only be used to cover costs that -

- (1) are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
- (2) are not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act); and
- (3) were incurred during the period that begins on March 1, 2020 and ends on December 30, 2020.

The budgets approved at the July 7, 2020 Special Meeting are as follows:

**Category 1: Utility/Moorage Assistance - \$4.5M (program active)**

- Program approved at June 9<sup>th</sup> regular Assembly meeting and applications are active

**Category 2: Business and Non-profit Grants - \$5M (program active)**

- \$2,500 grant for businesses/nonprofits with 2019 revenues under \$100,000
- \$5,000 for businesses/nonprofits with 2019 revenues of over \$100,000 but less than \$250,000
- \$7,500 for businesses/nonprofits with 2019 revenues of over \$250,000 but less than \$500,000
- \$10,000 for businesses/nonprofits with 2019 revenues of over \$500,000
- The gross revenue for my business or nonprofit does not appropriately capture the scope of the services my business or nonprofit provides to the community and I would like the Assembly to consider, in public session, awarding at a higher level.

**Category 3: New City Funded Programs - \$2.5M**

- **Childcare \$500,000** (possible per child subsidy, additional funding to increase capacity)
- **Food security \$200,000** (partnering with STA, SCS, USDA grants, ensuring local meal and pantry programs covered as well)
- **Support for behavioral/mental health \$300,000** (Possible organizational voucher/subsidy per uninsured client served)
- **Housing support \$750,000** (Crisis/emergency, Re-housing, transitional)
- **Transitional Employment Program \$750,000** (Unemployed/under-employed hired to work on projects in Sitka)

**Category 4:** City Impact/Mitigation Spending - \$1M

- **Mitigation/preparation**
  - IT
  - Protection of employees and public
  - Ensure continued services in event of shutdown
  - CARES spending consultation
- Cover significant portion of cost of **public safety**

**Category 5:** Sitka School District Request - \$430K

- Americorps volunteers and laptop purchases.

**Category 6:** Contingency - \$627,653 plus any interest earned on funds held

- To be available if a known or unknown urgent COVID need arises. If not spent, could either go towards another round of utility subsidy or to CBS public safety costs.

**Direction Requested**

As the CARES WG develops contracts and subrecipient agreements to administer the budgeted and approved programs, what level of information would the Assembly like to see before the Administrator enters any contracts or subrecipient agreements?

A few items to consider:

- Some programs are time sensitive and would be delayed if multiple Assembly meetings are required.
- All contracts and subrecipient agreements would be administered within the approved budget.
- Any need for additional funds or reappropriation of funds to other categories would be brought to the Assembly for approval.
- This discussion/direction item could be left on all upcoming Assembly meetings until expiration of CARES funding to ensure regular updates and guidance.



# CITY AND BOROUGH OF SITKA

## Legislation Details

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File #: 20-161      Version: 1      Name:

Type: Item      Status: AGENDA READY

File created: 8/5/2020      In control: City and Borough Assembly

On agenda: 8/11/2020      Final action:

Title: Appoint two Assembly members to serve on the Haulout Task Force

Sponsors:

Indexes:

Code sections:

Attachments: [Haulout Task Force Appointment](#)

Date	Ver.	Action By	Action	Result
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**Appoint two Assembly Members to serve on HTF**

I nominate \_\_\_\_\_, \_\_\_\_\_ to serve on the Haulout Task Force.

<b>MR. EISENBEISZ</b>				
<b>MAYOR PAXTON</b>				
<b>MR. CHRISTIANSON</b>				
<b>MR. KNOX</b>				
<b>MR. MOSHER</b>				
<b>DR. WEIN</b>				
<b>MS. NELSON</b>				



# City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

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## MEMORANDUM

**To:** Mayor Gary Paxton and Assembly Members

**From:** John Leach, Municipal Administrator

**Date:** August 6, 2020

**Subject:** Haul Out Task Force Appointment

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### **Background**

At the July 28, 2020 Regular Assembly meeting, a plan was proposed for the development of a haul out at the Gary Paxton Industrial Park (GPIP). The plan recommended the creation of a Haul Out Task Force (HTF).

### **Analysis**

The HTF would have a diverse knowledge of GPIP, the regions vessel fleet and CBS finances along with having the time to commit to detailed reviews. The HTF is proposed to consist of two (2) GPIP Board Members, two (2) Port and Harbors Commission Members, two (2) Assembly members (as appointed by the Assembly), the GPIP Director and the Administrator.

This group's focus will be largely proofing the economics, business plan and customer base assumptions. They will also provide focused first-line feedback to refine assumptions before draft options go public in the more formal GPIP Board meetings and work sessions.

### **Fiscal Note**

The Fiscal Note is not applicable to the appointment of two Assembly members.

### **Recommendation**

Recommend the Assembly approve, by motion, two Assembly member volunteers to serve on the HTF.