



# CITY AND BOROUGH OF SITKA

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

## Meeting Agenda

### City and Borough Assembly

*Mayor Matthew Hunter*  
*Deputy Mayor Bob Potrzuski*  
*Vice-Deputy Mayor Steven Eisenbeisz*  
*Tristan Guevin, Kevin Knox*  
*Aaron Bean, and Aaron Swanson*

*Interim Municipal Administrator: Phillip Messina*  
*Municipal Attorney: Brian Hanson*  
*Municipal Clerk: Sara Peterson*

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Tuesday, August 8, 2017

6:00 PM

Assembly Chambers

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#### WORK SESSION 5:15 PM

*Sitka Rocky Gutierrez Airport (SIT) Terminal Improvements Project*

#### REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

IV. CORRESPONDENCE/AGENDA CHANGES

[17-134](#) Reminders, Calendars and General Correspondence

**Attachments:** [Reminders and Calendars.pdf](#)

[Letter to Alaska Marine Highway System.pdf](#)

V. CEREMONIAL MATTERS

*none anticipated*

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

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. REPORTS****a. Mayor, b. Administrator, c. Attorney, d. Liaison Representatives, e. Clerk, f. Other****IX. 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**     [17-135](#)     Approve the minutes of the July 18 and July 25 Assembly meetings  
*Attachments:* [Consent and Minutes.pdf](#)
- B**     [17-136](#)     Approve a liquor license ownership transfer and restaurant designation permit for The Longliner Lodge and Suites  
*Attachments:* [Motion and Memo Longliner.pdf](#)  
[Longliner app.pdf](#)

**X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS**

- C**     [17-139](#)     Reappoint Mary Ann Hall to a term on the Local Emergency Planning Committee  
*Attachments:* [Motion and application.pdf](#)

**XI. UNFINISHED BUSINESS:**

- D**     [ORD 17-28](#)     Amending Sitka General Code Chapter 10.24 entitled "Fireworks" by adding a new Section 10.24.070 "Penalties"  
*Attachments:* [Motion and Ord 2017-28.pdf](#)  
[Police and Fire Commission Minutes.pdf](#)
- E**     [ORD 17-15](#)     Adjusting the FY18 Budget (Sitka Community Hospital Modular Unit) postponed from May 23 and June 13  
*Attachments:* [Motion and memo Ord 2017-15.pdf](#)  
[Ord 2017-15.pdf](#)  
[Assembly meeting minutes.pdf](#)
- F**     [ORD 17-26](#)     Amending Sitka General Code Chapter 4.28 "Investment Policy" by adding a new Section 4.28.045 entitled "External Investment Management"  
*Attachments:* [Motion and memo Ord 2017-26.pdf](#)  
[Ord 2017-26.pdf](#)  
[Investment Committee Minutes.pdf](#)

**XII. NEW BUSINESS:****New Business First Reading**

- G**     [ORD 17-29](#)     Adjusting the FY18 Budget (Sitka Airport Terminal Improvements Project)

**Attachments:** [Motion and memo Ord 2017-29..pdf](#)  
[Ord 2017-29.pdf](#)

**Additional New Business Items**

- H**     [17-137](#)     Approve a month-to-month lease between the City and Borough of Sitka and Samson Tug and Barge Company for tidelands adjacent 5309 Halibut Point Road

**Attachments:** [Motion and memo lease.pdf](#)  
[Samson Tug and Barge Company Tidelands Lease Agreement.pdf](#)  
[Supporting documentation lease..pdf](#)

- I**     [17-138](#)     Approve the renewal of a Standard Marijuana Cultivation Facility license for Green Leaf, Inc. dba Green Leaf at 4614 Halibut Point Road C-2, C-3

**Attachments:** [Motion and memos Green Leaf.pdf](#)  
[supporting documentation Green Leaf.pdf](#)

**XIII. PERSONS TO BE HEARD:**

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

**XIV. EXECUTIVE SESSION**

*none 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. Assembly meetings are aired live on KCAW FM 104.7 and via video streaming from the City's website. To receive Assembly agenda notifications, sign up with GovDelivery on the City website.*

*Sara Peterson, CMC, Municipal Clerk  
Publish: August 4*



# CITY AND BOROUGH OF SITKA

## Legislation Details

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**File #:** 17-134      **Version:** 1      **Name:**  
**Type:** Item      **Status:** AGENDA READY  
**File created:** 8/1/2017      **In control:** City and Borough Assembly  
**On agenda:** 8/8/2017      **Final action:**  
**Title:** Reminders, Calendars and General Correspondence  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:** [Reminders and Calendars.pdf](#)  
[Letter to Alaska Marine Highway System.pdf](#)

Date	Ver.	Action By	Action	Result
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# REMINDERS

<u>DATE</u>	<u>EVENT</u>	<u>TIME</u>
Tuesday, August 8	Worksession <i>Airport Terminal improvements</i>	5:15 PM
Tuesday, August 8	Regular Meeting	6:00 PM
Tuesday, August 9	Special Meeting <i>Administrator candidate selection</i>	6:00 PM
Monday, August 14	Government to Government Dinner with STA <i>at Westmark Banquet Room</i>	6:00 PM
Friday, August 18	Community Reception with Administrator candidates <i>at Harrigan Centennial Hall</i>	4:30 PM to 6:30 PM
Saturday, August 19	Special Meeting <i>Final Interviews for Administrator at Harrigan Centennial Hall</i>	TBA
Tuesday, August 22	Regular Meeting	6:00 PM





### **2017 Municipal Election Reminders**

Monday, July 17	First day to file candidate positions
Tuesday, July 25	Last regular meeting to <u>introduce</u> ordinance charter changes and ballot measures
Friday, August 4	5pm deadline for filing candidate petitions
Tuesday, August 8	Last regular meeting to <u>adopt</u> ordinances for charter changes and ballot measures
Tuesday, October 3	Municipal Election

#### *Expiring Terms:*

Assembly  
Steven Eisenbeisz  
Tristan Guevin  
Aaron Swanson

School Board  
Dionne Brady-Howard  
Tom Conley



# Assembly Calendar

2016   Jan   Feb   Mar   Apr   May   Jun   Jul   Aug   Sep   Oct   Nov   Dec   2018  
 August 2017

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
30 Jul	31	1 Aug	2	3	4	5
Potrzuski Eisenbeisz Knox	Potrzuski Knox	Potrzuski Knox 7:00pm Planning	Potrzuski Knox 6:30pm Library Board	Potrzuski 12:00pm SEDA Board Meeting	Potrzuski	Potrzuski
6	7	8	9	10	11	12
Potrzuski	Potrzuski	Potrzuski 12:00pm Parks & Rec 5:15pm Worksession: Airport Terminal improvements 6:00pm <u>Regular Assembly Mtg</u>	Potrzuski 12:00pm Health Needs & Human Services Commission 6:00pm Historic Preservation 6:00pm <u>Special Meeting: recruiter - Administrator candidate selection</u>	Potrzuski 12:00pm LEPC	Potrzuski	
13	14	15	16	17	18	19
	6:00pm Govt to Govt Dinner	Potrzuski 12:00pm <u>Tree/Landscape</u> 7:00pm <u>Planning</u>	Potrzuski	Potrzuski	4:30pm - 6:30pm Community reception: meet Administrator candidates (Harrigan Centennial Hall)	Final interviews: Administrator candidates (Harrigan Centennial Hall) times to be determined
20	21	22	23	24	25	26
Hunter	Hunter	Guevin Hunter 6:00pm <u>Regular Assembly Mtg</u>	Hunter 6:00pm Police and Fire Commission	6:00pm Hospital Board Meeting		Eisenbeisz
27	28	29	30	31	1 Sep	2
Eisenbeisz	Eisenbeisz	Eisenbeisz	Eisenbeisz	Eisenbeisz	Eisenbeisz	

# Assembly Calendar

2016 [Jan](#) [Feb](#) [Mar](#) [Apr](#) [May](#) [Jun](#) [Jul](#) [Aug](#) [Sep](#) [Oct](#) [Nov](#) [Dec](#) 2018  
**September 2017**

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
27 Aug	28	29	30	31	1 Sep	2
Eisenbeisz	Eisenbeisz	Eisenbeisz	Eisenbeisz	Eisenbeisz	Eisenbeisz	
3	4	5	6	7	8	9
	HOLIDAY	7:00pm Planning	6:30pm Library Board	12:00pm SEDA Board Meeting		
10	11	12	13	14	15	16
		Guevin - telephonic 12:00pm Parks & Rec 6:00pm <u>Regular Assembly Mtg</u>	12:00pm Health Needs & Human Services Commission 6:00pm Historic Preservation	12:00pm LEPC 6:00pm <u>Special Meeting: Non Profit Grant Awards</u>		
17	18	19	20	21	22	23
		12:00pm <u>Tree/Landscape</u> 7:00pm <u>Planning</u>				
24	25	26	27	28	29	30 Oct
		Guevin - telephonic 6:00pm <u>Regular Assembly Mtg</u>	6:00pm Police and Fire Commission	6:00pm Hospital Board Meeting		





# City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

*Coast Guard City, USA*

July 25, 2017

Captain John Falvey, Jr., General Manager  
Alaska Marine Highway System  
7559 North Tongass Highway  
Ketchikan, AK 99901-9101

RE: AMHS Proposed Winter 2017-2018 Schedule

Dear Captain Falvey,

The proposed Winter 2017-2018 Alaska Marine Highway schedule provides one (1) north and two (2) south bound stops to Sitka throughout the winter.

We request consideration be granted to having the Malaspina stop in Sitka on its 2nd northbound trip of the week. This stop could occur within the current schedule and provide 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 addition, we propose that the Malaspina stop in Angoon after its Sitka stop during the 1st northbound trip of the week. Our community members continue to request this stop, connecting Sitka to Angoon, as many have family and tribal connections that would benefit with increased ferry service.

Front and center of Alaska's 150th Anniversary, Sitka will have a variety of commemoration activities during the month of October. Adding an increase to ferry service during the month would ensure that all visitors can attend. Fast ferry service, connecting Sitka and Juneau, would be preferable.

In this time of budget shortfall, 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 and response.

Sincerely,

Phillip Messina  
Interim Municipal Administrator

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

*Providing for today...preparing for tomorrow*



# CITY AND BOROUGH OF SITKA

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Type: Item      Status: AGENDA READY  
File created: 8/1/2017      In control: City and Borough Assembly  
On agenda: 8/8/2017      Final action:  
Title: Approve the minutes of the July 18 and July 25 Assembly meetings  
Sponsors:  
Indexes:  
Code sections:  
Attachments: [Consent and Minutes.pdf](#)

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 18 and July 25 Assembly meetings.





# CITY AND BOROUGH OF SITKA

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

## Minutes - Draft

### City and Borough Assembly

*Mayor Matthew Hunter*  
*Deputy Mayor Bob Potrzuski*  
*Vice-Deputy Mayor Steven Eisenbeisz*  
*Tristan Guevin, Kevin Knox*  
*Aaron Bean, and Aaron Swanson*

*Interim Municipal Administrator: Phillip Messina*  
*Municipal Attorney: Brian Hanson*  
*Municipal Clerk: Sara Peterson*

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Tuesday, July 18, 2017

6:00 PM

Assembly Chambers

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#### SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

**Present:** 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

IV. PERSONS TO BE HEARD

None.

V. NEW BUSINESS:

A 17-128 Discussion~Direction~Decision on the Hospital process

Mayor Hunter explained the process that had occurred over the last eighteen months: SouthEast Alaska Regional Health Corporation (SEARHC) and Sitka Community Hospital (SCH) had explored the possibility of a joint venture, merger or to remain separate entities, ECG Management Consultants had presented options for a combined future vision for healthcare in Sitka, SEARHC had made a proposal to purchase SCH, and while moving through the process of understanding their proposal, another entity had come forward expressing interest in purchasing SCH. The Mayor stated it was important for the Assembly to discuss the options before moving forward.

Assembly Discussion

Assembly members offered their opinions. Eisenbeisz believed with minor changes, SCH could strive on its own, however, wished to have regular updates from the Hospital. He expressed concern that if SCH were to close, the City didn't have the funds to cover the \$35 million PERS liability. He added that if the Assembly directed SCH to implement the recommendations (cost report improvements, skilled nursing



facility bed conversion to Critical Access Hospital beds, discontinuation of OB services, change in business model for surgical services, and clinic optimization) of the Stroudwater report, presented July 13 to the Assembly, SCH would need financial support - e.g. \$400,000 for the clinic modular. Bean suggested proposing a ballot initiative to fund SCH (e.g. sales tax increase) and let the people of Sitka decide. If citizens were not in favor of a merger, or one hospital, then a funding mechanism would need to be determined. Potrzuski noted two consultants (ECG and Stroudwater) had stated SCH, long-term, was not a viable option. He expressed a desire for the City to issue a Request for Proposal (RFP) to find out what other options, in addition to the two already, were available in order to make an informed decision. He added that two of the 2003 Stroudwater recommendations involved eliminating surgery and OB services and reminded the 2017 Stroudwater report had similar recommendations. He wondered if the SCH Board and SCH senior management would be able to stand up to public pressure requesting SCH keep those services. Knox concurred and stated Sitka was a unique and different marketplace for healthcare. He also expressed concern of the \$35 million PERS liability. After hearing the Stroudwater report, Guevin said he felt more optimistic that SCH could be viable on its own, however, wished to maintain some oversight of the Stroudwater recommendations and progress. If the Assembly chose to solicit for RFP's, Guevin would like to see something broad and possibly an adhoc committee created similar to that of the 2015 Citizens' Taskforce. Guevin wondered how long it would take SCH to implement the Stroudwater recommendations. Rob Allen, SCH Chief Executive Officer, responded 6 months to 1 year. Swanson conveyed a desire for SCH to move forward on its own and implement the Stroudwater recommendations. While not opposed to a RFP process, he preferred the issue go to a public vote. Hunter said he had been heartened by the Stroudwater report and asked for the recommendations to be implemented. He stated there was a history of facing financial crisis with SCH and stressed the importance for stability and sustainability. If SCH were to close, the City could be looking at a bill of close to \$50 million; money the City didn't have. Hunter spoke in support of the RFP process. Bean agreed but preferred not to prolong the process. Eisenbeisz spoke cautiously of an RFP and wondered if the RFP would be for a purchase or management services. He reminded there was the \$35 million PERS liability that would need to be addressed. Municipal Attorney, Brian Hanson, recommended the RFP be prepared by a merger/acquisition specialist. Bryan Bertacchi, SCH Board President, urged the Assembly to design a broad RFP that would allow for multiple possibilities.

#### Public Comment

Speaking in support of a RFP process were: Dan Neumeister, SEARHC Chief Operating Officer; Colleen Dahlquist, Patricia Alexander, Robert Hattle, and Karen Lucas. Dr. Roger Golub asked the Assembly to encourage SEARHC to work with SCH. Richard Phillips suggested the SCH Board President and SCH CEO be included in the creation of the RFP. Cynthia Brandt, SCH Chief Financial Officer, clarified that Stroudwater had reported with the implementation of their recommendations, SCH would be sustainable for the foreseeable future but that one day affiliation with SEARHC would be necessary. Brandt reminded since the December 2014 line of credit request, cash on hand had increased. Charles Bingham noted healthcare, worldwide, was in an unsettled state and urged the Assembly not to rush the process. Helen Craig voiced support for two hospitals in Sitka. Carin Adyckes spoke in opposition to the RFP process and to merging with SEARHC.

#### Further Assembly Discussion

Guevin wished to see intermediary steps along the way if the Assembly chose the RFP route and wanted the Assembly to review the draft RFP. Eisenbeisz suggested the formation of an Assembly subcommittee to be involved and expressed hesitation in voting on the complex motion before the body. Assembly members expressed a desire for SCH to move forward with the implementation of the Stroudwater



recommendations.

A motion was made by Bean to ask staff to work with an outside firm to draft an RFP, for Assembly review, seeking solutions for our Community Hospital in Sitka through collaboration, affiliation, a management agreement, an outright sale, a merger, or the creation of a non-profit, with the goals of increasing the quality of healthcare offered to Sitkans, the scope of services offered in Sitka for Sitkans, maintaining or increasing the employment in our health industry in Sitka, and improving the financial position of Sitka Community Hospital including our PERS obligation and operational losses. The motion PASSED by the following vote.

**Yes:** 6 - Swanson, Guevin, Potrzuski, Hunter, Knox, and Bean

**No:** 1 - Eisenbeisz

#### VI. PERSONS TO BE HEARD:

Sonja Smith expressed frustration that SEARHC beneficiaries had not been consulted. Dr. Richard Wein spoke in support of the RFP process and suggested partnering with Bartlett Memorial Hospital. Karen Lucas suggested a community visioning session. Mary Todd Anderson voiced support for SCH. Charles Bingham urged the Assembly to consider if there were only one hospital in Sitka, would that hospital exist for profit or for care. Lee Bennett spoke in support of a RFP process with citizen involvement. Maxine Duncan spoke in support of SEARHC. Lindsay Evans spoke to the importance of keeping OB and surgical services at SCH, supported a town hall meeting, and wanted to hear what the native population thoughts were on the possible merger or acquisition of SCH by SEARHC.

#### VII. EXECUTIVE SESSION

None.

#### VIII. ADJOURNMENT

A motion was made by Swanson to ADJOURN. Hearing no objections, the meeting ADJOURNED at 8:58pm.

ATTEST: \_\_\_\_\_

Sara Peterson, CMC  
Municipal Clerk



# CITY AND BOROUGH OF SITKA

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

## Minutes - Draft

### City and Borough Assembly

*Mayor Matthew Hunter*  
*Deputy Mayor Bob Potrzuski*  
*Vice-Deputy Mayor Steven Eisenbeisz*  
*Tristan Guevin, Kevin Knox*  
*Aaron Bean, and Aaron Swanson*

*Interim Municipal Administrator: Phillip Messina*  
*Municipal Attorney: Brian Hanson*  
*Municipal Clerk: Sara Peterson*

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Tuesday, July 25, 2017

6:00 PM

Assembly Chambers

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#### REGULAR MEETING

#### I. CALL TO ORDER

#### II. FLAG SALUTE

#### III. ROLL CALL

**Present:** 5 - Swanson, Guevin, Hunter, Knox, and Bean

**Absent:** 2 - Eisenbeisz, and Potrzuski

#### IV. CORRESPONDENCE/AGENDA CHANGES

No agenda changes.

**17-133** Reminders, Calendars and General Correspondence

#### V. CEREMONIAL MATTERS

**17-131** Citation - U.S. Coast Guard Day

Mayor Hunter read and presented a Citation to U.S. Coast Guard Sitka-based personnel recognizing August 4th as U.S. Coast Guard Day. Mayor Hunter thanked Sitka-based personnel for their service.

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

None.



**VII. PERSONS TO BE HEARD**

Robert Haddle, member of the Sitka Bicycle Coalition, recognized those individuals in the room who had biked or walked to the Assembly meeting. Haddle announced, during the month of August, Sitka Community Hospital was sponsoring an Active August Fitness Challenge encouraging Sitka residents to commute by foot or bike.

Dr. Marilyn Corruzi believed, while finances were important, effective healing medical care was based on a strong commitment to core values of healthcare. Corruzi urged the Assembly to engage the public in conversations regarding the future of Sitka Community Hospital.

Cynthia Dennis expressed confusion over the proposed hospital RFP process and encouraged the Assembly to involve the public.

Rachel Roy, Executive Director of the Chamber of Commerce, invited members of the Assembly and public to attend the Chamber of Commerce Luncheon July 26 at which Senator Bert Stedman would be speaking.

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

Mayor - Hunter shared he, Assembly member Knox, and the Interim Administrator had met with the Alaska Regional Administrator of the FAA about navigational aids for Alaska and the Seaplane Float renovations. Hunter announced staff was in the early stages of planning two community meetings regarding healthcare in Sitka. These were tentatively scheduled for August 30 and August 31; locations and times to be determined. He added the goal was to provide an opportunity for the public to comment and possibly come to a consensus on what an ideal healthcare situation would look like in Sitka.

Interim Administrator - Messina informed Library Director interviews were scheduled for July 26 and 27, noted he had toured harbor facilities with Harbormaster, Stan Eliason, and received a tour of the Police Department.

Attorney - Hanson reported Legal Assistant interviews were scheduled for July 31.

Liaison Representatives - Knox reported on the recent Parks and Recreation Committee meeting.

Clerk - Peterson reviewed Board vacancies and reminded of the candidate filing deadline for the October 3 Municipal Election.

**IX. CONSENT AGENDA**

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

**Yes:** 5 - Swanson, Guevin, Hunter, Knox, and Bean

**Absent:** 2 - Eisenbeisz, and Potrzuski

- A 17-130** Approve the minutes of the July 11 Assembly meeting
- This item was APPROVED ON THE CONSENT AGENDA.
- B RES 17-17** Supporting the Municipality's application to host the Alaska Municipal League Summer Meeting in 2018
- This item was APPROVED ON THE CONSENT AGENDA.
- X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS**
- C 17-132** Reappoint Darrell Windsor to a three-year term on the Planning Commission
- Knox thanked Windsor for his service and commented that Windsor had served on the Planning Commission for 6 years.
- A motion was made by Knox that this Item be APPROVED. The motion PASSED by the following vote.**
- Yes:** 5 - Swanson, Guevin, Hunter, Knox, and Bean
- Absent:** 2 - Eisenbeisz, and Potrzuski
- XI. UNFINISHED BUSINESS:**
- D ORD 17-23** Adjusting the FY17/FY18 budgets (*reappropriations*)
- Rob Allen and Cynthia Brandt of Sitka Community Hospital addressed the Hospital's reappropriation request of \$156,192. Project reimbursement included: the Mountainside Family Healthcare Paint/Flooring, Patient Financial Services Remodel, and the Nurse's Conference Room Remodel.
- A motion was made by Swanson that this Ordinance be APPROVED on SECOND AND FINAL READING. The motion PASSED by the following vote.**
- Yes:** 5 - Swanson, Guevin, Hunter, Knox, and Bean
- Absent:** 2 - Eisenbeisz, and Potrzuski
- E ORD 17-24** Adjusting the FY18 budget (*downtown shuttle pilot project*)
- Knox noted there was interest from the downtown business district and the pilot project was worthy of the funds.
- A motion was made by Guevin that this Ordinance be APPROVED on SECOND AND FINAL READING. The motion PASSED by the following vote.**
- Yes:** 5 - Swanson, Guevin, Hunter, Knox, and Bean
- Absent:** 2 - Eisenbeisz, and Potrzuski
- F ORD 17-25** Amending Sitka General Code Title 2 "Administration" by adding a new Chapter 2.10 entitled "Defense and Indemnification of Officers and

Employees"

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 - Swanson, Guevin, Hunter, Knox, and Bean

Absent: 2 - Eisenbeisz, and Potrzuski

## XII. NEW BUSINESS:

### New Business First Reading

- G ORD 17-26** Amending Sitka General Code Chapter 4.28 "Investment Policy" by adding a new Section 4.28.045 entitled "External Investment Management"

Chief Finance and Administrative Officer, Jay Sweeney, explained the Assembly had previously approved the external management of investment of Municipal funds by Alaska Permanent Capital Management, however, Sitka General Code did not address external investment of funds. Staff and the Investment Committee believed that external management of investments, with added language for safeguards, be codified.

Bean wondered of the selection process for the investment firm. Sweeney clarified that the RFP process had been followed to select an investment firm for the management of the Permanent Fund. The Investment Committee recommended the scope of services for Alaska Permanent Capital Management's contract be expanded to include management of enterprise funds. Guevin thanked staff and the Investment Committee for their work.

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

Yes: 5 - Swanson, Guevin, Hunter, Knox, and Bean

Absent: 2 - Eisenbeisz, and Potrzuski

- H TMP 05** Consideration of the following two ordinances, with the same subject, on first reading (one may move forward):

Hunter stated he and fellow Assembly member Swanson had been working on this issue for the past year after receiving complaints from citizens on the negative impacts of fireworks. Two ordinances had been developed for possible consideration: 1) allowed use of private fireworks at specific times of the year (4th of July and New Year's), added definitions, and the addition of a penalty section, and, 2) maintaining current ban on private fireworks and the addition of a penalty section. The Police and Fire Commission favored option 2, and in addition, wished to see the fine schedule increased and allow for citizen's arrest.

Lorraine Lil, Helen Craig, William Craig, Jeff Budd, Gerald Gangle, and Kathleen McCrossin spoke in opposition to the use of private fireworks and wished to see a ban.

Police Chief, Jeff Ankerfelt, stated it was difficult for officers to respond to reports of illegal fireworks either because of higher priority calls or the offenders hiding from or avoiding officers. Ankerfelt recognized the problem and believed, while enforcement



was difficult, there was room for improvement from the Police Department.

Municipal Attorney, Brian Hanson, clarified the City had a non permitted ban on fireworks except if they were permitted which was only for public use. He reminded that if a citizen witnessed someone else using fireworks in an illegal manner that violation could be reported. Hanson stated the penalty schedule was consistent with other penalty provisions that had been added to the minor offense code. It allowed for an easier and quicker way to hold violators accountable for their actions. Hanson reiterated that with either ordinance, the sale of fireworks would be prohibited.

Knox asked what the proposed City guidelines were for applying for a permit compared to the State. Hanson noted there were no specified City guidelines; it was left to the discretion of the Administrator. Hunter wondered if the legalization of fireworks would lead to a greater problem of abuse. He spoke in support of option 2. Knox wondered if by permitting private use that it created a conflict because the sale of fireworks would still be prohibited. Without further definition to the permitting process, he was in support of the status quo. Bean spoke in support of legalizing fireworks for specific times of the year. With regards to permits, he wondered if it was wise to allow City staff to issue permits for liability reasons. Guevin supported the recommendations of the Police and Fire Commission.

**ORD 17-27** Amending Sitka General Code Chapter 10.24 entitled "Fireworks" by adding exceptions to Section 10.24.040 "Exceptions for Authorized Displays", additional definitions to Section 10.24.060 "Fireworks Defined", and a new Section 10.24.070 "Penalties"

This Ordinance was not considered.

**ORD 17-28** Amending Sitka General Code Chapter 10.24 entitled "Fireworks" by adding a new Section 10.24.070 "Penalties"

Gerald Gangle spoke in support of the penalty schedule and enforcement. Jeff Budd suggested adding a decibel level to the ordinance, spoke in opposition to neighborhood use, and encouraged an educational campaign. Kathleen McCrossin agreed and suggested the fines were too low. Robert Haddle, a nurse, shared the physical injuries he had witnessed caused by fireworks. Fire Chief, Dave Miller, shared his history of fireworks in Sitka, including a few fires that had been started by fireworks. In his recollection, only two permits had been issued over the last 28 years.

**A motion was made by Guevin that this Ordinance be APPROVED on FIRST READING. The motion PASSED by the following vote. (Note: Per the Charter, an ordinance on first reading automatically moves forward to second reading, regardless of the vote, unless there are 4 votes to fail it on first reading.)\***

**Yes:** 2 - Hunter, and Knox

**No:** 3 - Swanson, Guevin, and Bean

**Absent:** 2 - Eisenbeisz, and Potrzuski

\*Assembly member Guevin gave notice of reconsideration, however, he later removed notice realizing the ordinance required four votes to fail and would move forward to second reading without a motion to reconsider.

### XIII. PERSONS TO BE HEARD:

Fire Chief Dave Miller reminded the Fire Department's Super Saturday event was July 29 and announced Sitka was hosting the Alaska State Firefighter's Conference



September 25-30.

**XIV. EXECUTIVE SESSION**

None.

**XV. ADJOURNMENT**

A motion was made by Swanson to ADJOURN. Hearing no objections, the meeting ADJOURNED at 7:48pm.

ATTEST:

\_\_\_\_\_  
Sara Peterson, CMC  
Municipal Clerk



# CITY AND BOROUGH OF SITKA

## Legislation Details

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File #: 17-136      Version: 1      Name:

Type: Item      Status: AGENDA READY

File created: 8/1/2017      In control: City and Borough Assembly

On agenda: 8/8/2017      Final action:

Title: Approve a liquor license ownership transfer and restaurant designation permit for The Longliner Lodge and Suites

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and Memo Longliner.pdf](#)  
[Longliner app.pdf](#)

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 a liquor license ownership transfer and restaurant designation permit for The Longliner Lodge & Suites, Inc. dba The Longliner Lodge and Suites and forward these approvals to the Alcoholic Beverage Control Board without objection.



# City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

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## MEMORANDUM

**To:** Mayor Hunter and Assembly Members  
Phillip Messina, Interim Municipal Administrator

**From:** Sara Peterson, Municipal Clerk

**Date:** August 2, 2017

**Subject:** Approve a liquor license ownership transfer and restaurant designation permit for The Longliner Lodge and Suites

---

Our office has received notification of the following **liquor license transfer of ownership and restaurant designation applications** for:

Type: Beverage Dispensary  
Owner: Pilot House, Inc.  
DBA: Fly In Fish Inn  
Location: 485 Katlian Street

**To:** **The Longliner Lodge & Suites, Inc.**  
DBA: The Longliner Lodge and Suites  
Location: 485 Katlian Street

The granting of the restaurant designation permit allows:

- Dining after standard closing hours
- Dining by persons 16-20 years of age
- Dining by persons under the age of 16 years, accompanied by a person over the age of 21

A notice was published in the local newspaper and posted to the establishment as required by Sitka General Code. A memo was circulated to the various departments who may have a reason to protest. No departmental objections were received.

### Recommendation

**Approve the liquor license transfer of ownership and restaurant designation permit for The Longliner Lodge & Suites, Inc. dba The Longliner Lodge and Suites and forward these approvals to the Alcoholic Beverage Control Board without objection.**



THE STATE  
of **ALASKA**  
GOVERNOR BILL WALKER

**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 18, 2017

City and Borough of Sitka  
Attn: Sara Peterson, Municipal Clerk  
Via Email: [sara.peterson@cityofsitka.org](mailto:sara.peterson@cityofsitka.org)  
[melissa.henshaw@cityofsitka.org](mailto:melissa.henshaw@cityofsitka.org)

<b>License Type:</b>	Beverage Dispensary	<b>License Number:</b>	4117
<b>Licensee:</b>	The Longliner Lodge & Suites, LLC		
<b>Doing Business As:</b>	The Longliner Lodge & Suites		

- New Application
  Transfer of Ownership Application  
 Transfer of Location Application
  Transfer of Controlling Interest Application

We have received a completed application for the above listed license (see attached application documents) within your jurisdiction. This is the notice required under AS 04.11.480.

A local governing body may protest the approval of an application(s) pursuant to AS 04.11.480 by furnishing the director and the applicant with a clear and concise written statement of reasons for the protest within 60 days of receipt of this notice, and by allowing the applicant a reasonable opportunity to defend the application before a meeting of the local governing body, as required by 3 AAC 304.145(d). If a protest is filed, the board will deny the application unless the board finds that the protest is arbitrary, capricious, and unreasonable. To protest the application referenced above, please submit your protest within 60 days and show proof of service upon the applicant.

AS 04.11.491 – AS 04.11.509 provide that the board will deny a license application if the board finds that the license is prohibited under as a result of an election conducted under AS 04.11.507.

AS 04.11.420 provides that the board will not issue a license when a local governing body protests an application on the grounds that the applicant’s proposed licensed premises are located in a place within the local government where a local zoning ordinance prohibits the alcohol establishment, unless the local government has approved a variance from the local ordinance.

Sincerely,

Jedediah Smith, Local Government Specialist  
[amco.localgovernmentonly@alaska.gov](mailto:amco.localgovernmentonly@alaska.gov)

# OFFICE OF THE MUNICIPAL CLERK

---

July 20, 2017

**TO:**

Collections - Leisha  
Utility Billing Clerk – Diana  
Municipal Billings – Lindsey  
Property Tax/Sales Tax – Hannah

Fire Department  
Police Department  
Building Official

**FROM:** Sara Peterson, Municipal Clerk

**SUBJECT: Liquor License Transfer of Ownership Application (#4117) and Application for Restaurant Designation Permit**

This office has received notification of the following liquor license transfer:

Type: Beverage Dispensary  
Owner: Pilot House, Inc  
DBA: Fly In Fish Inn  
Location: 485 Katlian Street

**To: The Longliner Lodge & Suites, LLC**  
DBA: The Longliner Lodge and Suites  
Location: 485 Katlian Street

This office has also received a restaurant designation permit application for:

Licensee: Longliner Lodge & Suites, LLC  
DBA: The Longliner Lodge and Suites  
Location: 485 Katlian Street

The granting of this permit allows:

- Dining after standard closing hours
- Dining by persons 16-20 years of age
- Dining by persons under the age of 16 years, accompanied by a person over the age of 21

Please notify **no later than noon July 28** of any reason to protest these requests.

Thank you.





Alcohol and Marijuana Control Office  
 550 W 7<sup>th</sup> Avenue, Suite 1600  
 Anchorage, AK 99501  
[alcohol.licensing@alaska.gov](mailto:alcohol.licensing@alaska.gov)  
<https://www.commerce.alaska.gov/web/amco>  
 Phone: 907.269.0350

Alaska Alcoholic Beverage Control Board

**Form AB-01: Transfer License Application**

**What is this form?**

This transfer license application form is required for all individuals or entities seeking to apply for the transfer of ownership and/or location of an existing liquor license. Applicants should review Title 04 of Alaska Statutes and Chapter 304 of the Alaska Administrative Code. All fields of this form must be completed, per AS 04.11.260, AS 04.11.280, AS 04.11.290, and 3 AAC 304.105.

This form must be completed and submitted to AMCO's main office, along with all other required forms and documents, before any license application will be considered complete.

**Section 1 – Transferor Information**

Enter information for the *current* licensee and licensed establishment.

*[Handwritten signature]*

Licensee:	Pilot House, Inc	License #:	4117
License Type:	Beverage Dispensary License	Statutory Reference:	AS04.11.090
Doing Business As:	Fly In Fish Inn		
Premises Address:	485 Katlian		
City:	Sitka	State:	AK
		ZIP:	99835
Local Governing Body:	City & Borough of Sitka		

**Transfer Type:**

- Regular transfer
- Transfer with security interest
- Involuntary retransfer

OFFICE USE ONLY			
Complete Date:		Transaction #:	15420
Board Meeting Date:		License Years:	
Issue Date:		BRE:	



Alaska Alcoholic Beverage Control Board

**Form AB-01: Transfer License Application**

**Section 2 – Transferee Information**

Enter information for the *new* applicant and/or location seeking to be licensed.

Licensee:	The Longliner Lodge & Suites, LLC				
Doing Business As:	The Longliner Lodge and Suites				
Premises Address:	485 Katlian				
City:	Sitka	State:	AK	ZIP:	99835
Community Council:	City Assembly				

Mailing Address:	PO Box 385				
City:	Sitka	State:	AK	ZIP:	99835

Designated Licensee:	Jon Andrew Martin				
Contact Phone:	1-907-738-3017	Business Phone:	1-907-738-3017		
Contact Email:	northpacificguides@gmail.com				

Seasonal License?    Yes     No     If "Yes", write your six-month operating period: \_\_\_\_\_

**Section 3 – Premises Information**

Premises to be licensed is:

an existing facility     a new building     a proposed building



The next two questions must be completed by beverage dispensary (including tourism) and package store applicants only:

What is the distance of the shortest pedestrian route from the public entrance of the building of your proposed premises to the outer boundaries of the nearest school grounds? Include the unit of measurement in your answer.

1,701 feet

What is the distance of the shortest pedestrian route from the public entrance of the building of your proposed premises to the public entrance of the nearest church building? Include the unit of measurement in your answer.

3,072 feet





Alaska Alcoholic Beverage Control Board  
**Form AB-01: Transfer License Application**

**Section 4 – Sole Proprietor Ownership Information**

This section must be completed by any sole proprietor who is applying for a license. Entities should skip to Section 5.  
 If more space is needed, please attach a separate sheet with the required information.  
 The following information must be completed for each licensee and each affiliate (spouse).

This individual is an:  applicant  affiliate

Name:				
Address:				
City:	State:	RECEIVED	ZIP:	



This individual is an:  applicant  affiliate

Name:				
Address:				
City:	State:		ZIP:	

**Section 5 – Entity Ownership Information**

This section must be completed by any entity, including a corporation, limited liability company (LLC), partnership, or limited partnership, that is applying for a license. Sole proprietors should skip to Section 6.  
 If more space is needed, please attach a separate sheet with the required information.

- If the applicant is a corporation, the following information must be completed for each *stockholder who owns 10% or more* of the stock in the corporation, and for each *president, vice-president, secretary, and managing officer*.
- If the applicant is a limited liability organization, the following information must be completed for each *member with an ownership interest of 10% or more*, and for each *manager*.
- If the applicant is a partnership, including a limited partnership, the following information must be completed for each *partner with an interest of 10% or more*, and for each *general partner*.

Entity Official:	Herbert Vincent Tennell				
Title(s):	Member	Phone:	1-360-461-1600	% Owned:	50
Address:	PO Box 1772				
City:	Sitka	State:	AK	ZIP:	99835



Alcohol and Marijuana Control Office  
 550 W 7<sup>th</sup> Avenue, Suite 1600  
 Anchorage, AK 99501  
[alcohol.licensing@alaska.gov](mailto:alcohol.licensing@alaska.gov)  
<https://www.commerce.alaska.gov/web/amco>  
 Phone: 907.269.0350

Alaska Alcoholic Beverage Control Board

**Form AB-01: Transfer License Application**

Entity Official:	Jon Andrew Martin				
Title(s):	Member	Phone:	1-907-738-3017	% Owned:	30
Address:	108 Nancy Court				
City:	Sitka	State:	AK	ZIP:	99835

Entity Official:	James Anthony Heiser				
Title(s):	Member	Phone:	1-760-518-0703	% Owned:	10
Address:	124 La Costa Ave.				
City:	Encinitas	State:	CA	ZIP:	92024

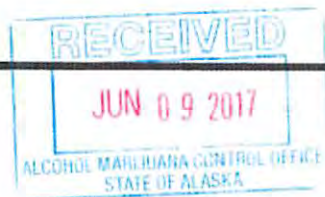
Entity Official:	Riley Daniel Dowd				
Title(s):	Member	Phone:	1-253-509-3695	% Owned:	10
Address:	3519 Harborview Dr., #1				
City:	Gig Harbor	State:	WA	ZIP:	98332

This subsection must be completed by any applicant that is a corporation or LLC. Corporations and LLCs are required to be in good standing with the Alaska Division of Corporations (DOC) and have a registered agent who is an individual resident of the state of Alaska.

DOC Entity #:	10052600	AK Formed Date:	02/28/2017	Home State:	Alaska
Registered Agent:	Jon Andrew Martin	Agent's Phone:	1-907-738-3017		
Agent's Mailing Address:	108 Nancy Court				
City:	Sitka	State:	AK	ZIP:	99835

Residency of Agent: Yes No

Is your corporation or LLC's registered agent an individual resident of the state of Alaska?







Alcohol and Marijuana Control Office  
550 W 7<sup>th</sup> Avenue, Suite 1600  
Anchorage, AK 99501  
[alcohol.licensing@alaska.gov](mailto:alcohol.licensing@alaska.gov)  
<https://www.commerce.alaska.gov/web/amco>  
Phone: 907.269.0350

Alaska Alcoholic Beverage Control Board

## Form AB-01: Transfer License Application

### Section 6 – Other Licenses

Ownership and financial interest in other alcoholic beverage businesses:

Yes No

Does any representative or owner named as a transferee in this application have any direct or indirect financial interest in any other alcoholic beverage business that does business in or is licensed in Alaska?

If "Yes", disclose which individual(s) has the financial interest, what the type of business is, and if licensed in Alaska, which license number(s) and license type(s):

The Longliner Lodge & Suites, LLC had previously applied for a new beer and wine license for the restaurant, application no 5564, which has since been rescinded. However, the fingerprint cards for that application were retained by the board for this application.

### Section 7 – Authorization

Communication with AMCO staff:

Yes No

Does any person other than a licensee named in this application have authority to discuss this license with AMCO staff?

If "Yes", disclose the name of the individual and the reason for this authorization:

Brandon C. Marx, as counsel for Longliner Lodge & Suites, LLC, along with his staff, Jan Burkhart, to assist in the preparation of all necessary paperwork associated with this transfer application. Phone 907-747-7100





Alcohol and Marijuana Control Office  
 550 W 7<sup>th</sup> Avenue, Suite 1600  
 Anchorage, AK 99501  
[alcohol.licensing@alaska.gov](mailto:alcohol.licensing@alaska.gov)  
<https://www.commerce.alaska.gov/web/amco>  
 Phone: 907.269.0350

Alaska Alcoholic Beverage Control Board

## Form AB-01: Transfer License Application

### Section 8 – Transferor Certifications

Additional copies of this page may be attached, as needed, for the controlling interest of the current licensee to be represented.

I declare under penalty of perjury that the undersigned represents a **controlling interest** of the current licensee. I additionally certify that I, as the current licensee (either the sole proprietor or the controlling interest of the currently licensed entity) have examined this application, approve of the transfer of this license, and find the information on this application to be true, correct, and complete.

Ronald Bellows  
 Signature of transferor

RONALD BELLOWS  
 Printed name of transferor

Subscribed and sworn to before me this 2nd day of May, 2017.



Ritaury Saig  
 Signature of Notary Public

Notary Public in and for the State of ARIZONA.

My commission expires: 7/31/2017

Mariys Dee Hanson  
 Signature of transferor

Mariys Dee Hanson  
 Printed name of transferor

Subscribed and sworn to before me this 15<sup>th</sup> day of May, 2017.



[Signature]  
 Signature of Notary Public

Notary Public in and for the State of Alaska.

My commission expires: 8/10/18





Alcohol and Marijuana Control Office  
550 W 7<sup>th</sup> Avenue, Suite 1600  
Anchorage, AK 99501  
[alcohol.licensing@alaska.gov](mailto:alcohol.licensing@alaska.gov)  
<https://www.commerce.alaska.gov/web/amco>  
Phone: 907.269.0350

Alaska Alcoholic Beverage Control Board

# Form AB-01: Transfer License Application

## Section 8 – Transferor Certifications

Additional copies of this page may be attached, as needed, for the controlling interest of the current licensee to be represented.

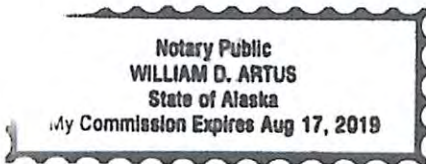
I declare under penalty of perjury that the undersigned represents a controlling interest of the current licensee. I additionally certify that I, as the current licensee (either the sole proprietor or the controlling interest of the currently licensed entity) have examined this application, approve of the transfer of this license, and find the information on this application to be true, correct, and complete.

Kenneth W. Battley, trustee  
Signature of transferor

Kenneth W Battley, trustee BK case no 15-00245  
Kenneth W. Battley, trustee  
Printed name of transferor

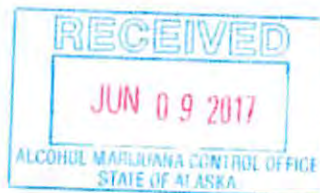
Subscribed and sworn to before me this 22 day of May, 2017.

William D. Artus  
Signature of Notary Public



Notary Public in and for the State of Alaska

My commission expires: 8/17/2019



\_\_\_\_\_  
Signature of transferor

\_\_\_\_\_  
Printed name of transferor

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Signature of Notary Public

Notary Public in and for the State of \_\_\_\_\_

My commission expires: \_\_\_\_\_



Alcohol and Marijuana Control Office  
 550 W 7<sup>th</sup> Avenue, Suite 1600  
 Anchorage, AK 99501  
[alcohol.licensing@alaska.gov](mailto:alcohol.licensing@alaska.gov)  
<https://www.commerce.alaska.gov/web/amco>  
 Phone: 907.269.0350

Alaska Alcoholic Beverage Control Board

## Form AB-01: Transfer License Application

### Section 9 – Transferee Certifications

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

Initials

I certify that all proposed licensees (as defined in AS 04.11.260) and affiliates have been listed on this application.

JH

I certify that all proposed licensees have been listed with the Division of Corporations.

JH

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

JH

I certify that all licensees, agents, and employees who sell or serve alcoholic beverages or check the identification of a patron will complete an approved alcohol server education course, if required by AS 04.21.025, and, while selling or serving alcoholic beverages, will carry or have available to show a current course card or a photocopy of the card certifying completion of approved alcohol server education course, if required by 3 AAC 304.465.

JH

I agree to provide all information required by the Alcoholic Beverage Control Board in support of this application.

JH

As an applicant for a liquor license, I declare under penalty of perjury that I have read and am familiar with AS 04 and 3 AAC 304, and that this application, including all accompanying schedules and statements, is true, correct, and complete.

THE LONGLINER LODGE & SUITES, LLC

James Anthony Heiser  
 Signature of transferee



By: James Anthony Heiser  
 Printed name

ITS: Member

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

PLEASE SEE ATTACHED  
 CALIFORNIA  
 JURAT  
 ACKNOWLEDGEMENT

\_\_\_\_\_  
 Signature of Notary Public

Notary Public in and for the State of \_\_\_\_\_

My commission expires: \_\_\_\_\_

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California  
County of San Diego

Subscribed and sworn to (or affirmed) before me on this 18  
day of May, 2017, by James Anthony Heiser

proved to me on the basis of satisfactory evidence to be the  
person(s) who appeared before me.



Signature







Alcohol and Marijuana Control Office  
550 W 7<sup>th</sup> Avenue, Suite 1600  
Anchorage, AK 99501  
[alcohol.licensing@alaska.gov](mailto:alcohol.licensing@alaska.gov)  
<https://www.commerce.alaska.gov/web/amco>  
Phone: 907.269.0350

## Alaska Alcoholic Beverage Control Board Form AB-02: Premises Diagram

### What is this form?

A detailed diagram of the proposed licensed premises is required for all liquor license applications, per AS 04.11.260 and 3 AAC 304.185. Your diagram must include dimensions and must show all entrances and boundaries of the premises, walls, bars, fixtures, and areas of storage, service, consumption, and manufacturing. If your proposed premises is located within a building or building complex that contains multiple businesses and/or tenants, please provide an additional page that clearly shows the location of your proposed premises within the building or building complex, along with the addresses and/or suite numbers of the other businesses and/or tenants within the building or building complex.

The second page of this form is not required. Blueprints, CAD drawings, or other clearly drawn and marked diagrams may be submitted in lieu of the second page of this form. The first page must still be completed, attached to, and submitted with any supplemental diagrams. An AMCO employee may require you to complete the second page of this form if additional documentation for your premises diagram is needed.

This form must be completed and submitted to AMCO's main office before any license application will be considered complete.

Yes No

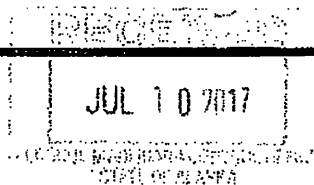
I have attached blueprints, CAD drawings, or other supporting documents in addition to, or in lieu of, the second page of this form.

### Section 1 – Establishment Information

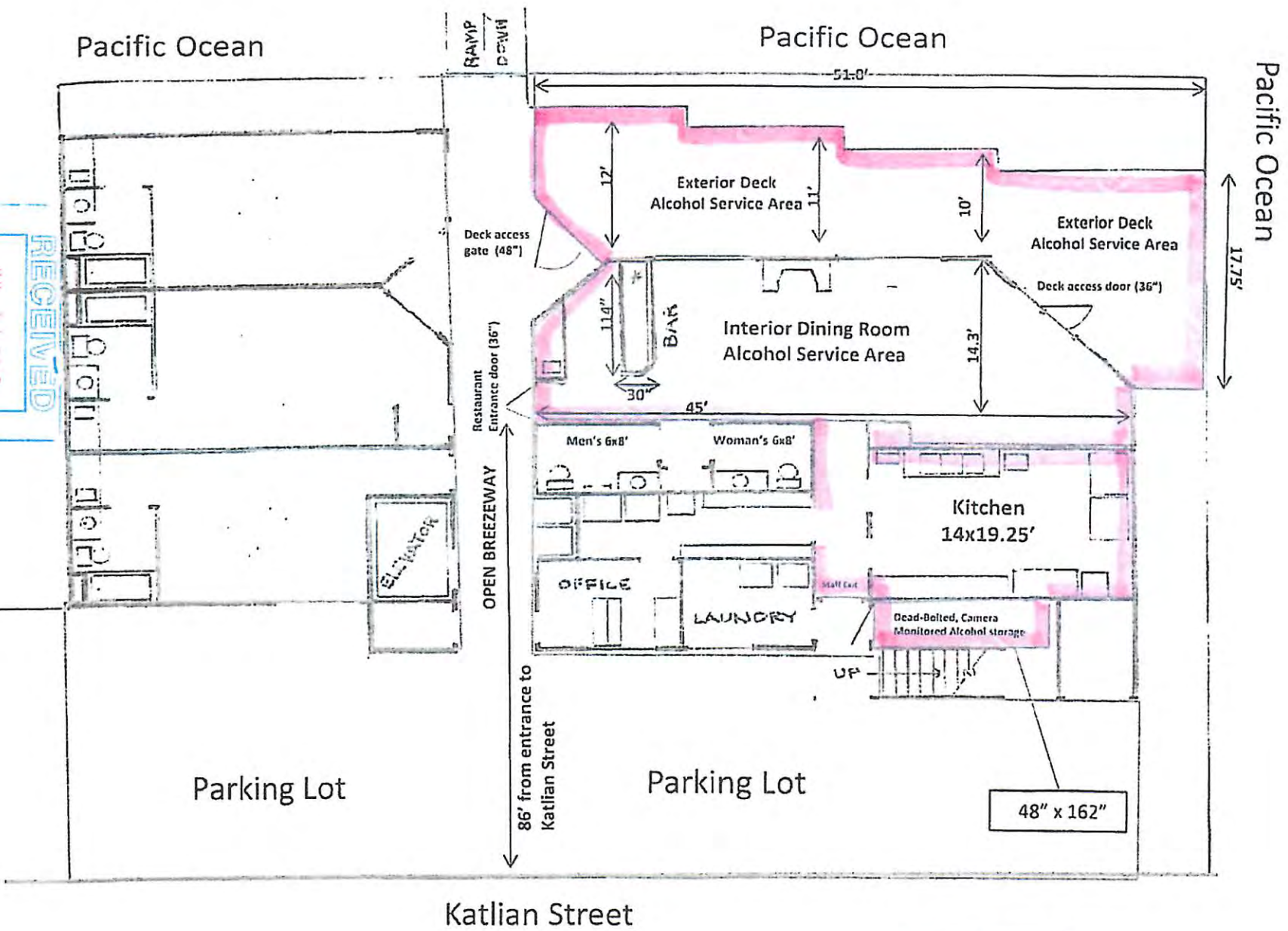
Enter information for the business seeking to be licensed, as identified on the license application.

Licensee:	Longliner Lodge & Suites, LLC	License Number:	4117		
License Type:	Beverage Dispensary				
Doing Business As:	The Longliner Lodge and Suites				
Premises Address:	485 Katlian St				
City:	Sitka	State:	AK	ZIP:	99835



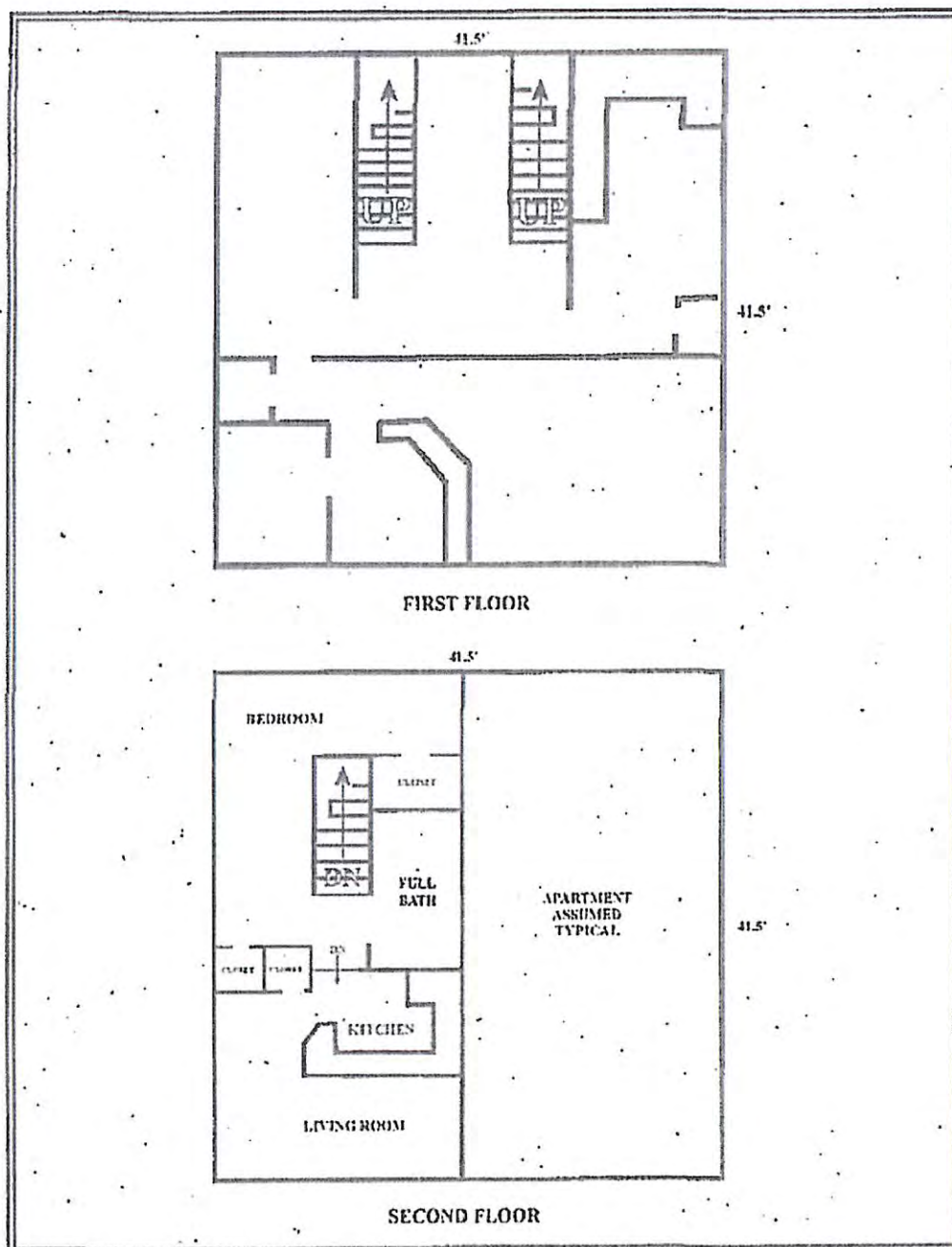


RECEIVED  
JUL 14 2017  
ALCOHOL MANAGEMENT CONTROL OFFICE  
STATE OF ALASKA



AB-02

*Brandon Marx, Esq.*  
Brandon Marx, Esq.

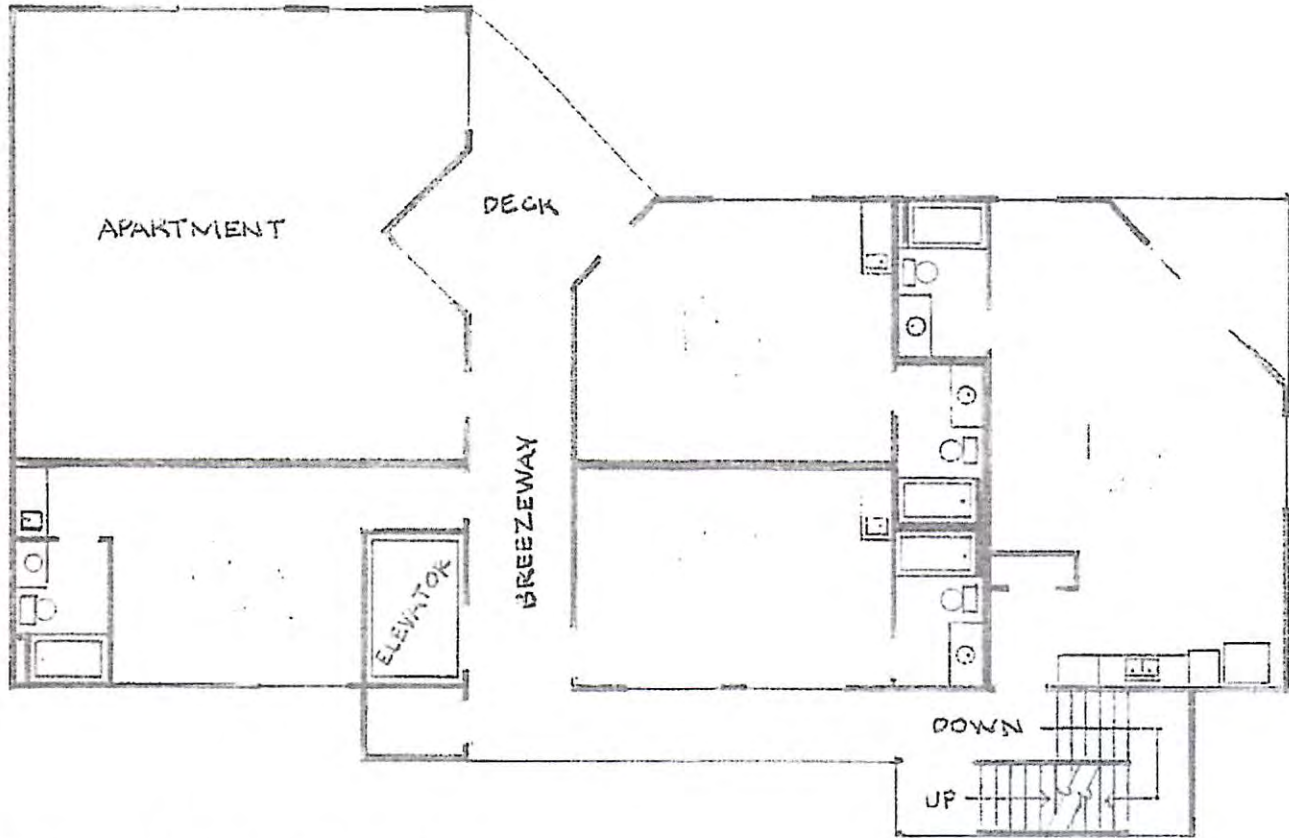


AIR TAXI BUILDING FLOOR PLANS







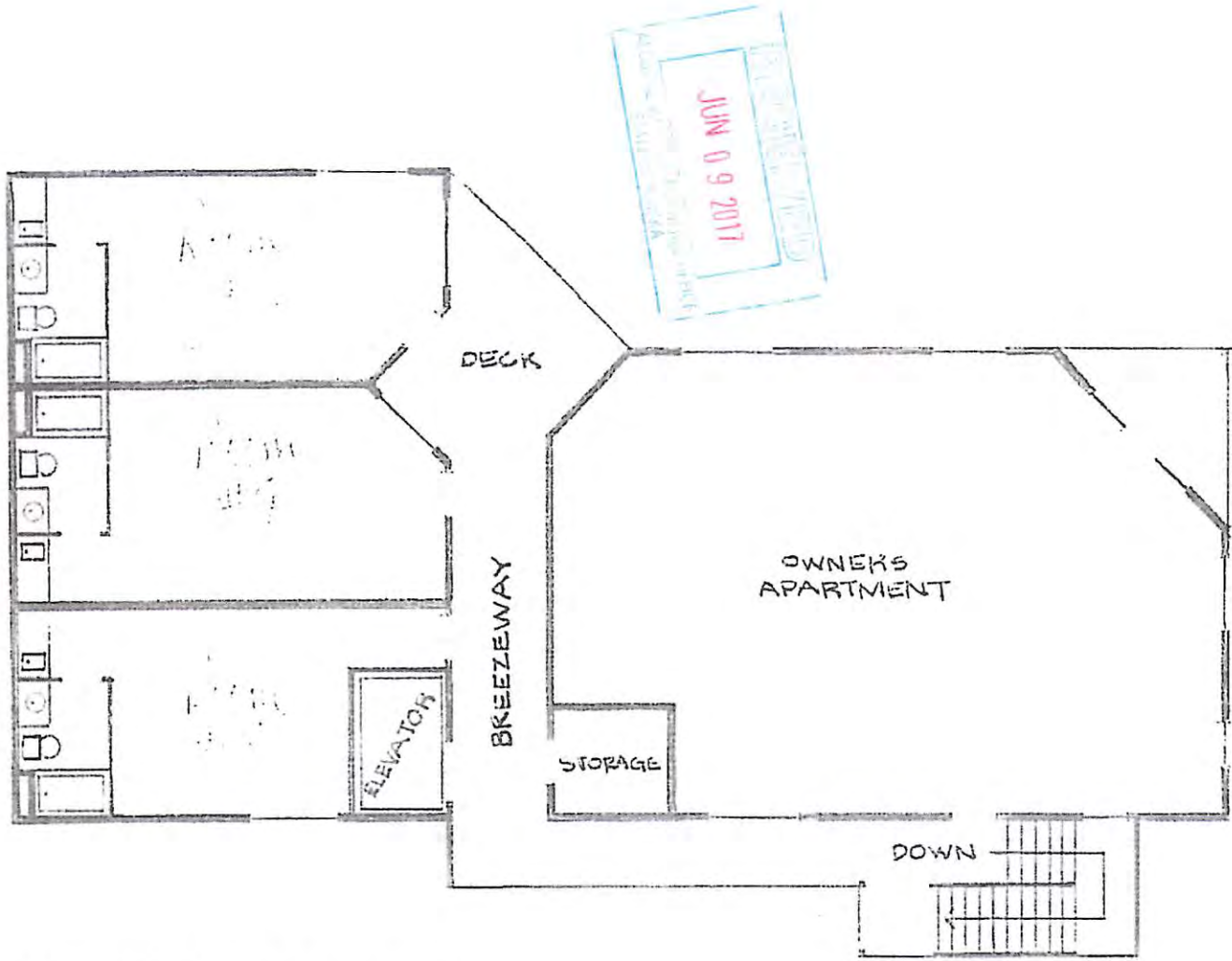


INDICATES YOUR LOCATION

PARKING LOT

SECOND FLOOR





INDICATES YOUR LOCATION

PARKING LOT

THIRD FLOOR







Alaska Alcoholic Beverage Control Board

**Form AB-03: Restaurant Designation Permit Application**

**What is this form?**

A restaurant designation permit application is required for a licensee desiring designation under 3 AAC 304.715 – 3 AAC 304.795 as a bona fide restaurant, hotel, or eating place for purposes of AS 04.16.010(c) or AS 04.16.049. Designation will be granted only to a holder of a beverage dispensary, club, recreational site, golf course, or restaurant or eating place license, and only if the requirements of 3 AAC 304.305, 3 AAC 304.725, and 3 AAC 304.745, as applicable, are met. A detailed floor plan of the proposed designated and undesignated areas of the licensed business and a menu or expected menu listing the meals to be offered to patrons must accompany this form. Applicants should review AS 04.16.049 – AS 04.16.052 and 3 AAC 304.715 – 3 AAC 304.795. All fields of this form must be completed. The required \$50 permit fee may be made by credit card, check, or money order.

**Section 1 – Establishment Information**

Enter information for licensed establishment.

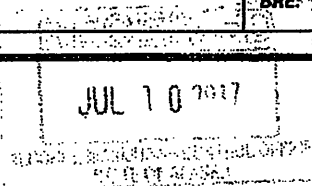
Licensee:	Longliner Lodge & Suites, LLC		
License Type:	Beverage Dispensary	License Number:	4117
Doing Business As:	The Longliner Lodge and Suites		
Premises Address:	485 Katlian St.		
City:	Sitka	State:	AK ZIP: 99835
Contact Name:	Jon Andrew Martin	Contact Phone:	907-738-3017

**Section 2 – Type of Designation Requested**

This application is for the request of designation as a bona fide restaurant, hotel, or eating place for purposes of AS 04.16.010(c) or AS 04.16.049, and for the request of the following designation(s) (check all that apply):

- Dining after standard closing hours: AS 04.16.010(c)
  - Dining by persons 16 – 20 years of age: AS 04.16.049(a)(2)
  - Dining by persons under the age of 16 years, accompanied by a person over the age of 21: AS 04.16.049(a)(3)
  - Employment for persons 16 or 17 years of age: AS 04.16.049(c)
- NOTE: Under AS 04.16.049(d), this permit is not required to employ a person 18 - 20 years of age.

OFFICE USE ONLY			
Issue Date:		Transaction #:	BRE:





Alcohol and Marijuana Control Office  
 550 W 7<sup>th</sup> Avenue, Suite 1600  
 Anchorage, AK 99501  
[alcohol.licensing@alaska.gov](mailto:alcohol.licensing@alaska.gov)  
<https://www.commerce.alaska.gov/web/amco>  
 Phone: 907.269.0350

**Alaska Alcoholic Beverage Control Board**

**Form AB-03: Restaurant Designation Permit Application**

**Section 3 – Additional Information**

Enter all hours that your establishment intends to be open. Include variances in weekend/weekday hours, and indicate am/pm:

Breakfast 5:00-9:30 am Monday - Sunday, 12 Months (No alcohol served during non-standard hours)  
 Dinner 5:00-10:00 pm Monday - Sunday, 12 Months

Are any forms of entertainment offered or available within the licensed business or on the proposed designated portions of the premises?

Yes  No

If "Yes", describe the entertainment offered or available:

*[Handwritten note: JUN 09 2017]*

Food and beverage service offered or anticipated is:

table service     buffet service     counter service     other

If "other", describe the manner of food and beverage service offered or anticipated:

*[Empty box for describing other food and beverage service]*

Is an owner, manager, or assistant manager 21 years of age or older always present on the premises during business hours?

Yes  No

Blueprints, CAD drawings, or other clearly drawn and marked diagrams may be submitted in lieu of the third page of this form.

I have attached blueprints, CAD drawings, or other supporting documents in addition to, or in lieu of, the third page of this form that meet the requirements of this form.

Yes  No



Alcohol and Marijuana Control Office  
550 W 7<sup>th</sup> Avenue, Suite 1600  
Anchorage, AK 99501  
[alcohol.licensing@alaska.gov](mailto:alcohol.licensing@alaska.gov)  
<https://www.commerce.alaska.gov/web/amco>  
Phone: 907.269.0350

Alaska Alcoholic Beverage Control Board

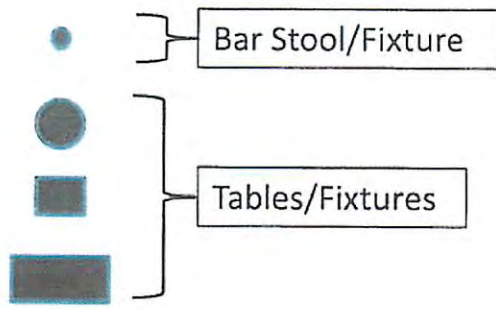
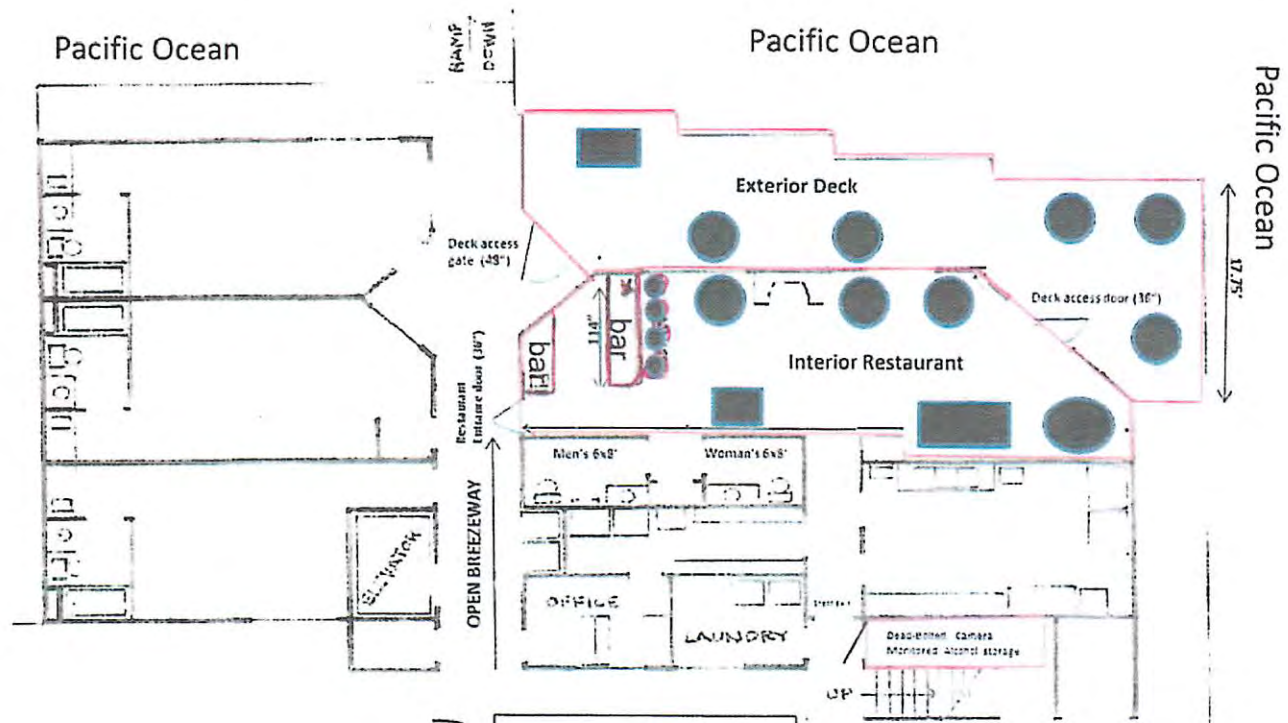
## Form AB-03: Restaurant Designation Permit Application

### Section 4 – Detailed Floor Plan

Provide a detailed floor plan that meets the requirements listed in Form AB-01 and clearly indicates the proposed designated and undesignated areas of the licensed business for purposes of this permit application.



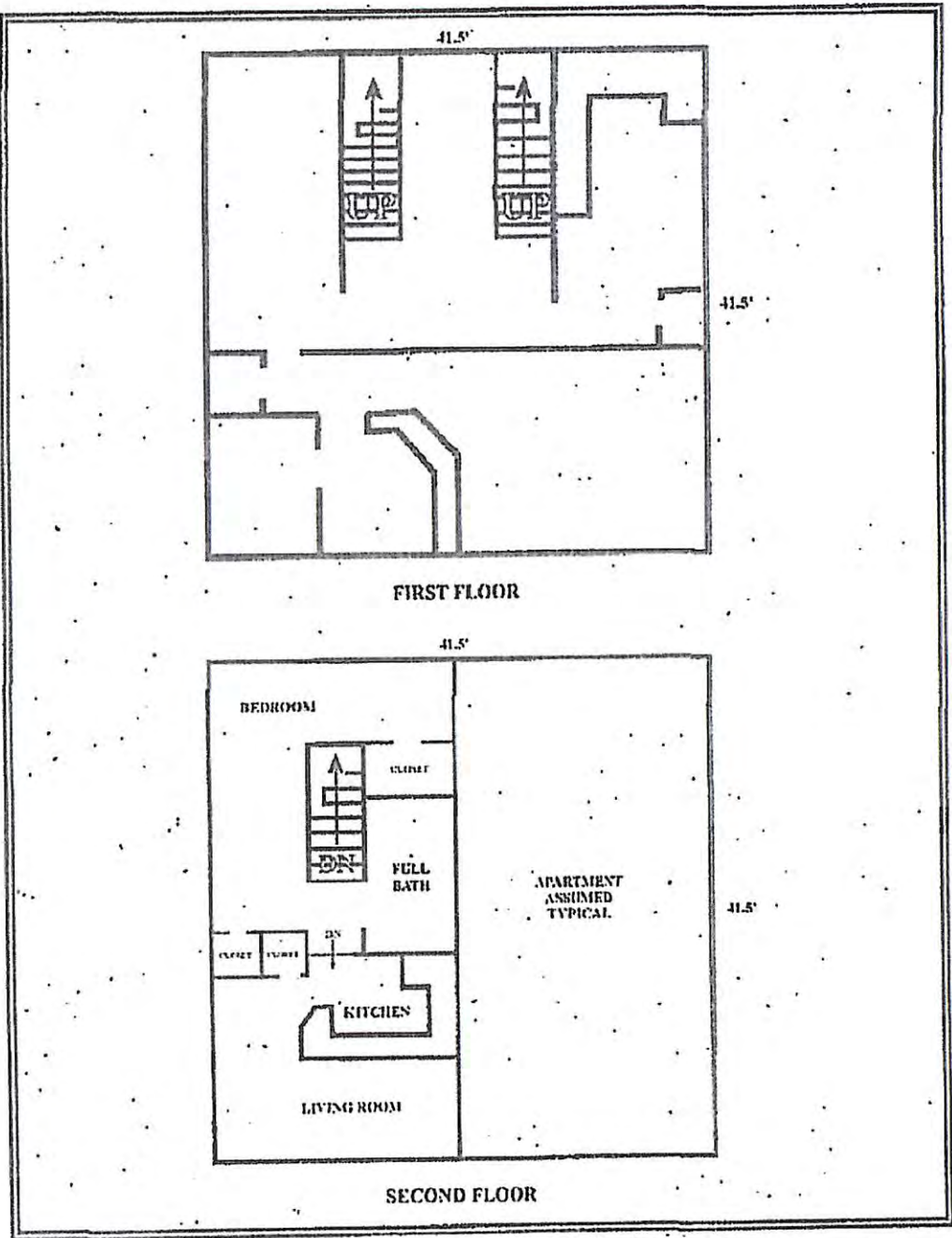




*\* Minors will not be allowed to sit at the designated bar area*

100' 0" 100'

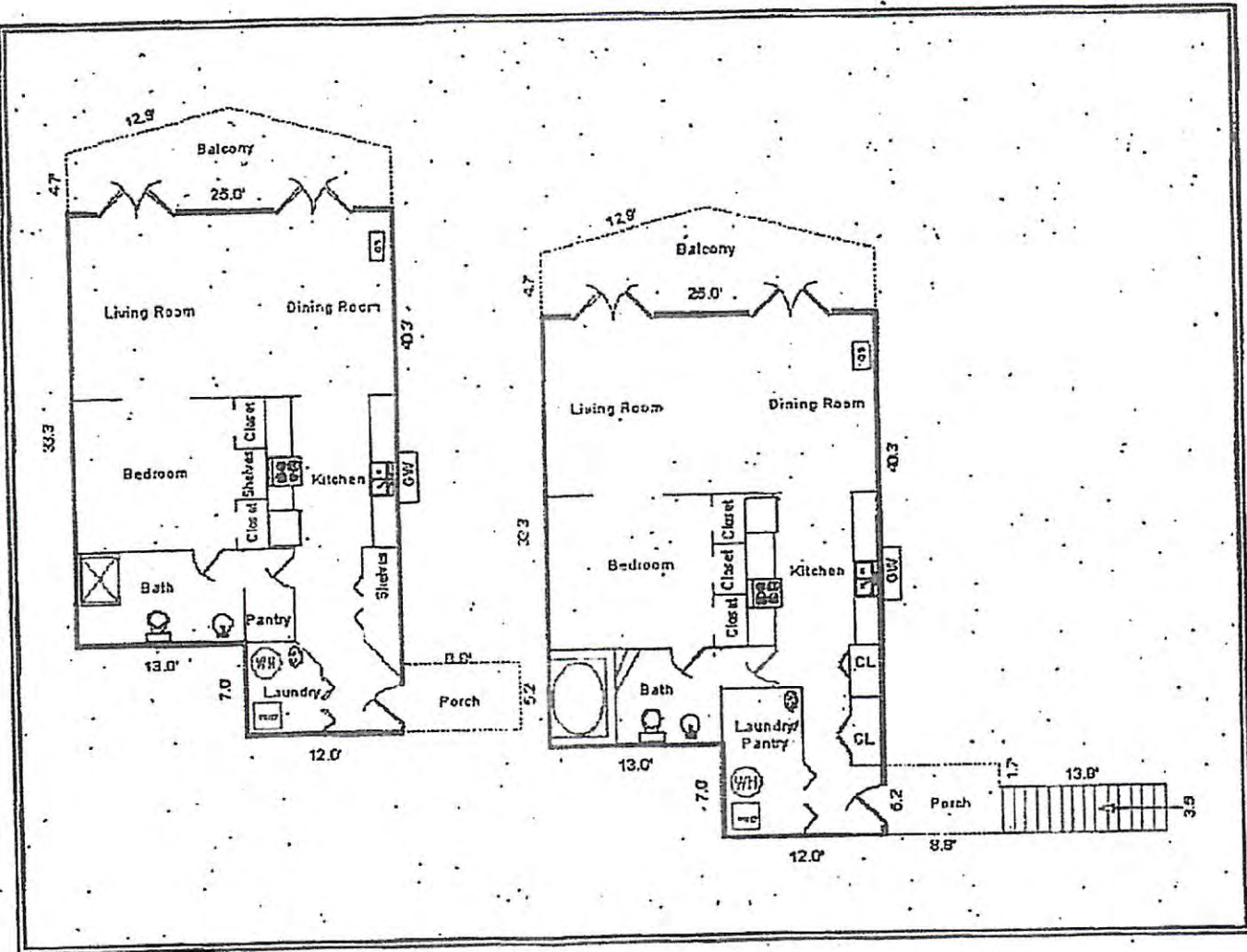




AIR TAXI BUILDING FLOOR PLANS

JUN 09 2017





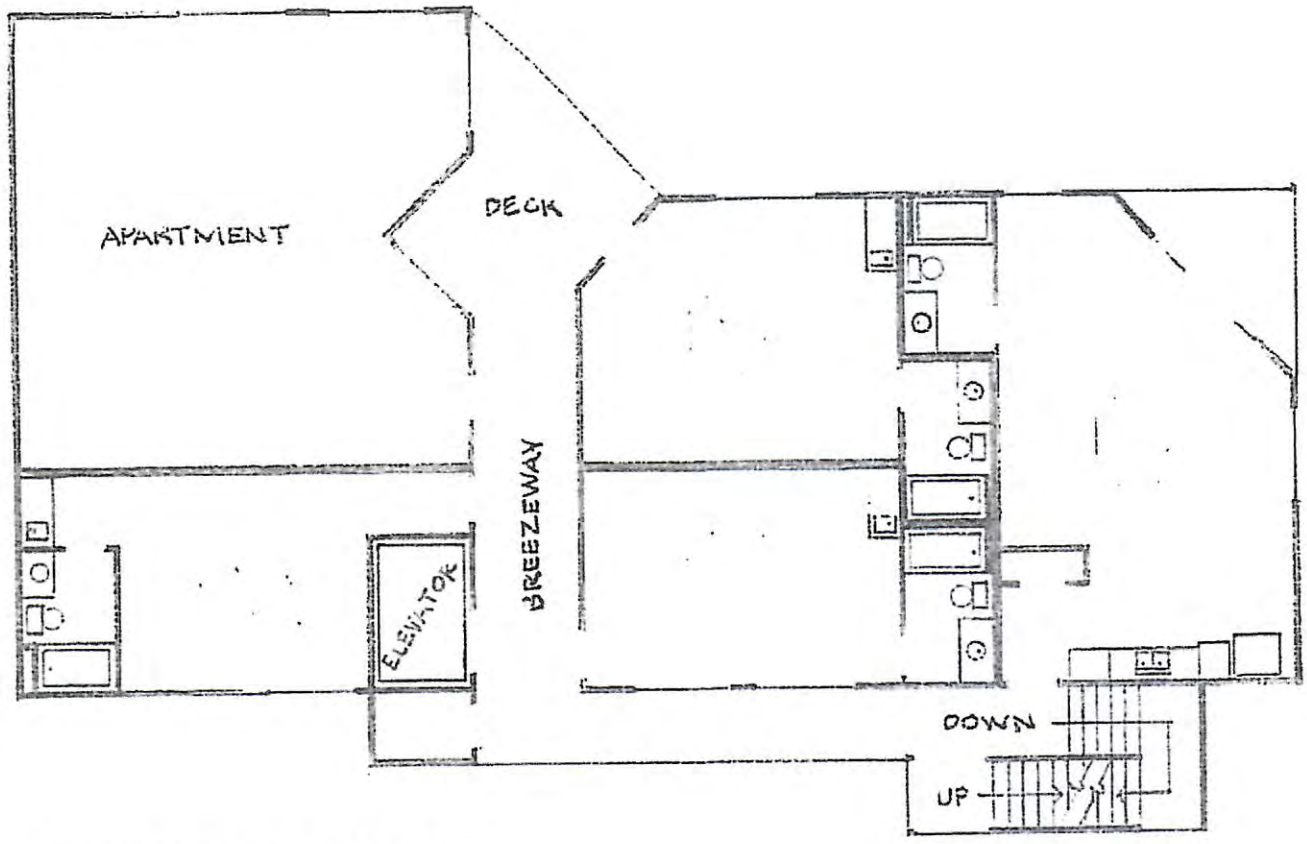
DUPLEX BUILDING FLOOR PLANS

JUN 09 2017

ALASKA APPRAISAL ASSOCIATES, INC.

1001 + 013 + 212

PROJECT # 150  
JUN 09 2017  
ALASKA APPRAISAL ASSOCIATES, INC.

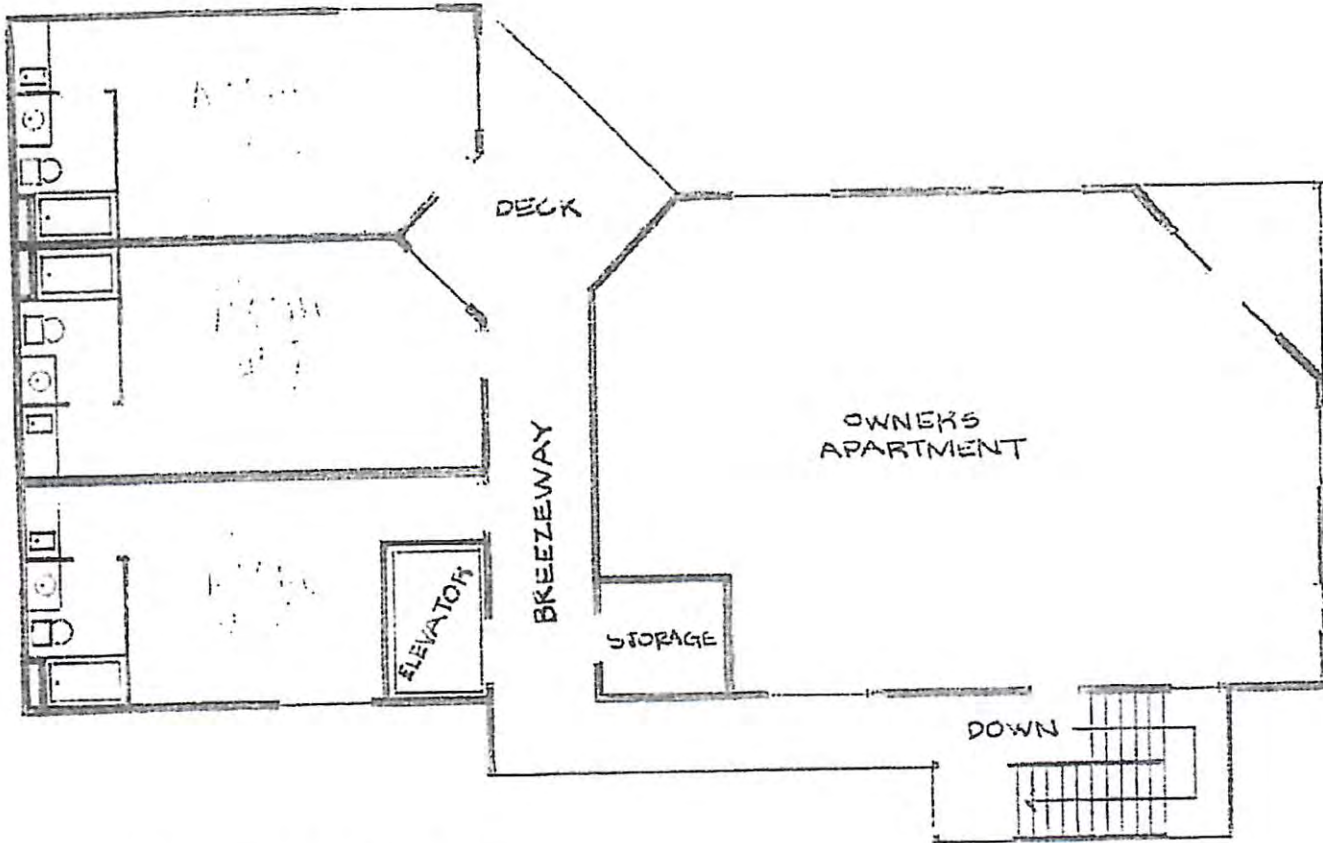


INDICATES YOUR LOCATION

PARKING LOT

SECOND FLOOR

MEASURED  
DATE  
JUN 09 2017



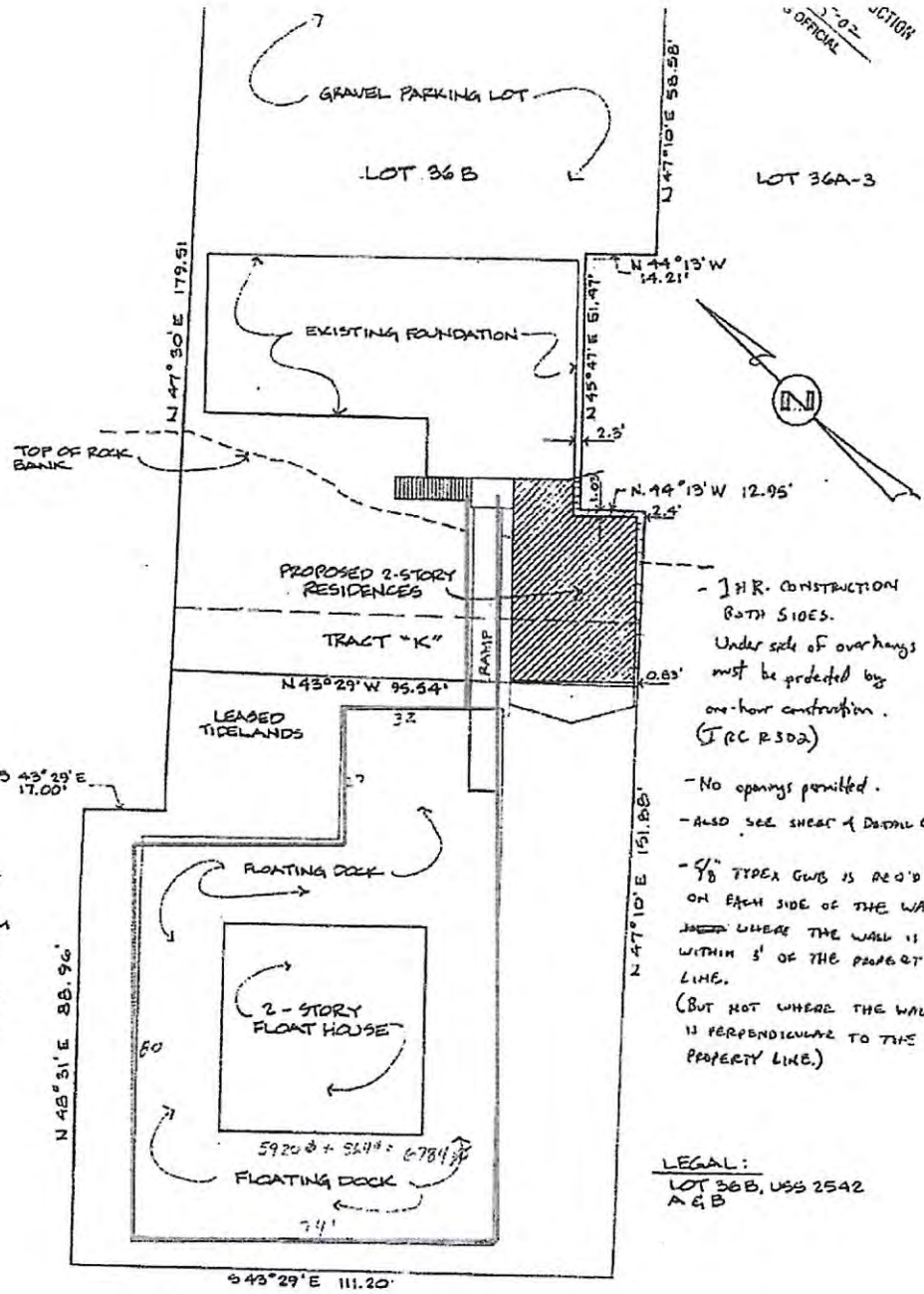
INDICATES YOUR LOCATION

PARKING LOT

THIRD FLOOR



2-02  
OFFICIAL  
SECTION



- 1 HR. CONSTRUCTION BOTH SIDES. Under side of overhangs must be protected by one-hour construction. (IRC R302)

- No openings permitted.  
- Also see shear of Detail C

- 1/8" TYDEX GWS IS REQ'D ON EACH SIDE OF THE WALL ~~JOINT~~ WHERE THE WALL IS WITHIN 3' OF THE PROPERTY LINE. (BUT NOT WHERE THE WALL IS PERPENDICULAR TO THE PROPERTY LINE.)

LEGAL:  
LOT 36B, USS 2542  
A & B

NOTES:  
SS INSUL.  
LAM BEAM TIE ON ON CONC. (NO)  
PLY WIRE TO BE CUTTING 3" ANCHOR IN FLOOR IN FOR

SITE PLAN 1" = 20'

PROPOSED TWO STORY RESIDENCES FOR:  
KEN & RON BELLAWS

4-27-02  
SHEET

RECEIVED  
JUN 09 2017



Alaska Alcoholic Beverage Control Board

**Form AB-03: Restaurant Designation Permit Application**

**Section 5 – Certifications and Approvals**

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

Initials

I have included with this form a detailed floor plan of the proposed designated and undesignated areas of the licensed business for purposes of this application. I understand that this diagram is different than my licensed premises diagram.

JAM


I have included with this form a menu, or an expected menu, listing the meals to be offered to patrons.


JAM

I certify that the license for which I am requesting designation is either a beverage dispensary, club, recreational site, golf course, or restaurant or eating place license.

JAM

I declare under penalty of perjury that this form, including all attachments and accompanying schedules and statements, is true, correct, and complete.

  
\_\_\_\_\_  
Signature of licensee

  
\_\_\_\_\_  
Signature of Notary Public

Jon Andrew Martin  
\_\_\_\_\_  
Printed name of licensee

Notary Public in and for the State of Alaska

My commission expires: 8/10/18

Subscribed and sworn to before me this 6 day of 6, 2017



Local Government Review (to be completed by an appropriate local government official):

Approved Disapproved

\_\_\_\_\_  
Signature of local government official

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed name of local government official

\_\_\_\_\_  
Title



Alcohol and Marijuana Control Office  
550 W 7<sup>th</sup> Avenue, Suite 1600  
Anchorage, AK 99501  
[alcohol.licensing@alaska.gov](mailto:alcohol.licensing@alaska.gov)  
<https://www.commerce.alaska.gov/web/amco>  
Phone: 907.269.0350

Alaska Alcoholic Beverage Control Board

**Form AB-03: Restaurant Designation Permit Application**

**AMCO Enforcement Review:**

\_\_\_\_\_  
Signature of AMCO Enforcement Supervisor

\_\_\_\_\_  
Printed name of AMCO Enforcement Supervisor

**Enforcement Recommendations:**

**AMCO Director Review:**


Approved      Disapproved

\_\_\_\_\_  
Signature of AMCO Director

\_\_\_\_\_  
Printed name of AMCO Director

\_\_\_\_\_  
Date

**Limitations:**





## *Sweets*

### **Dessert Special**

Please Ask Your Server About the Special Tonight!

### **Crème Brulee**

Decedent and Creamy (10\$)

### **Brownie & Ice Cream**

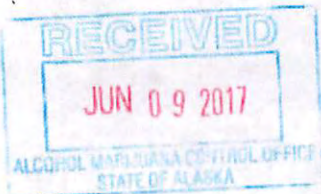
Homemade Double Chocolate Brownies Served Hot with Vanilla Ice Cream, Chocolate Drizzle, and Pecans  
(12\$)

### **Beverages**

Orange / Apple / Cranberry Juice / Milk (3\$)

Coffee / Hot Tea / Hot Chocolate / Ice Tea (2.5\$)

Coke Products (2.5\$)



The Longliner Lodge & Suites Restaurant is Open From 5pm – 10pm, Monday – Sunday for Dinner

## *Entrees*

### **Misty Mountain Farms Steak**

All-Natural Alaskan Steaks Grilled to Perfection and Served with Your Choice of Two Sides, Bread, and a House Salad. 8oz Top Sirloin (21\$) / 10oz New York Strip (26 \$) / 12oz Ribeye (32\$) / 8oz Fillet Mignon (28\$)

### **Alaskan King Salmon**

Troll Caught Alaskan King Salmon Grilled and Served with Your Choice of Two Sides, Bread, and a House Salad (30\$)

### **Halibut Gaddy**

Fresh Alaskan Halibut Cooked with White Wine and a Fresh Herb Tomato Cream Sauce. Served with Your Choice of Two Sides, Bread, and a House Salad (30\$)

### **Seafood Fettuccini**

House Made Fresh Pasta Covered in a Garlic Rich Sauce with Spot Prawns, Halibut, and King Salmon. Served with Bread and a House Salad (30\$)

### **The Longliner Burger**

1lb all Kobe Beef Burger on a Kaiser Bun with Bacon, Lettuce, Tomato, and Fresh Roasted Garlic Aioli. Served with Your Choice Fries or a Salad (16\$)

### **House Pasta**

Ask Your Server What Specialty is on The Menu Tonight. All of our Pasta is made In-House (12\$)

### **Sides**

Steak Fries, Herb Roasted Red Potatoes, Mashed Potatoes, Asparagus, Grilled Vegetables, Carrots, Couscous, Wild Grain Rice



The Longliner Lodge & Suites Restaurant is Open From 5pm – 10pm, Monday – Sunday for Dinner



## *Starters*

### **Calamari**

Fresh Market Squid Cooked Golden Brown. Served with Sweet Chili and Garlic Dipping Sauces (12\$)

### **Beer Battered Rock-Fish & Chips**

Market Fresh Alaskan Rock Fish Beer Battered and Cooked Perfectly. Served with Steak Fries (14\$)

### **Beer Battered Halibut-Fish & Chips**

Market Fresh Alaskan Halibut Beer Battered and Cooked Perfectly. Served with Steak Fries (18\$)

### **Beer Battered King Salmon-Fish & Chips**

Market Fresh Alaskan Troll Caught King Salmon Beer Battered and Cooked Perfectly. Served with Steak Fries (18\$)

### **Lemon Garlic Alaskan Spot Prawn Kabobs**

Alaskan Spot Prawns Skewers Grilled with Fresh Seasonal Vegetables (16\$)

### **Misty Mountain Farms Steak Kabobs**

Alaskan Grown All-Natural Top Sirloin Beef Grilled with Seasonal Vegetables (16\$)

### **The Cold Platter**

Fresh Seasonal Fruits, Cheeses, Thin Sliced Prosciutto, and Candied Pecans (14\$)

## *Soups & Salads*

### **The House Salad**

Fresh Mixed Greens, Seasonal Vegetables, Served with Your Choice of Dressing (10\$)

### **Cesar Salad**

Fresh Romaine Lettuce, Garlic Herb Croutons, Parmesan Cheese, Tossed with Our Homemade Cesar Dressing. Served with Garlic Bread (11\$)

### **Salad Enhancements**

Fresh Alaskan Coho Salmon (9\$), Alaskan Spot Prawns (10\$), Grilled Chicken (4\$), Misty Mountain Sirloin Steak (9\$)

### **Alaskan Seafood Chowder**

A Rich Creamy Chowder Served with Your Choice of Alaskan Halibut, King Salmon, or Spot Prawns  
Cup (8\$) / Bowl (14\$)

The Longliner Lodge & Suites Restaurant is Open From 5pm – 10pm, Monday – Sunday for Dinner





## *Breakfast Menu*

### **The Longliner Plate**

Fresh Alaskan Smoked Salmon, Whipped Cream Cheese, Red Onion and Capers all Served on a Toasted Bagel. Includes a Side of Seasonal Fresh Fruit (12\$)

### **The Lumberjack Plate**

A Classic Way to Start Your Day. Your Choice of Two Pancakes or Two Pieces of French Toast, 3 Eggs, Bacon or Sausage, Home Fries or Hash Browns, and Toast (14\$)

### **Carbo-Over-Board**

Red Breakfast Potatoes Covered With Green Onions, Mushrooms, Bacon, Avocado, and Your Choice of Cheese. Served with Toast and a Side of Pico de Gallo (13\$)

### **Southwest by Southeast Alaska Burrito**

Sausage or Bacon, Scrambled Eggs, Bell Peppers, Mushrooms, and Pepper Jack Cheese. Served on a Spinach Tortilla with a Side of Pico de Gallo, and Sour Cream (11\$)

### **The Classic**

10oz. New York Strip Grilled The Way You Want, Two Eggs, Home Fries or Hash Browns, and Toast (20\$)

### **Yogurt Parfait**

Rich Vanilla Yogurt Layered with Fresh Seasonal Berries, Topped with Granola (9\$)

### **Northwest Oats**

Rolled Oats Served Hot with Raisins, Brown Sugar, Pecans, and Milk (9\$)



## *A La Carte*

### **Build Your Own Omelet**

Three Egg Omelet with your Choice of Three of the Following Items: Bell Peppers, Mushrooms, Green Onions, White Onions, Tomato, Bacon, Sausage, Ham, Cheddar, American, Swiss, or Pepper Jack (13\$)  
Each Additional Item (1\$)

### **Beverages**

Orange / Apple / Cranberry Juice / Milk (3\$)  
Coffee / Hot Tea / Hot Chocolate / Ice Tea (2.5\$)

The Longliner Lodge & Suites Restaurant is open from 5am – 930am Monday – Sunday for Breakfast



# CITY AND BOROUGH OF SITKA

## Legislation Details

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File #: 17-139      Version: 1      Name:  
Type: Item      Status: AGENDA READY  
File created: 8/2/2017      In control: City and Borough Assembly  
On agenda: 8/8/2017      Final action:  
Title: Reappoint Mary Ann Hall to a term on the Local Emergency Planning Committee  
Sponsors:  
Indexes:  
Code sections:  
Attachments: [Motion and application.pdf](#)

Date	Ver.	Action By	Action	Result
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## **POSSIBLE MOTION**

**I MOVE TO** reappoint Mary Ann Hall to a three-year term on the Local Emergency Planning Committee under category 6 – members of the public.



**State of Alaska**  
**LOCAL EMERGENCY PLANNING COMMITTEE**  
**INDIVIDUAL APPLICATION FORM FOR MEMBERSHIP ON LEPC**

LEPC name: Sitka Local Emergency Planning Committee

Applicant name: MARY ANN J HALL

Mailing address: \_\_\_\_\_

Residence address: 2037 HPR

Day phone: 747-7265 Home Phone (optional): \_\_\_\_\_

Where employed: Retired Job title: \_\_\_\_\_

LEPC category/seat that applicant seeks: 6

Categories: 1) Elected local officials, 2) Law Enforcement, Civil Defense, Fire Fighting, First Aid, Local Emergency Hospital, and Transportation Personnel, 3) Media/Broadcast, 4) Community Groups, 5) Owners/Operators of Facilities, 6) Members of the Public, 7) LEPC Information Coordinator/SERC liaison

New applicant \_\_\_\_\_ Renewal  Regular member \_\_\_\_\_ Alternate member \_\_\_\_\_

Qualifications for this category: Been on LEPC for 34rs

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Organizations in which applicant participates (that are pertinent to the application): \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Please provide enough information to demonstrate an applicant's eligibility or suitability for a particular seat on the LEPC. For the Public At Large position, please state whether an applicant qualifies for any other category on the LEPC.

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

I hereby certify that the above information is correct and that I have not misrepresented myself.

Mary Ann J Hall  
Signature

July 19 2017  
Date

→ To be considered, your application must be complete AND be accompanied by either a letter of interest or resume. Return to:

Melissa Henshaw, Deputy Clerk  
100 Lincoln Street  
Fax: 907-747-7403  
Email: melissa.henshaw@cityofsitka.org



# LOCAL EMERGENCY PLANNING COMMITTEE

NAME	CONTACT NUMBERS		TERM STARTS	EXPIRES	CATEGORY
DAVE MILLER, CHAIR	747-1860	dave.miller@cityofsitka.org	Permanent	Fire Chief*	2
GEORGE BENNETT JR. 225 Tongass Drive	966-8916	gbennett@searhc.org	3/28/17	3/28/20	2
SHANNON FREITAS 222 Tongass Drive	966-8511	shannonf@searhc.org	3/28/17	3/28/20	2
KEN FATE 115 Somer Drive	747-5877 w 747-7410 h	ken@kcaw.org	2/13/07, 2/9/10, 2/12/13 2/23/16	2/13/10, 2/9/13, 2/12/16 2/23/19	3
DONNA CALLISTINI 106 Naomi Kanosh Lane	747-7107 w 747-5494	donna.callistini@yahoo.com	10/26/10 11/12/13	10/26/13 11/12/16	3
GAYLE HAMMONS 210 Kruzof Street	738-3028 c	kghammons@gmail.com	7/28/15	7/28/18	3
ANNABEL LUND PO Box 1616	623-0996 h	alund1123@yahoo.com	4/13/10 4/23/13 4/12/16	4/13/13 4/23/16 4/12/19	4
CAROL BERGE 315 Wachussetts Street	747-3636 w 738-3433	clundy@scpsak.org	8/14/12 8/11/15	8/14/15 8/11/18	4
TRISH WHITE 117 Granite Creek Road	747-8006X202 w; 747-5976 h	trish@whitesalaska.com	3/10/09, 3/13/12 3/24/15	3/10/12, 3/15/15 3/24/18	5
CHARLES HOWLETT 209 Moller Ave.	747-0303 w 738-4440 c	bmet@sitkahospital.org	3/9/10, 6/11/13 6/28/16	3/9/13, 6/11/16 6/28/19	5
SCOTT WAGNER 304 Nicole Drive	747-3791 h 738-2729 c	scott_wagner@nsraa.org	11/12/13 12/27/16	11/12/16 12/27/19	5
MARY ANN HALL 2037 Halibut Point Road	747-7265	ob1jry@gmail.com	8/23/11 8/12/14	8/23/14 8/12/17	6
AUBREY VAUGHAN 315 Seward Street	361-774-1234	ellenvaughan68@gmail.com	10/11/16	10/11/19	6
ROSE MILLER 120 Katlian Street	723-2225		6/13/17	6/13/20	6
JEFF ANKERFELT	747-3245	jeffa@sitkapd.com	Permanent	Acting Police Chief*	2
LANCE EWERS	747-3245	lance@sitkapd.com	Permanent	Law Enforcement*	2
CRAIG WARREN	747-3233	craig.warren@cityofsitka.org	Permanent	LEPC Coordinator*	7
BOB POTRZUSKI	738-3261	assemblypotrzuski@cityofsitka.org	Non-Voting	Assembly Liaison	1
Gail Johansen Peterson 3511 Halibut Point Road	747-7646	scribeinkservices@gmail.com		Secretary	

\*The police and fire chiefs and the LEPC Coordinator are permanent appointments; whoever is serving in that capacity will be appointed to the commission.

Minimum of seven members, 3-year terms; Established by Resolution 89-406; Amended by Resolution 89-441; Further amended by Resolution 99-727

Meeting: Second Thursday, noon – Fire Hall

**Categories as follows:** 1) Elected local officials 2) Law Enforcement, Civil Defense, Fire Fighting, First Aid, Local Environmental/Hospital, and Transportation Personnel  
3) Media/ Broadcast 4) Community Groups 5) Owners/Operators of Facilities 6) Members of the Public 7) LEPC Information Coordinator/ SERC liaison

Revised: July 20, 2017

**Quorum Requirement:** At least one member from four different categories must be present.



# CITY AND BOROUGH OF SITKA

## Legislation Details

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File #: ORD 17-28    Version: 1    Name:

Type: Ordinance    Status: AGENDA READY

File created: 7/19/2017    In control: City and Borough Assembly

On agenda: 8/8/2017    Final action:

Title: Amending Sitka General Code Chapter 10.24 entitled "Fireworks" by adding a new Section 10.24.070 "Penalties"

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and Ord 2017-28.pdf](#)  
[Police and Fire Commission Minutes.pdf](#)

Date	Ver.	Action By	Action	Result
7/25/2017	1	City and Borough Assembly		



## **POSSIBLE MOTION**

**I MOVE TO** approve Ordinance 2017-28 on  
second and final reading.

Note: At the Assembly meeting of July 25<sup>th</sup>, Assembly member Guevin gave notice of reconsideration for Ordinance 2017-28. Mr. Guevin later removed the notice realizing Ordinance 2017-28 required four votes to fail on first reading\* and that the Ordinance would move forward to second reading without a motion to reconsider. The vote on first reading was 2-3 with Swanson, Guevin and Bean opposed.

\*Section 3.02 of the Home Rule Charter of the City and Borough of Sitka, indicates an ordinance on first reading, automatically moves forward to second reading, unless there are 4 votes to fail it on first reading.

CITY AND BOROUGH OF SITKA  
ORDINANCE NO. 2017-28

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING SITKA GENERAL  
CODE CHAPTER 10.24 ENTITLED "FIREWORKS" BY ADDING A NEW SECTION 10.24.070  
"PENALTIES"

- 1. **CLASSIFICATION.** This ordinance is of a permanent nature and is 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 create penalties for violation.
- 4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that the Sitka General Code Chapter 10.24 "Fireworks" is amended to add a new section for penalties for violations, Section 10.24.070 "Penalties" (new language underlined; deleted language stricken):

**Chapter 10.24  
FIREWORKS**

Sections:

- 10.24.010 Title.
- 10.24.020 Prohibition on sale.
- 10.24.030 Prohibition on use.
- 10.24.040 Exceptions for authorized displays.
- 10.24.050 Permissible sales and uses.
- 10.24.060 Fireworks defined.
- 10.24.070 Penalties

\* \* \*

**10.24.010 Title.**  
This chapter shall be known and cited as the "fireworks control ordinance of the city and borough."

**10.24.020 Prohibition on sale.**  
It is unlawful for any person, business, corporation, association, club or organization to sell, expose for sale, or offer for sale any fireworks within the corporate limits of the city and borough.

**10.24.030 Prohibition on use.**  
It is unlawful for any person, business, corporation, association, club or organization to use or explode any fireworks, except as otherwise provided by this chapter within the municipal limits of the city and borough.

47 **10.24.040 Exceptions for authorized displays.**

48 A. Fireworks may be used for public displays by municipalities, fair associations,  
49 amusement parks and other organizations or groups of individuals, provided that:

50 1. A permit is obtained from the administrator or any employee designated by him;  
51 and

52 2. A bond is filed with the city and borough in the amount of at least five hundred  
53 dollars to ensure payment of all damages to persons or property caused by the  
54 display. The bond requirement will not be operative if the holder of the permit has in  
55 effect an insurance policy which accomplishes the same purpose as the bond.

56 B. No permit is transferable.

57 **10.24.050 Permissible sales and uses.**

58 Nothing in this chapter shall be construed to prohibit:

59 A. Any resident wholesaler, dealer, or jobber from selling at wholesale those fireworks  
60 which are not prohibited in this chapter;

61  
62 B. The sale of any kind of fireworks if the fireworks are to be shipped directly from the  
63 state in accordance with regulations 27 CFR Part 555 of the Bureau of Alcohol,  
64 Tobacco, Firearms and Explosives (ATF);

65  
66 C. The use of fireworks by vessels or other transportation agencies for signal purposes  
67 or illumination;

68  
69 D. The use of flashlight composition in normal amounts by photographers or dealers in  
70 photographic supplies;

71  
72 E. The sale or use of blank cartridges for a show or a theater;

73  
74 F. Use of fireworks for signal or ceremonial purposes in athletic events or parades;  
75 and

76  
77 G. Use by military organizations.

78 **10.24.060 Fireworks defined.**

79 "Fireworks" includes any combustible or explosive composition or any substance or  
80 combination of substances or article prepared for the purpose of producing a visible or an  
81 audible effect by combustion, explosion, deflagration or detonation, and includes blank  
82 cartridges, toy pistols, toy cannons, toy canes, or toy guns in which explosives are used,  
83 balloons which require explosive propellant, firecrackers, torpedoes, skyrockets, Roman  
84 candles, Daygo bombs, or other fireworks of like construction, which contain any  
85 explosives or flammable compound, or any tablets or other device containing any  
86 explosive substance, except that the term "fireworks" does not include sparklers, auto



87 flares, paper caps containing not in excess an average of twenty-five hundredths of a grain  
88 of explosive content per cap manufactured in accordance with the Interstate Commerce  
89 Commission regulations for packing and shipping, as provided therein, and toy pistols, toy  
90 canes, toy guns or other devices for use of such caps, the sale and use of which shall be  
91 permitted at all times (AS 18.72.100).

92

93 **10.24.070 Penalties.**

94 In accordance with AS 29.25.070(a), citations for offenses in this chapter may be disposed  
95 of as provided in AS 12.25.175-.230, without a court appearance, upon payment of the fine  
96 amounts stated herein plus the state surcharge required by AS 12.55.039 and AS  
97 29.25.074. Fines must be paid to the City and Borough of Sitka. The Alaska Rules of  
98 Minor Offense Procedure in the Alaska Rules of Court apply to all offenses referenced  
99 herein. Citations charging these offenses must meet the requirements of Rule 3 of the  
100 Alaska Rules of Minor Offense Procedure. For the first offense, the fine shall be fifty  
101 dollars. For the second offense, the fine shall be one hundred dollars. For the third  
102 offense, the fine shall be two hundred dollars. For any subsequent offense after three, the  
103 defendant must appear in court to answer for the charges. For any offense after three, the  
104 fine shall exceed two hundred dollars and not exceed five hundred dollars. If a person  
105 charged with one of these offenses appears in court and is found guilty, the penalty  
106 imposed for the offense may not exceed the fine amount for that offense stated herein.  
107 These fines may not be judicially reduced. For purposes of this section, prior offenses  
108 must be within the previous five years.

109

110

\* \* \*

111 5. **EFFECTIVE DATE.** This Ordinance shall become effective the day after the date of its  
112 passage.

113

114 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka, Alaska  
115 this 8<sup>th</sup> day of August, 2017.

116

117

118

119

\_\_\_\_\_  
Matthew Hunter, Mayor

120 ATTEST:

121

122

123 \_\_\_\_\_  
Sara Peterson, CMC  
124 Municipal Clerk

125

126 1<sup>st</sup> reading 7/25/17

127 2<sup>nd</sup> reading 8/8/17

128

129

# SITKA POLICE AND FIRE COMMISSION

Wednesday, June 28, 2017  
Harrigan Centennial Hall

---

## Regular Meeting Minutes

### A. CALL TO ORDER

Chair Platson called the meeting to order at 6:00 PM.

Present: Loyd Platson, Aubrey Vaughan, Lorraine Lil, James Mellema  
City Staff: Chief Miller, Chief Ankerfelt, SPD Executive Assistant Serena Wild

### B. AGENDA CHANGES/CORRESPONDENCE

Added under New Business – New Police Building Discussion

### C. APPROVAL OF MINUTES – May 24, 2017

**Motion: M-Vaughan/S-Platson approve the May 24, 2017 minutes.**

**Action: Motion passed by unanimous consent.**

### D. PUBLIC PARTICIPATION FOR ITEMS NOT ON THE AGENDA

### E. PARKING CITATION HEARING BOARD

1. David Brown – appeal was reheard and granted

### F. REPORTS

1. Chief Ankerfelt – reported that they are close to filling another officer position. A sworn officer position was cut from the FY18 budget, bringing the authorized strength down to 16, which is below average for communities of comparable size. Dispatch still has two open positions and the jail will have one open position with the retirement of one officer.
2. Chief Miller – FD is still low on staff as 2 engineers are still in training. EMS numbers are still up for the year, in level with last year's numbers.

### G. UNFINISHED BUSINESS

### H. NEW BUSINESS

1. Proposed revision of Sitka General Code 10.24 - Fireworks  
Connie Laperriere - came forward and spoke against the changes to the ordinance. She shared that she would only like to see fireworks on the day the Municipal display takes place. And if the City allowed fireworks other days would they be liable for any accidents. She also questioned how the enforcement of the new changes would happen.  
Gerald Gangle - came forward and spoke against the changes to the ordinance. He has 20 years' experience with SAR and they investigate all flare sightings and it can be difficult to tell the difference between flares and fireworks at times. If fireworks were allowed more often, that could put more stress on SAR to investigate sightings. Furthermore, with the house density in Sitka, the chances of

a firework landing on a roof is very high. As of now, only an elite group of people bring fireworks into town but with them being legalized it would create a greater demand.

Kathleen McCrossin - came forward and spoke against the changes to the ordinance. She shared her concerns about enforcement of the new changes as it is already hard to enforce the current ordinance. She questioned if there would be a way for a neighborhood to prevent someone who habitually sets off fireworks to stop or be held accountable for it.

The Commission expressed concerns about enforcement of the new ordinance and believes that the ordinance is going in the wrong direction. The Commission would like to see fireworks banned with the exception of licensed pyrotechnics. Fireworks, if not used properly, can cause major injuries and safety is a big concern. Safety of usage and safety of proper storage of the fireworks. It is illegal to discharge a firearm within city limits and fireworks can be just as dangerous as a firearm.

**Motion: Police and Fire Commission recommend to the Assembly to not adopt the proposed changes of SGC 10.24 titled Fireworks.**

**Action: Motion passed by unanimous consent.**

But if the proposed changes are being carried forward they did have some recommended changes to the ordinance. They are as follows:

Increase the fine schedule to a minimum of \$200 for first offense,

Banning all possession and use of fireworks,

Allowing neighbors to identify someone who habitually sets off fireworks and execute something such as a citizen's arrest.

## 2. New Police Building Discussion

Chief Ankerfelt is very heartened by the support being shown for a new facility. Hoping to get create a strong grassroots support in the community and wants the Police & Fire Commission to take on the drumming up of support as a project. Working with other department heads within the City to select an architect and site location. Will be setting up a work session for the Assembly at the PD so they can see the state that their community asset is in.

## **I. COMMISSIONER COMMENTS**

## **J. NEXT MEETING DATE AND AGENDA ITEMS**

Next meeting: **Wednesday, July 26, 2017 @ Harrigan Centennial Hall**

Agenda items:

## **K. ADJOURNMENT**

Platson adjourned the meeting at 7: 34 pm.



# CITY AND BOROUGH OF SITKA

## Legislation Details

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File #: ORD 17-15    Version: 1    Name:

Type: Ordinance    Status: AGENDA READY

File created: 5/12/2017    In control: City and Borough Assembly

On agenda: 8/8/2017    Final action:

Title: Adjusting the FY18 Budget (Sitka Community Hospital Modular Unit) postponed from May 23 and June 13

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and memo Ord 2017-15.pdf](#)  
[Ord 2017-15.pdf](#)  
[Assembly meeting minutes.pdf](#)

Date	Ver.	Action By	Action	Result
6/13/2017	1	City and Borough Assembly	POSTPONED	Pass
5/23/2017	1	City and Borough Assembly	POSTPONED	Pass



## **POSSIBLE MOTION**

**I MOVE TO** approve Ordinance 2017-15 on  
first reading.

Notes:

- Ordinance 2017-15 was introduced on first reading May 23<sup>rd</sup>. A motion was made to postpone the Ordinance until after the SEARHC proposal on May 30<sup>th</sup>.
- On June 13<sup>th</sup>, Ordinance 2017-15 was reintroduced for first reading. A motion was made to postpone the Ordinance until the regular Assembly meeting of August 8<sup>th</sup>, 2017.



## MEMORANDUM

**To:** Mayor Hunter and Members of the Assembly,  
Mark Gorman, Administrator

**Cc:** Bryan Bertacchi, Hospital Board Chair  
Rob Allen, CEO

**From:** Steven Hartford, SCH Director of Operations

**Date:** May 10, 2017

**Subject:** Clinic Office Modular and request for deferral of monthly line of credit payments

---

The Hospital is currently in the planning stages to install an office modular for Clinic office expansion. This project has been on the books and has been identified as a necessary facility upgrade for the last several years and we are hoping to move ahead with it within the next few months. The previously provided presentation and the details included explain our thinking on the project and our request for the Assembly's formal approval of the project at its May 23<sup>rd</sup> meeting.

## Office Modular

### Background

The Office modular, as an adjunct to the Mountainside Family Healthcare Clinic will help us with some critically needed expansion space to continue our mission of strengthening and expanding our primary outpatient services division in order to meet a growing need in the community and to better position SCH for an evolving focus on population health. As the presentation indicated, the current clinic space, with growing demand for services, is already substantially overcapacity and overcrowded. This modular will allow us the opportunity for a more efficient provider work flow as well as opening up much needed patient care space in the clinic proper.

The project was initially approved by our Board of Directors at its October 2016 meeting to move forward in our current fiscal year. Due to some timing issues and budgetary priorities it was not forwarded to the Assembly for final approval at that time. The Board took up this issue again at its meeting in March and determined that we were at a critical stage in our Clinic space needs. The Board



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requested that this be forwarded to the Assembly now together with a request to defer our line of credit payments. I will detail that request further below.

### **Analysis**

We are planning to treat this acquisition and installation as a supplemental capital budget item in fiscal '17. The funding for this project (\$400,000.00) would be treated as a supplemental capital allocation from our cash reserves and would be contingent on the Assembly's authorization for us to defer the repayment of our line of credit monthly payments for approximately 8 months. The Hospital is currently returning half of our monthly dedicated tobacco tax receipts as repayment on our line of credit. The current balance on the original \$1.5mm line of credit as of March 30, 2017 is \$732,361.00. The average monthly payment is \$50,000.00 which would mean at that rate that we could complete the cash flow off- set of the modular project within 8 months and then resume the line of credit payments to its conclusion. The project is estimated to take 4-6 months from date of order to completion.

### **Recommendation**

That the Assembly approves a supplemental capital budget of \$400,000.00 to come from the Hospital's cash reserves and approves the temporary deferral of monthly line of credit payments until said deferral totals \$400,000.00

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2017-15
AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA
ADJUSTING THE FY18 BUDGET

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 adjust the FY18 budgets for known changes.

4. ENACTMENT. The Assembly of the City and Borough of Sitka hereby adjusts the FY17 budget for known changes. In accordance with Section 11.10(a) of the Charter of the City and Borough of Sitka, Alaska, the budget for the fiscal period beginning July 1, 2017 and ending June 30, 2018 is hereby adjusted as follows:

Table with 1 column and 4 rows. Row 1: FISCAL YEAR 2018 EXPENDITURE BUDGETS. Row 2: GENERAL FUND. Row 3: Sitka Community Hospital – Capital: The SCH Director of Operations is requesting a Capital appropriation of \$400,000 from the Hospital’s Unassigned Fund Balance for the purchase & installation of an Office Modular for the Clinic office expansion. Row 4: (Empty)

EXPLANATION

Necessary revisions in the FY 2018 budget were identified. These changes involve the increase of expenditure accounts and causes decreased cash flows to the fund balance of various funds. A short explanation of each budget revision is included.

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 22nd Day of August, 2017.

ATTEST:

Robert Potrzuski, Deputy Mayor

Sara Peterson, CMC
Municipal Clerk

1st reading 5/23/17 postponed
1st reading 6/13/17 postponed to 8/8/17
1st reading 8/8/17
2nd reading 8/22/17



**Absent:** 2 - Guevin, and Bean

**XI. UNFINISHED BUSINESS:**

- C**    ORD 17-11        Adjusting the FY17 Budget (*Fire Department Operations, Crescent Harbor Playground Project, Commercial Passenger Excise Tax*)

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

**Yes:** 5 - Swanson, Eisenbeisz, Potrzuski, Hunter, and Knox

**Absent:** 2 - Guevin, and Bean

**XII. NEW BUSINESS:**

**New Business First Reading**

- D**    ORD 17-13        Adjusting the FY17 Budget (*Electric Utility Subsidization*)

Mayor Hunter explained that this ordinance set aside up to \$400,000 to meet the bond obligation for the Electric Department due to low revenues. Chief Finance and Administrative Officer, Jay Sweeney came forward stating we would not know the exact amount of the subsidy needed without May electricity consumption figures, however it was estimated at \$250,000.

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

**Yes:** 5 - Swanson, Eisenbeisz, Potrzuski, Hunter, and Knox

**Absent:** 2 - Guevin, and Bean

- E**    ORD 17-15        Adjusting the FY17 Budget (*Sitka Community Hospital Modular Unit*)

Sitka Community Hospital (SCH) Director of Operations, Steve Hartford came forward and stated that this project was a short-term project to address a critical space need that was approved by the Board at two separate meetings. He told of concerns with postponing it. They had the low vendor for this and it fit within the cash model in the FY18 budget as presented.

Potrzuski was reluctant to move forward to spend \$400,000 and thought it prudent to wait until SEARHC's proposal. Eisenbeisz told that SCH's consultant for critical needs would be arriving soon and wondered if this should hold until those findings were available and was in support of postponing. Knox was in support of postponement.

Mayor thought that it would be important to know what would be in plan A and B in July, that this should be postponed until the strategic outlook was available before entering into any capital expenditures and was in favor of postponing rather than voting it down.

Gorman clarified the funding was obligating a total of \$400,000 in FY17 rather than the previous amount of \$200,00 for each FY17 and FY18. This would then create a reduction from the FY18 budget of \$200,000 as a correction.

A motion was made by Potrzuski that this Ordinance be POSTPONED until after the SEARHC proposal. The motion PASSED by the following vote.

**Yes:** 5 - Swanson, Eisenbeisz, Potrzuski, Hunter, and Knox

**Absent:** 2 - Guevin, and Bean

**F**     ORD 17-16     Adopting budgets for the Fiscal Year July 1, 2017 through June 30, 2018

Gary Paxton Industrial Park (GPIP) Executive Director, Garry White explained that the Board proposed at their January meeting \$40,000 for design of a water access ramp for marine services that was not included in this ordinance and asked that it be added.

Gorman received news that the health insurance increase anticipated at 17.5% would actually be 12%, which was approximately a \$50,000 savings, the budget would be adjusted which meant less coming out of reserves. Mayor mentioned the GPIP request and others could come forward as a supplemental budget adjustment. Corrections would need to be made after the start of the fiscal year. Eisenbeisz confirmed with Janet Schwartz, Budget/Treasury Officer that \$345,779 would be coming from reserves. Mayor thanked staff for their work on this budget cycle.

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

**Yes:** 4 - Swanson, Potrzuski, Hunter, and Knox

**No:** 1 - Eisenbeisz

**Absent:** 2 - Guevin, and Bean

**Additional New Business Items**

**G**     RES 17-07A     Setting temporary and seasonal moorage rates for Baranof Warm Springs Dock

Eisenbeisz wondered if there could be a commercial rate as well. Gorman clarified that the float plane space was not permanent moorage. Harbormaster, Stan Eliason would work on signs for the dock with regards to a loading and unloading policy. Resident of Baranof Warm Springs, John Herchenrider came forward stating that this dock did not have the ammenities that Sitka docks had and the rates for residents was high. He offered to help collect and caretake the facility. Potrzuski was in support of the amendment.

**A motion was made by Eisenbeisz that this Resolution be AMENDED to adopt the 20 to 35 foot daily, weekly, and seasonal fees as the float plane fee structure. The AMENDMENT PASSED by the following vote.**

**Yes:** 5 - Swanson, Eisenbeisz, Potrzuski, Hunter, and Knox

**Absent:** 2 - Guevin, and Bean

Knox questioned the float plane rates with regards to a daily rate only. Mayor reminded this was a facility that was rebuilt and turned over to the City from the State, that it had one float plane mooring, the need to be separate from other facilities of the Harbor Enterprise Fund with rates that would pay for itself, although it was not affordable to have a city worker monitor and told that this first year would be on the honor system until a better system could be put in place.

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

Yes: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

XI. UNFINISHED BUSINESS:

E ORD 17-13 Adjusting the FY17 Budget (*Electric Utility Subsidization*)

Eisenbeisz asked for an updated figure. Municipal Administrator, Mark Gorman, told that the \$400,000 should be sufficient to meet the bond covenant however, staff anticipated less. Guevin gave rate stabilization figures he received from the Finance Department which showed how much had been put into the Rate Stabilization Fund that had provided a subsidy for all Sitkans.

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

Yes: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

F ORD 17-15 Adjusting the FY17 Budget (Sitka Community Hospital Modular Unit)

Eisenbeisz was in support of the postponement.

A motion was made by Potrzuski to POSTPONE Ordinance 2017-15 adjusting the FY17 budget for the Sitka Community Hospital Modular Unit until the regular Assembly meeting of August 8, 2017. The motion PASSED by the following vote.

Yes: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

G ORD 17-16 Adopting budgets for the Fiscal Year July 1, 2017 through June 30, 2018

Potrzuski thought this was reflective of the visioning session the Assembly had last fall. Guevin agreed and thanked staff. Eisenbeisz was not in support as it funded a plan for infrastructure that was unsustainable and felt the capital plan was too aggressive.

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

Yes: 5 - Swanson, Guevin, Potrzuski, Hunter, and Knox

No: 2 - Eisenbeisz, and Bean

H RES 17-07A Setting temporary and seasonal moorage rates for Baranof Warm Springs Dock

Eisenbeisz confirmed that this was a special revenue fund within the Harbor Fund. Knox relayed that these rates were a starting point and the fees would not cover the replacement cost of infrastructure. Mayor Hunter noted that the Port and Harbors Commission were trying to keep rates down by delaying projects in the Master Plan and reminded that this was a separate fund within the Harbor Fund.

A motion was made by Guevin to APPROVE Resolution 2017-07A on FIRST AND FINAL READING.



# CITY AND BOROUGH OF SITKA

## Legislation Details

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File #: ORD 17-26    Version: 1    Name:

Type: Ordinance    Status: AGENDA READY

File created: 7/19/2017    In control: City and Borough Assembly

On agenda: 8/8/2017    Final action:

Title: Amending Sitka General Code Chapter 4.28 "Investment Policy" by adding a new Section 4.28.045 entitled "External Investment Management"

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and memo Ord 2017-26.pdf](#)  
[Ord 2017-26.pdf](#)  
[Investment Committee Minutes.pdf](#)

Date	Ver.	Action By	Action	Result
7/25/2017	1	City and Borough Assembly		



## **POSSIBLE MOTION**

**I MOVE TO** approve Ordinance 2017-26 on  
second and final reading.

# Memo

**Through:** Phil Messina, Interim Administrator  
**To:** Mayor Hunter and Assembly Members  
**From:** Jay Sweeney, Chief Finance and Administrative Officer  
**Date:** July 18, 2017  
**Re:** Revision of Municipal Investment Policy To Establish Guidelines For External Investment Management

---

During the last two years, the Assembly has approved the external management of investment of Municipal funds (initially the Sitka Permanent Fund, followed by operating funds) by Alaska Permanent Capital Management.

The current Municipal Investment Policy, as set forth in Chapter 4.28 of the Sitka General Code, does not address external investment of funds. As external investment is not specifically prohibited (it is simply not addressed), the previous approvals by the Assembly do not violate the Sitka General Code.

Going forward, however, Staff believes that explicit authorization of external management of investments in the investment policy would be prudent, establishing that internal investment management is henceforth authorized. The Investment Advisory Committee has recommended this action and change in its meetings as well.

Paragraph C of the proposed code section contains important safeguards that should be set forth in code if external management is to continue. These safeguards help to ensure that checks and balances are put in place to help protect Sitka's investments, and, that a third party is engaged to make sure that Sitka's investments are both safe, and, that Sitka receives the exact securities it has purchased. Such safeguards have been in place already for decades (we are not proposing anything new that we are already not doing). Placing the safeguards in the SGC, however, will ensure that the safeguards remain into the future to guide future staff members and Assemblies.

CITY AND BOROUGH OF SITKA  
ORDINANCE NO. 2017-26

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING SITKA GENERAL  
CODE CHAPTER 4.28 "INVESTMENT POLICY" BY ADDING A NEW SECTION 4.28.045  
ENTITLED "EXTERNAL INVESTMENT MANAGEMENT"

1. **CLASSIFICATION.** This ordinance is of a permanent nature and is intended to become a part of the Sitka General Code.

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 or circumstances shall not be affected thereby.

3. **PURPOSE.** The purpose of this ordinance is to add a new Section 4.28.045, entitled "External Investment Management", to Chapter 4.28 of the Sitka General Code in order to provide for the external management of investments by professional investment managers.

4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that the Sitka General Code Chapter 4.28 "Investment Policy" is amended by adding a new Section 4.28.045 "External Investment Management" (new language underlined; deleted language stricken):

Chapter 4.28

INVESTMENT POLICY

Sections:

- 4.28.010 Scope.
- 4.28.020 Standards of care.
- 4.28.030 Safekeeping and custody.
- 4.28.040 Reporting.
- 4.28.045 External Investment Management.

\* \* \*

4.28.045 EXTERNAL INVESTMENT MANAGEMENT.

A. The City and Borough of Sitka may, upon approval of the Assembly, contract with external entities for professional investment management services.

B. All contracts entered into pursuant to this section shall comply with the Sitka General Code, Title 3, Procurement, and Chapter 4.28, Investment Policy, as applicable.

43 C. All contracts entered into pursuant to this section shall provide that (1) all trades of securities  
44 will be conducted through third-party brokerage entities unaffiliated with and independent of the  
45 investment management service provider; (2) all trades of securities will be settled by third-party  
46 financial institutions entities unaffiliated with and independent of the investment management  
47 service provider; and (3) all securities will be held under a separate custody agreement by a  
48 third-party custodian unaffiliated with and independent of the investment management service  
49 provider.

50

\* \* \*

51 **EFFECTIVE DATE.** This ordinance shall become effective the day after the date of its passage.

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53 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka,  
54 Alaska this 8<sup>th</sup> day of August, 2017.

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\_\_\_\_\_  
Matthew Hunter, Mayor

59 ATTEST:

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\_\_\_\_\_  
63 Sara Peterson, CMC

64 Municipal Clerk

65

66 1<sup>st</sup> reading 7/25/17

67 2<sup>nd</sup> reading 8/8/17



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## Investment Committee Minutes

Monday, February 27, 2017 3:00 p.m.  
3<sup>rd</sup> Floor Conference Room of City Hall

**Goal: To make recommendations for and oversee the Investment Policy of the City and Borough of Sitka enacted as Chapter 4.28.**

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**Investment Committee Members:** Michael Reif, Bert Stedman, Jere Christner  
Tristan Guevin (Assembly Liaison)

Meeting began at approximately 3:00 p.m.

### I. Roll Call

Present: Michael Reif, Jere Christner

Absent: Bert Stedman (excused)

Staff: Municipal Administrator Mark Gorman, Chief Finance and Administrative Officer (CFAO) Jay Sweeney; Deputy Clerk Melissa Henshaw

### II. Approval of the minutes

#### A. February 14, 2017

**M - Christner/S - Reif moved to approve the minutes from February 14, 2017. Motion carried unanimously of the two members present.**

### III. Persons to be Heard

None.

### IV. Reports

None.

### V. Unfinished Business

#### B. Investment Policy

Sweeney asked for a review by members for any changes that need to be made. Discussion took place of Alaska Permanent Capital Management (APCM) recommendations to 4.28.120. Discussion occurred to amend this section of the Code when or if the external management of the Operating Funds would come to fruition, or to do it in two phases.

**M - Christner/ S - Reif moved to recommend a revision to Chapter 4.28 Investment Policy to add a section 4.28.025 that would add language to allow professional management for the City and Borough of Sitka finances. Motion carried unanimously of the two members present.**

#### C. Master Working Capital and Debt Service Plan

Sweeney could not find other communities in Alaska that had such a policy with the exception of the City of Homer which was broad. He included five other examples in the packet. He asked the question if Sitka should be the first in the state to write such a policy or wait until another municipality goes forward with one. He told of internal and external challenges, thought to take this in stages and have the commission review the examples first.

Discussion occurred on the State's guidelines that were in the packet material given to the CBS for loaning on water/wastewater, how much debt was too much, putting a structure in

place on how to evaluate debt and how to educate new Assembly members. CBS has developed a comprehensive fiscal management plan for the water, wastewater, electric and harbor funds that include measurements of financial safety and liquidity. It was agreed that a framework was needed.

**M – Reif/ S – Christner moved to postpone the Master Working Capital and Debt Service Plan until such time as the Finance Department, as determined by the Administrator, has the time and resources capable to pursue this detailed and complex subject and that it is the desire of the Investment Advisory Committee to pursue this with high priority. Motion carried unanimously of the two members present.**

**D. Discussion of professional management of operating funds**

It was determined that there were three options 1) expand the scope of the current contract with APCM which the Municipal Attorney needed to make a determination, 2) send out a new contract without competitive bid as sole source from SGC Title 3 which the Municipal Attorney needed to make a determination or 3) Send out an RFP.

Gorman reminded that the Assembly didn't necessarily need to approve one of the options, but told that they should be aware of the route that the Committee would proceed with.

**M – Christner/ S – Reif moved to ask the Municipal Attorney to explore expanding the scope of services under the existing contract to include the Operating Funds or to look at the option of going to an uncompetitive sole source contract to allow Alaska Permanent Capital Management to manage the Operating Funds. Motion carried unanimously of the two members present.**

Sweeney told that the existing contract has no limitation however the title of the contract was specifically for the Permanent Fund.

**VI. New Business**

Discussion occurred on the alternate voting membership and how to obtain a member for this seat.

**VII. Adjourn**

The next was tentatively scheduled for Monday, April 24, 2017.

**M –Christner moved to adjourn, seeing no objection, the meeting adjourned at 4:19 p.m.**

Attest:  
Melissa Henshaw, Deputy Clerk



# CITY AND BOROUGH OF SITKA

## Legislation Details

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File #: ORD 17-29    Version: 1    Name:

Type: Ordinance    Status: AGENDA READY

File created: 8/2/2017    In control: City and Borough Assembly

On agenda: 8/8/2017    Final action:

Title: Adjusting the FY18 Budget (Sitka Airport Terminal Improvements Project)

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and memo Ord 2017-29..pdf](#)  
[Ord 2017-29.pdf](#)

Date	Ver.	Action By	Action	Result
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## **POSSIBLE MOTION**

**I MOVE TO** approve Ordinance 2017-29 on  
first reading.



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**MEMORANDUM**

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**To:** Mayor Hunter and Members of the Assembly  
Phillip Messina, Interim Municipal Administrator

**From:** Michael Harmon, P.E., Public Works Director *MH*  
Dan Tadic, P.E., Municipal Engineer *DT*  
Jay Sweeney, Chief Finance and Administrative Officer *J*  
Kelli Cropper, MPM, Project Manager *KE*

**Reviewed:** Tori Fleming, Contract Coordinator *T*

**Date:** August 2, 2017

**Subject:** Sitka Rocky Gutierrez Airport (SIT) Terminal Improvements - Approve moving forward with the project and the budget appropriation of the existing PFC funds to project budget

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**Background:**

The final conclusions of the most recent SIT Airport Terminal Master Plan -2011 were twofold:

- Short term- correct the most critical terminal deficiencies.
- Long term- develop a long-term financial plan in order to construct a new terminal at the Sitka Rocky Gutierrez Airport.

The estimated cost of designing and constructing a new 35,000 square foot terminal ranges from \$30 - \$40 million. Procuring this funding has proven thus far to be impracticable and is unlikely in the near future given Alaska's current fiscal crisis.

In 2016 the CBS received a design grant from the Transportation Security Administration (TSA) for the Baggage Screening Area. Stakeholder representatives from TSA, Alaska Airlines, Delta Airlines, Terminal Vendors, CBS Staff, and the Design Consultants met regarding the upcoming baggage area design and many of the other existing critical terminal inadequacies were raised and discussed. Since the alterations to the baggage screening area would impact the other critical terminal areas, it was decided that a conceptual floor plan for the full terminal needed to be developed before design for the baggage screening continued.

In March 2017 the Assembly approved preparation of new application to collect PFCs to fund SIT Terminal Improvements. As stated then, the next steps were to prepare a preferred concept plan and preliminary funding plan with stakeholder input and bring them back for Assembly approval in order to move forward with the project.

**Analysis:**

Over the last four months, a preferred conceptual floor and funding plan have been developed. Small Group Stakeholder meetings were held with our Consultants and concept plans and options discussed. The preferred option was presented at a public meeting July 20, 2017 where we received overall support for the preferred concept plan, and received suggestions for additional improvements.

The current planning effort addresses improvements to the terminal to address current critical issues and balance the technical, operational and passenger experience needs of the facility. Areas of focus include:

- Baggage Makeup / Outbound baggage processing
- Baggage Screening
- Departure Lounge (Holdroom) size
- Concourse Congestion and passenger flow issues
- Baggage Claim Congestion

The proposed concept plan includes critical improvements to these areas utilizing the existing terminal infrastructure to the maximum extent to reduce project costs. The project cost for the preferred concept option is estimated at \$10.7 million.

With Assembly approval of the conceptual plans the project can move forward to the 65% design milestone and the TSA Baggage Screening design work can resume before the \$158,569.25 design grant expires. At that time, the design will be sufficient to more accurately estimate projects costs and funding sources will be identified.

The project strategy is to build to the budget, once the budget is established. If the required funding to construct the full project is not secured, a portion of the project will be identified through the design and public process, for design completion and construction with the funds available. Any remaining unconstructed portions (future phases) will remain at 65% design for future 'shovel ready' projects for which we will seek funding, such as any AIP Discretionary Funds that become available.

**Project Schedule:**

- Assembly Approval and Budget Appropriation- August 2017
- Design Development Completion January 2018
- Construction/Bidding Document Completion June 2018
- Bidding and Award July – September 2018
- Construction – phased during winter seasons October – April 2018, 2019, 2020

**Fiscal Note:**

The intent of staff is to identify and obtain funding to correct critical deficiencies in the existing terminal while not burdening the local tax base. For potential funding sources identified to date see the attached AvAirPros draft funding plan memorandum, dated July 27, 2017. These and other possible funding sources will be investigated leading up to the 65% design milestone.

Existing remaining unappropriated PFC funds amount to \$280,593 and are only permitted to be used for the terminal projects and are considered part of the funding plan. Additional design scope will be required to develop and complete the design, construction, bidding documents, and funding plan. It is anticipated that the cost to get the project to the 65% design milestone will be roughly \$240,000, at which time the Assembly will see the project again to move it forward.

Foundational discussions concerning project financing have taken place between the Public Works Department, Finance Department, and a financial Consultant, AvAirPros. In these discussions, various options and courses of action for project financing have been discussed and analyzed.

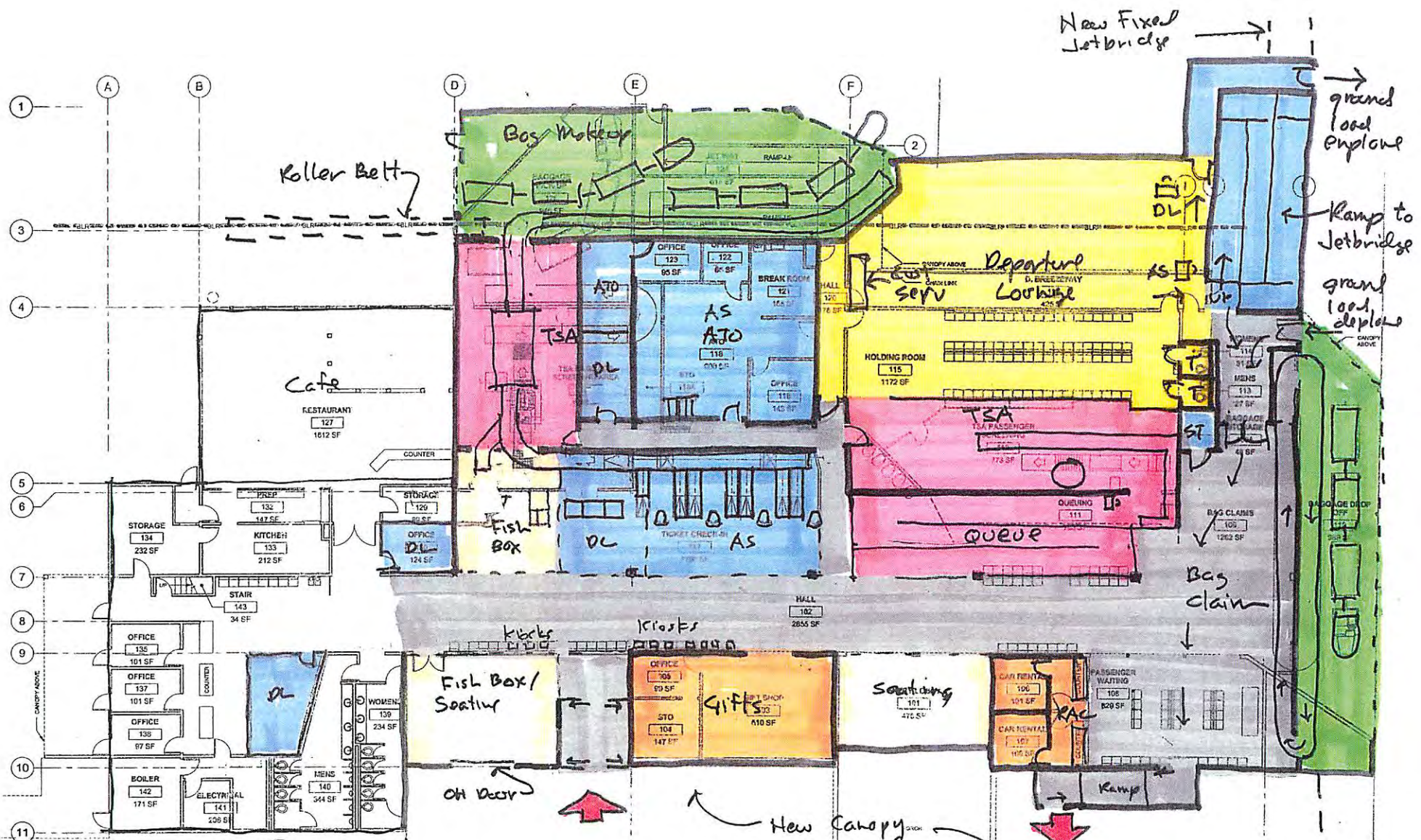
A formal financing plan is premature at this point, as it will be dependent on the scope of the project. Central to any financing plan will be the collection of passenger facility charges (PFCs), as PFCs will be the primary mechanism for paying for construction costs, or, for paying for debt service if debt financing is ultimately approved. Securing debt financing to immediately commence construction, and, using fees and charges to pay for debt service is in the conceptual finance plan.

Potential funding sources which have been identified and discussed include PFCs, possible implementation of a surcharge on rental cars (terminal improvement fees), possible grants from Federal and State sources through discretionary Airport Improvement Program (AIP) funds, and possible grants from the TSA. Matching requirements for AIP and TSA grants are unknown at this time.

**Recommendation:**

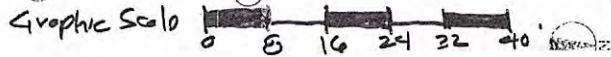
**Approve moving forward with SIT Terminal Improvements Project development as presented and appropriate the remaining \$280,593 of PFC funds to the project #90736.**





Concept C4  
 4/25/17 Phase 4 Final

Scale 1/16" = 1'-0" @ 11x17 sheet



**PREFERRED CONCEPT PLAN**



## MEMORANDUM

**Date:** July 27, 2017

**To:** Kelli Cropper, The City and Borough of Sitka

**From:** Kottayam V. Natarajan Jr.

**cc:** Alex Fedor

**Subject:** Sitka Rocky Gutierrez Airport **DRAFT 7-27-2017**  
**SIT Airport Terminal Improvements Project Funding Plan**

---

This memo describes the preliminary Funding Plan for the Airport Terminal Improvements Project at the Sitka Rocky Gutierrez Airport. The Funding Plan is attached as Exhibit 1.

The information below refers to the notes on the Funding Plan.

### Notes on Project Cost Assumptions

1. A 20% Design Contingency has been added to all the construction cost estimates due to the preliminary nature of the estimates. This contingency can be adjusted as the cost estimates become more firm.
2. A 25% soft cost estimate has been added to the escalated construction costs to account for design, project/construction management, inspection, and administration of the project, for a total project cost estimate.

### Notes on Funding Sources and the Funding Plan

3. **PFC Future Collections** **\$4,000,000**  
This revenue stream is based on future Passenger Facility Charge (PFC) collections at \$4.50 per passenger. It assumes the PFCs are leveraged to pay the annual debt service on 20 year bonds with 5% interest. The FAA must approve the Airport's PFC application to impose and collect the PFCs from passengers. PFCs are common at airports and most charge the full \$4.50 amount.

The application process is underway and an application has been submitted to the FAA. See Exhibit 2 for more details on the PFC collections and projected revenue.



4. **PFC Existing** **\$333,500**  
This is PFC money previously collected by the Airport. The City and Borough of Sitka Airport Terminal Fund Income Statement for the twelve-month period from July 1, 2016 to June 30, 2017 indicates the airport has \$10,330.02 in working capital in account 90736 – Airport Baggage and TSA Facility PFCs, and \$323,179.93 in Undesignated Passenger Facility Charges. It is assumed that all of these funds are available for the Terminal Improvements Project. The FAA should have no issues with using these funds for PFC eligible projects.

It is assumed no action is necessary to use these funds.

5. **Undesignated Working Capital** **\$363,000**  
The City and Borough of Sitka Airport Terminal Fund Income Statement for the twelve-month period from July 1, 2016 to June 30, 2017 indicates the airport has \$541,827 available in Undesignated Working Capital. This is approximately 570 Days Cash on Hand (DCOH) or 1.5 years. This could be dropped down to 6 months DCOH which would free up 2/3 of the Undesignated Working Capital or 363,000. These funds are applied to the Terminal Improvements Project.

It is assumed these funds are available for airport projects and no action is necessary to secure this funding, apart from concurrence from the appropriate airport financial advisors.

6. **TSA Funding** **\$2,925,000**  
The elements of the project that are associated with renovating and updating the TSA baggage screening area are assumed to be funded 100% by the TSA. The TSA has traditionally funded baggage screening projects.

The project team will need to secure a commitment from the TSA for the baggage screening elements of the project. Federal funding is not guaranteed and is always subject to changes in federal policy and funding availability.

7. **Airline Funding** **\$0**  
The project includes some tenant improvements that are assumed to be funded by Alaska Airlines and Delta Air Lines. These are project elements that are closely related to individual airline operations. At most airports, projects cover all costs except for proprietary costs. Proprietary costs are specific to an airline and cannot be used by another airline. For example, a backwall behind a ticket counter and a ticket counter position would be project costs as these elements could be used by any airline. A sign on the backwall for “Airline X” and ticket counter processing equipment that is specific to Airline X and can only be used to process their passengers would be considered proprietary.

The airlines have voiced concerns over these costs not being funded by alternative project funds. Further discussions will be required to ensure the airlines are willing to contribute these amounts.

**8. Tenant Concessions** **\$0**

To the extent there are any project costs to improve airport concessions or to enable airport concessions, these could be funded by the airport concessionaires who will benefit. It is typical for airports to provide shell space for concessionaires and for concessionaires to pay for any build out of their space.

As the project is further developed, this may be a source of funds to pursue.

**9. CBS Funding (RCTIF)** **\$1,400,000**

This assumes the CBS institutes a Rental Car Terminal Improvement Fee (RCTIF) of 10% on all gross rental car receipts. Rental car receipts are projected to be \$1,200,000 per year based on FY2016 receipts of \$1,282,637 and FY2017 projected receipts of \$1,788,305. The projected \$120,000 per year from the RCTIF is leveraged to cover annual debt service on \$1.4 million of 20 year bonds at 5%. The current project funding plan assumes \$1,400,000 is needed for the project. See Exhibit 3 for more details on the RCTIF and revenue projections. Fees and charges to rental car transactions are very common at airports. These fees often run as high as 100% (e.g. the per day cost of a rental car is twice the advertised price). These fees include everything from stadium taxes to rental car customer facility charges to airport concession fees to city taxes.

The CBS will need to institute this new fee and work with rental car companies to collect and remit the fee. There is currently a 4% Driver Facility Charge that is collected on rental car receipts and used for general airport O&M. This would be in addition to that fee.

**10. AIP Entitlement Grants** **\$2,400,000**

SIT receives Entitlement Grants from the FAA on an annual basis for eligible projects. The 2017 AIP Entitlement Grant for SIT was \$607,027. Four of these annual grants would be \$2,400,000. However, the current funding plan assumes the Terminal Improvements Project will need 3 of the grants and that they remain approximately \$600,000 dollars. AIP Entitlement Grants are available for any eligible projects.

The project team will need to work with other jurisdictions that operate portions of the airport to ensure these grants will be available for the Terminal Improvement Project. Traditionally they have been used for the airfield, which is owned and operated by the State of Alaska.

**11. Other Airport Funds** **\$0**

These would be funds from airline rates and charges or from non-airline tenant fees.



Examples would be a new parking fee or increased terminal rental rates. They could be from existing rates and fees, increases to fees, or new fees. The current funding plan does not have any revenue from this source.

If the airport decides to use revenue from this source it will need to earmark funds or increase fees and ensure there is adequate funding for O&M expenses.

**12. Discretionary AIP Grants** **\$0**

Every year the FAA awards discretionary grants for eligible projects. The current funding plan does not include any resources from AIP Discretionary Grants as the Terminal Improvements Project would be fairly low on the priority list. Airfield projects are generally more likely recipients of AIP Discretionary Grants.

The Airport would need to apply for any AIP Discretionary Grants if it was determined that was a funding source worth pursuing.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2017-29

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA  
ADJUSTING THE FY18 BUDGET (SITKA AIRPORT TERMINAL IMPROVEMENTS PROJECT)

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 adjust the FY18 budgets for known changes.

4. **ENACTMENT.** The Assembly of the City and Borough of Sitka hereby adjusts the FY18 budget for known changes. In accordance with Section 11.10(a) of the Charter of the City and Borough of Sitka, Alaska, the budget for the fiscal period beginning July 1, 2017 and ending June 30, 2018 is hereby adjusted as follows:

<b><u>FISCAL YEAR 2018 EXPENDITURE BUDGETS</u></b>
<b>CAPITAL PROJECTS</b>
<b>Fund 760 –Sitka Airport Terminal Improvements Project #90736: The Administrator requests that the balance of restricted passenger facility charge (PFC) funds in the amount of \$280,593, previously collected and currently retained in the Airport Terminal Fund, be appropriated for Project #90736, the Sitka Airport Terminal Improvements Project.</b>

**EXPLANATION**

Necessary revisions in the FY 2018 budget were identified. These changes involve the increase of expenditure accounts and causes decreased cash flows to the fund balance of various funds. A short explanation of each budget revision is included.

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 22nd Day of August, 2017.

ATTEST:

\_\_\_\_\_  
Matthew Hunter, Mayor

\_\_\_\_\_  
Sara Peterson, CMC  
Municipal Clerk

1<sup>st</sup> reading 8/8/17  
2<sup>nd</sup> reading 8/22/17





# CITY AND BOROUGH OF SITKA

## Legislation Details

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File #: 17-137      Version: 1      Name:

Type: Item      Status: AGENDA READY

File created: 8/2/2017      In control: City and Borough Assembly

On agenda: 8/8/2017      Final action:

Title: Approve a month-to-month lease between the City and Borough of Sitka and Samson Tug and Barge Company for tidelands adjacent 5309 Halibut Point Road

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and memo lease.pdf](#)  
[Samson Tug and Barge Company Tidelands Lease Agreement.pdf](#)  
[Supporting documentation lease..pdf](#)

Date	Ver.	Action By	Action	Result
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## **POSSIBLE MOTION**

**I MOVE TO** approve a month-to-month lease, between the City and Borough of Sitka and Samson Tug and Barge Company, for tidelands adjacent 5309 Halibut Point Road that includes a lease term requiring compliance with the applicable conditions of approval and authorize the Interim Municipal Administrator to execute the document.



# City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

*Coast Guard City, USA*

## MEMORANDUM

**To:** Phillip Messina, Municipal Administrator  
Mayor Hunter and Members of the Assembly

**From:** Michael Scarcelli, Planning and Community Development Department Director *MS*  
Samantha Pierson, Planner I

**Subject:** Lease of Tidelands Adjacent 5309 Halibut Point Road – Month to Month

**Date:** August 2, 2017

---

**Background:** Samson Tug and Barge Company requests a short-term (month-to-month) lease renewal for tidelands adjacent to 5309 Halibut Point Road. The 4.52 acre parcel is also known as US Survey 1571. The lease parcel and uplands properties are zoned Industrial. On these tidelands and adjacent uplands, Samson Tug and Barge operates a freight facility and Delta Western operates a bulk fuel facility. The bulk fuel facility is in compliance with the required conditional use permit. Further detail on the extensive lease history can be found in the first 2 pages of the attached staff report.

The lease expires August 13, 2017 and a month-to-month lease is recommended to facilitate continued operations while a long-term lease can be drafted to the agreement of both parties. Sitka General Code 18.12.010(D) states that the Administrator may execute temporary leases upon motion of the assembly without ordinance. Please note: legal and planning staff are working with the applicants to negotiate and draft a long-term lease and will bring that back for Assembly approval by ordinance.<sup>1</sup>

**Valuation:** Staff recommend that the current lease amount of \$11,144 per year be applied to the month-to-month lease. In the next few months, when staff bring back a long-term lease, a revaluation will be presented.<sup>2</sup> Competitive bidding is not appropriate, as the lease applicants are the upland property owners and have existing rights for lease renewal.<sup>3</sup>

**Recommendations:** At their July 18, 2017 meeting, the Planning Commission recommended approval of the tideland lease renewal on a 4-0 vote subject to making the existing conditions of approval for the bulk fuel facility a term of the lease.

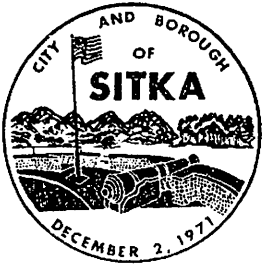
Staff suggests the assembly pass a motion authorizing the Administrator to execute a month-to-month lease for tidelands adjacent 5309 Halibut Point Road that includes a lease term requiring compliance with the applicable conditions of approval as attached.

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<sup>1</sup> Real property long-term lease may be leased only when authorized by ordinance.

<sup>2</sup> The Assessor valued the parcel at \$555,000, resulting in a \$24,975 plus tax annual lease payment for the long-term lease pursuant to SGC 18.16.210(A), which requires a lease payment of 4.5% of price established.

<sup>3</sup> Competitive Bidding is inappropriate as the applicants retain lease rights that precede applicable code, would result in unjust results to current lessees, and due to their reasonable investment backed expectations (See SGC 18.12.010(C)&(E)).



# City and Borough of Sitka

100 Lincoln Street Sitka, Alaska 99835

*Const Guard City, USA*

October 8, 2013

Delta Western  
420 L Street, Ste 101  
Anchorage, AK 99501

**COPY**

Dear Mr. Payne,

This letter is to officially inform you the Sitka Assembly approved your request for a bulk fuel facility at 5309 Halibut Point Road. This approval was granted at the October 8, 2013 meeting with the following conditions:

1. The project be completed in conformance with the plans submitted in the conditional use application to the Planning Commission;
2. Prior to the activation of the conditional use permit, the operator of the facility shall certify to the Municipality, in writing, that all necessary permits have been received including but not limited to:
  - a. State of Alaska driveway permits for the configuration shown in the application;
  - b. All Alaska Department of Environmental Conservation permits;
  - c. State Fire Marshall approval;
  - d. City and Borough of Sitka Building permits;
  - e. Any other permits considered necessary by the Planning Department;
3. In addition, prior to the activation of the conditional use permit, the Planning Director shall indicate, in writing, that all permits have been received that the municipality considers necessary;
4. The applicant recognizes that other permits, not specifically mentioned by the municipality, may be required by state or federal agencies;
5. The applicant shall provide a narrative on the status of the operations nine months after the activation of the conditional use permit;
6. The Planning Commission has an annual review of the first nine to twelve months of operation of the facility within one year of the activation of the conditional use permit. The purpose of the annual review is to determine what, if any impacts of the operation need to

Providing for today ... preparing for tomorrow



- be mitigated. The Planning Commission, by its own motion, may undertake a second annual review if the board considers it to be necessary;
7. The Assembly, at its discretion, may complete an annual review if any issues are not satisfactorily resolved at the Planning Commission level.
  8. That the project will be completed in conformance to the plans submitted; and
  9. That the project be operated in conformance with the narrative;
  10. The applicant shall provide by September 27, 2013, a narrative that clarifies the request and includes; an updated timetable, list of the range of uses for the fuel facility, and amended to add that fuel distribution will be to a range of residential and commercial locations;
  11. The municipality recognizes the offices for the facility will be shared with Samson Tug and Barge, Inc. in a facility that is not shown on the site plan.

All work must be in general conformance with the plans that were approved by the Planning Commission and Assembly.

The permit must be activated within two years of the approval date or the permit becomes void. Following activation, if the permit is not used for a period of two years or longer, the permit becomes void.

We appreciate your patience throughout this process and thank you for working with us on this matter. If you should have any questions, please feel free to contact me at 747-1814.

Sincerely,



Maegan Bosak  
Planner I

**SAMSON TUG AND BARGE COMPANY  
TIDELANDS LEASE AGREEMENT**

The City and Borough of Sitka (“CBS” or “Lessor”) and Samson Tug and Barge Company (“Lessee”), collectively referred to as the “Parties,” enter into this Tideland Lease Agreement (“Lease”), based on the terms and conditions set out in this “Lease,” and as approved by the City and Borough of Sitka Administrator.

**WHEREAS**, the Lessor is the owner of certain tidelands seaward of 5309 Halibut Point Road in Sitka, Alaska, comprising of approximately 4.52 acres of tidelands known as ATS 1571, hereafter referred to as the “Subject Property;” and

**NOW THEREFORE**, based on the consideration set out below, the Lessor and Lessee agree to the following terms and conditions:

1. Lessor leases to the Lessee, on a month to month basis, cancelable by the Lessor on thirty days’ notice, the Subject Property described as:  
ATS 1571 consisting of approximately 4.52 acres
2. Lessee, in consideration of this Lease, agrees as follows:
  - a. Lease payments shall be made monthly to Lessor. The monthly lease payments shall be one-twelfth of \$11,144 plus tax per month.
  - b. The Lessee shall be subject to any adjustment to rent as set out in any subsequent amendment to SGC Section 18.16.210.
  - c. Lessee shall pay sales tax to the City and Borough of Sitka, based on the amount of each monthly lease payment.
  - d. The first month’s payment is due on the date the Lease is signed and executed by all of the parties to the Lease. All subsequent payments shall be made by that same date each month.
  - e. The Lease may not be assigned or sublet by the Lessee without the written consent of the Lessor.
  - f. If the full lease payment is not timely paid, and Lessee fails to remedy default within thirty (30) days after receipt of written notice of any such lease payment arrears, the Lessor may immediately, or at any time thereafter while such default continues, terminate the lease, repossess the Subject Property, enter on Subject Property, expel Lessee and those claiming right to possession or to be on the Subject Property based on the rights of the Lessee, and remove Lessee’s effects without being guilty of any

trespass. These rights are in addition to any other rights and remedies, without prejudice, which might otherwise be used for arrears or lease payments, proceedings on breach of agreement, or collection on arrears.

- g. Lessee shall comply with all conditions of approval for the bulk fuel facility conditional use permit.

3. The Parties mutually agree as follows:

- a. Lessee acknowledges and agrees that they are solely responsible for acquiring and maintaining any and all municipal, state and federal permits as required by the use of the subject property.
- b. Waiver by Lessor of any term or condition setout in this Lease shall not be considered a waiver of any subsequent breach of said term or condition.
- c. Lessee agrees to hold harmless, insure, defend, and indemnify the Lessor from any liability for property damage or personal injury to any person or persons on or about the Subject Property and to carry and provide proof of liability insurance in such amounts as may be agreed to between the parties to cover such liability, with the Lessor as an additional named insured and containing a waiver of subrogation against the Lessor.
- e. If Lessee occupies the Subject Property after the expiration date of this Lease without the consent of the Lessor, such possession shall be construed as monthly tenancy and Lessee shall monthly pay Lessor the amount of the rent paid during the last month of the Lease until the Lease is terminated by the Lessor.
- f. The Lessee may terminate the Lease upon giving the Lessor thirty (30) days prior written notice.
- g. At any termination of the Lease, all improvements placed on the Subject Property and attached to the land so as to become part of the real property by common law definition shall become the property of the Lessor.
- h. Each Party to the Lease represents that its representative or agent who signs and executes the Lease has been delegated and is authorized to legally bind each Party regarding this Lease.

\_\_\_\_\_  
George Baggen, CEO/Owner, Samson Tug and Barge

\_\_\_\_\_  
Phillip Messina, Interim Municipal Administrator

STATE OF ALASKA                    )  
  ) ss.  
FIRST JUDICIAL DISTRICT        )

On this \_\_\_\_ day of \_\_\_\_\_, 2017, \_\_\_\_\_ and \_\_\_\_\_, whose identity is personally known to me or proved to me on the basis of satisfactory evidence, signs this Lease Agreement as George Baggen and affirms by signing this document to be authorized to sign on behalf of Samson Tug and Barge Company and does so freely and voluntarily.

\_\_\_\_\_  
Notary Public for Alaska  
My Commission Expires: \_\_\_\_\_

STATE OF ALASKA                    )  
  ) ss.  
FIRST JUDICIAL DISTRICT        )

On this \_\_\_\_ day of \_\_\_\_\_, 2017, Phillip Messina, Interim Municipal Administrator of the City and Borough of Sitka, Alaska, a municipal corporation organized under the laws of the State of Alaska, signs this Lease Agreement on its behalf, and affirms by signing this document to be authorized to sign on its behalf, and does so freely and voluntarily.

\_\_\_\_\_  
Notary Public for Alaska  
My Commission Expires: \_\_\_\_\_





# City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

*Coast Guard City, USA*

## Planning and Community Development Department

### **AGENDA ITEM:**

Case No: LM 17-03  
Proposal: Request for lease renewal  
Applicant: Samson Tug & Barge  
Owner: City and Borough of Sitka  
Location: 5309 Halibut Point Road  
Legal: ATS 1571  
Zone: Waterfront District  
Size: Lease parcel: 4.52 acres  
Parcel ID: 2-6025-000  
Existing Use: Industrial – barge landing serving freight and bulk fuel facilities  
Adjacent Use: Commercial, Public  
Utilities: Existing  
Access: Tidelands – via water; Uplands – via Halibut Point Road

### **KEY POINTS AND CONCERNS:**

1. Historical use as a lease parcel – originally owned and leased by state, conveyed to CBS for continued leasing, lease creates revenue for municipality
2. Neighborhood harmony – surrounding uses are commercial and public in use, conditional use permit approved for existing bulk fuel facility on the uplands
3. Scope of Planning Commission's Role – to advise the City Assembly and Planning Director as to compatibility of land use; and to aid the Planning Director and City Assembly in an advisory role as to any appropriate land use concerns related to use or mitigation of those concerns.

### **RECOMMENDATION:**

Staff recommends that the Planning Commission recommend approval of LM 17-03 to the Assembly.

## **ATTACHMENTS**

Attachment A: Vicinity Map

Attachment B: Aerial Vicinity Map

Attachment C: Zoning Map

Attachment D: Current Survey

Attachment E: Parcel Pictures

Attachment F: Application

Attachment G: Existing Lease Documents

Attachment H: Flood Zone Map

Attachment I: Correspondence

Attachment J: Mailing List

## **BACKGROUND**

In 1962, Alaska Department of Natural Resources (DNR) owned the 4.52 acre parcel of tidelands adjacent 5309 Halibut Point Road and entered into a 55-year lease agreement with Alaska Lumber and Pulp Company. This lease was set to expire August 13, 2017. In 1982, Alaska Lumber and Pulp Company assigned, as lessee, the lease to City and Borough of Sitka (CBS). In 1994, CBS assigned the lease to Samson Tug and Barge. Also in 1994, Samson Tug and Barge assigned a security interest to National Bank of Alaska. In 1997, DNR assigned lessor's interest to CBS. In 2003, the security interest assignment to National Bank of Alaska was extended to 2023.

In the original lease, the parcel was described by a metes and bounds description. In subsequent surveys, the parcel has been described as ATS 35 and, most recently, ATS 1571.

## **PROJECT DESCRIPTION**

Samson Tug and Barge requests to renew the lease for tidelands adjacent 5309 Halibut Point Road. A commercial dock/barge landing is located on the tidelands and would continue to support Delta Western's existing bulk fuel facility operations and Samson Tug and Barge's freight facility located on the uplands. Freight and cargo services and commercial docks are permitted uses in the Waterfront District, and the bulk fuel facility received the required conditional use permit in 2013. The conditional use permit is in good standing. The lease of uplands between Delta Western and Samson Tug and Barge was executed in 2013 and runs for 30 years with six 5-year renewal options.

The tideland lease expires August 13, 2017. The applicant requests a 55 year lease term to expire in 2072. This would allow for each renewal period in Delta Western's lease to be fulfilled.

In December 2015, the CBS Assessor determined that the valuation of the parcel is \$555,000. This value will be used to determine the lease price.

## **PROCEDURE**

The lease application is coming before the Planning Commission to seek a recommendation of approval to the Assembly. The Harbormaster has determined that the item does not need to be

heard by the Port and Harbors Commission. The lease application will then go to the Assembly for approval of the lease by ordinance, requiring two hearings. If necessary, a month-to-month lease can be executed to bridge the gap from the expiration date until an ordinance can be passed.

Competitive bidding is not required because the applicants are the upland property owners<sup>1</sup>.

The current lease amount is \$11,144 plus tax per year. Samson Tug and Barge is current on lease payments. The current lease expires August 13, 2017.

## **ANALYSIS**

**Project/Site:** ATS 1571 consists of 4.52 acres of tidelands. Approximately 70% of the tidelands are submerged and 30% are filled. A barge landing exists on the tidelands.

**Traffic:** Access to the tidelands will continue to be via water.

**Parking:** Parking is located on the uplands. No change to use is proposed so parking does not need to be reconsidered.

**Noise:** Industrial use is to be expected in the Waterfront District. Operation modifications are not proposed at this time. Future modifications to operations may be subject to the conditional use permit amendment process.

**Public Health or Safety:** Barge landings inherently come with some degree of safety concern and are best regulated by Alaska DEC and USCG.

**Habitat:** Any future construction would need to comply with US Army Corps of Engineers requirements. No construction currently proposed.

**Property Value or Neighborhood Harmony:** Neighboring uses are commercial and public in nature. Industrial uses have occurred on this site since 1962.

**Conformity with Comprehensive Plan:** The proposal conforms to Comprehensive Plan Section 2.4.19 which states, "To consistently follow and enforce land use policies, codes, regulations, and decisions..." by leasing a parcel according to procedures outlined in Sitka General Code Title 18.

## **RECOMMENDATION**

It is recommended that the Planning Commission adopt the staff analysis and move to recommend approval of the lease renewal for ATS 1571 tidelands adjacent 5309 Halibut Point Road.

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<sup>1</sup> Sitka General Code 18.12.010(E)

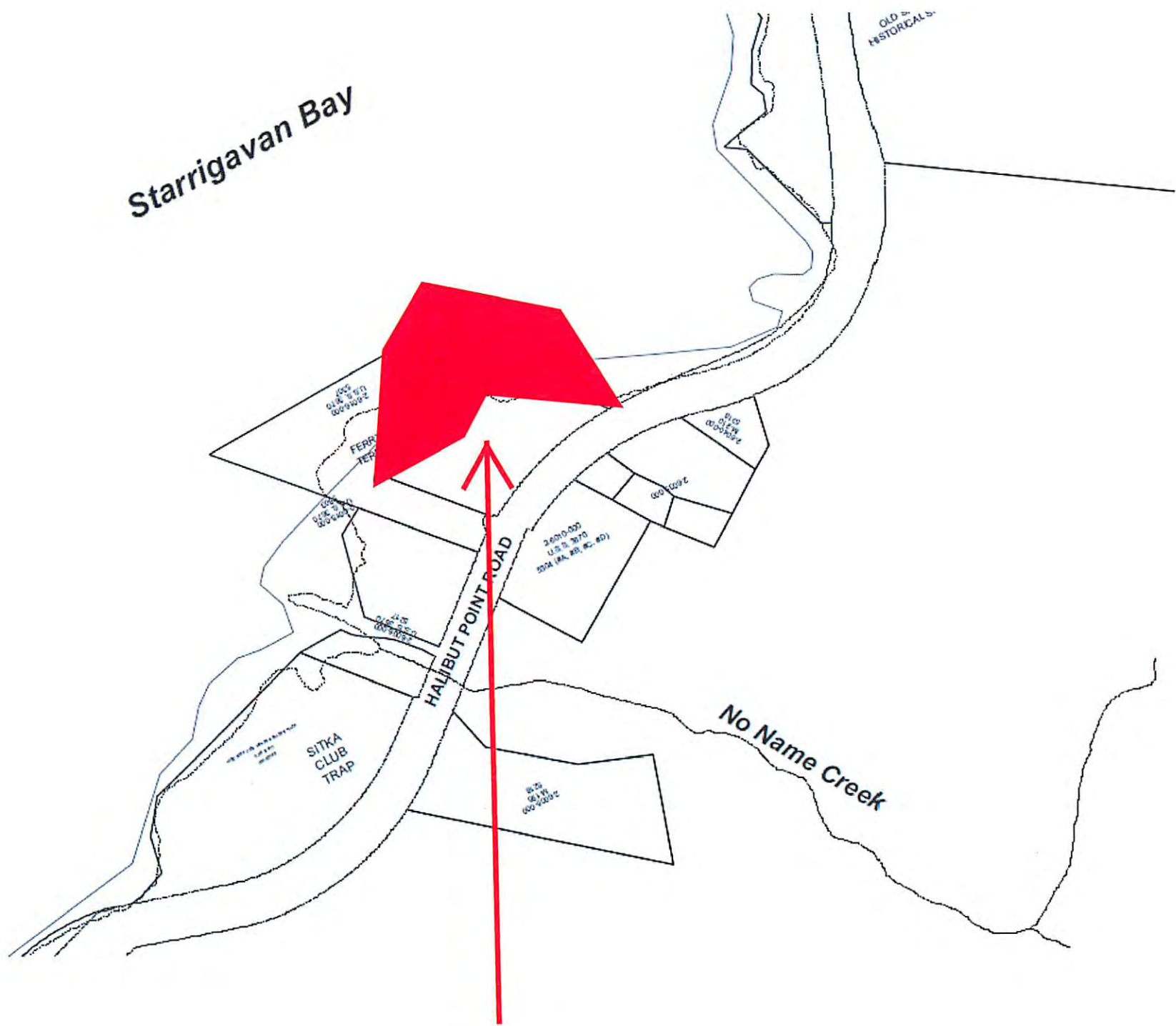
## **RECOMMENDED MOTION**

- 1) I move to recommend approval of the lease renewal including a month to month and long-term lease request for 5309 Halibut Point Road. The property is also known as ATS 1571. The request is filed by Samson Tug and Barge. The owner of record is the City and Borough of Sitka.



**Starrigavan Bay**

OLD HISTORICAL



**HALIBUT POINT ROAD**

**SITKA CLUB TRAP**

**No Name Creek**

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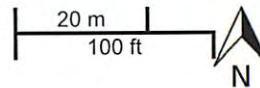




## City & Borough of Sitka, Alaska

Selected Parcel: 5309 HALIBUT POINT ID: 26025000

Printed 7/5/2017 from <http://www.mainstreetmaps.com/ak/sitka/internal.asp>



This map is for informational purposes only. It is not for appraisal of, description of, or conveyance of land. The City & Borough of Sitka, Alaska and MainStreetGIS, LLC assume no legal responsibility for the information contained herein.























**CERTIFICATE OF OWNERSHIP AND DEDICATION**

I, THE UNDERSIGNED, HEREBY CERTIFY THAT I AM THE DIRECTOR, DIVISION OF MINING, LAND AND WATER AND THAT THE STATE OF ALASKA IS THE OWNER OF ATS NO. 1571, AS SHOWN HEREIN. I HEREBY APPROVE THIS SURVEY AND PLAN FOR THE STATE OF ALASKA, AND RESOLVE FOR PUBLIC OR PRIVATE USE AS NOTED, ALL EASEMENTS, PUBLIC UTILITY AREAS, AND RIGHTS-OF-WAY AS SHOWN AND DESCRIBED HEREIN.

DATE: 9/26/05

*Shelly Jennings*  
DIRECTOR  
DIVISION OF MINING, LAND AND WATER

**NOTARY'S ACKNOWLEDGMENT**

SUBSCRIBER AND SWORN BEFORE ME THIS 22<sup>ND</sup> DAY OF Sept. 2005

*Shelly Jennings*  
NOTARY PUBLIC FOR ALASKA  
MY COMMISSION EXPIRES 12-9-09

**APPLICANT CERTIFICATE**

I, THE UNDERSIGNED, HEREBY CERTIFY THAT THE CITY AND BOROUGH OF SITKA IS THE APPLICANT AS SHOWN HEREIN AND AS MUNICIPAL ADMINISTRATOR AM AUTHORIZED TO HEREBY APPROVE THIS SURVEY AND PLAN.

AR. NO. 10433  
*Shelly Jennings*  
CITY AND BOROUGH OF SITKA  
MUNICIPAL ADMINISTRATOR

**NOTARY'S ACKNOWLEDGMENT**

SUBSCRIBER AND SWORN BEFORE ME THIS 2<sup>ND</sup> DAY OF Sept. 2005

*Shelly Jennings*  
NOTARY PUBLIC FOR ALASKA  
MY COMMISSION EXPIRES 12-9-09

**LESSEE CERTIFICATE**

I, THE UNDERSIGNED, HEREBY CERTIFY THAT I AM THE APPLICANT AS SHOWN HEREIN. I HEREBY APPROVE THIS SURVEY AND PLAN.

AR. NO. 2403, SANSON TUG AND BARGE COMPANY, INC.

*George S. Sauson*  
SANSON TUG AND BARGE COMPANY, INC.  
GEORGE SAUSON, PRESIDENT

**NOTARY'S ACKNOWLEDGMENT**

SUBSCRIBER AND SWORN BEFORE ME THIS 23<sup>RD</sup> DAY OF August 2005

*George Sauson*  
NOTARY PUBLIC FOR ALASKA  
MY COMMISSION EXPIRES 12-9-09

**CERTIFICATE OF APPROVAL BY THE BOARD**

I HEREBY CERTIFY THAT THE SURVEY PLAN SHOWN HEREIN HAS BEEN FOUND TO COMPLY WITH THE REGULATIONS OF THE CITY AND BOROUGH OF SITKA PLANNING BOARD, AND SAID PLAN HAS BEEN APPROVED BY THE BOARD FOR RECORDING IN THE OFFICE OF THE SITKA RECORDER, SITKA, ALASKA.

DATE: 9/16/05  
*Shelly Jennings*  
SECRETARY

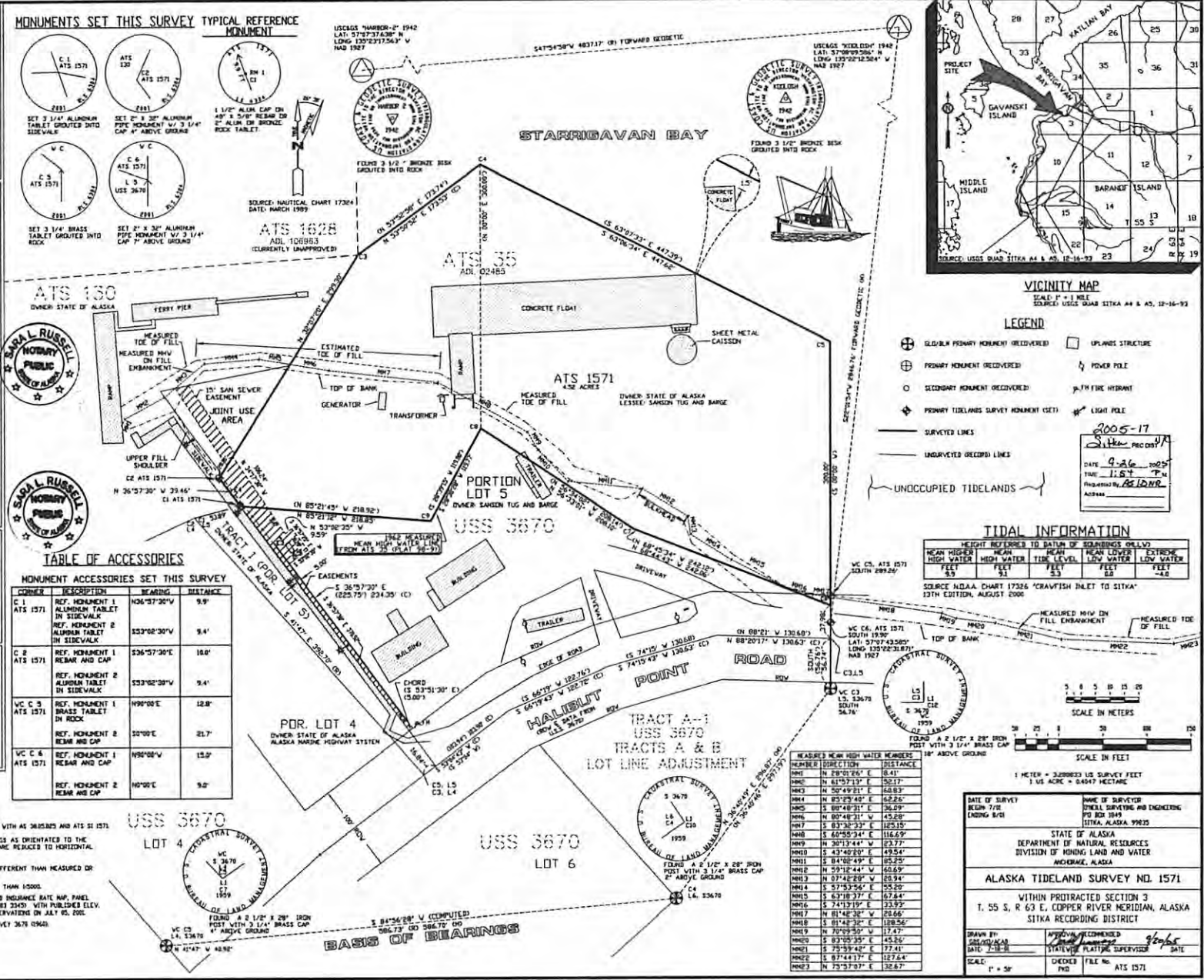
**SURVEYOR'S CERTIFICATE**

I HEREBY CERTIFY THAT I AM PROPERLY REGISTERED AND LICENSED TO PRACTICE LAND SURVEYING IN THE STATE OF ALASKA, THAT THIS PLAN REPRESENTS A SURVEY MADE BY ME OR UNDER MY DIRECT SUPERVISION, THAT THE MONUMENTS SHOWN HEREIN ACTUALLY EXIST AS DESCRIBED, AND THAT ALL DIMENSIONS AND OTHER DETAILS ARE CORRECT.

DATE: 9/16/05  
REGISTERED NUMBER 1304  
*Randy K. Davis*  
REGISTERED LAND SURVEYOR

**PLAT NOTES**

- THIS SURVEY WAS ACCOMPLISHED IN ACCORDANCE WITH AS 34.05.05 AND ATS 1571.
- ALL BEARINGS SHOWN ARE THE TRUE BEARINGS AS ORIENTATED TO THE BASIS OF BEARINGS AND DISTANCES SHOWN AND REDUCED TO HORIZONTAL FIELD DISTANCES.
- RECORD BEARINGS AND DISTANCES, WHERE DIFFERENT THAN MEASURED OR CALCULATED, ARE SHOWN IN PARENTHESES.
- THE ACCURACY OF THIS SURVEY IS GREATER THAN 1:5000.
- NEAR HIGH TIDE WAS DETERMINED FROM THE FLOOD INSURANCE RATE MAP, PANEL 8090A 3, 2000 (CPVSE IN POWER FILE NO. 183 2345) WITH PUBLISHED ELEV. OF 81.9 FT. THIS WAS CORRECTED BY TIDE OBSERVATIONS ON JULY 05, 2005.
- RECORD RIGHT OF WAY ALIGNMENT FROM U.S. SURVEY 3676 (2946).



**VII. THE EVENING BUSINESS**

- D**     LM 17-03           Public hearing and consideration of a tideland lease renewal request for 5309 Halibut Point Road. The property is also known as ATS 1571. The request is filed by Samson Tug and Barge. The owner of record is the City and Borough of Sitka.

Scarcelli stated that the Planning Commission has important insight to provide into land use decisions. Scarcelli reviewed Samson Tug and Barge's request for tideland lease renewal. The final decision will be made by the Assembly. Scarcelli recommends that the Planning Commission recommend approval of the lease request subject to including the conditional use permit conditions of approval in the lease. Scarcelli stated that the current annual payment is \$11,144, and the new annual payment would be approximately \$25,000. As the lease expires in August, a month-to-month lease may be necessary until a long-term lease can be drafted to the agreement of both parties. Staff are in support of the lease renewal with a 55-year lease term. Spivey asked if the commission could make a recommendation to vary from the 4.5% lease calculation, and Scarcelli stated no because it is prescribed in code. Spivey stated concern that the lease amount would approximately double. Scarcelli stated that the original lease was to be adjusted every 5 years based on the land and improvements and later that requirement was amended; however, the lease payment has historically been only based on the land value and the existing lease payment was probably below what the lease required. Windsor stated that now is the time to clean this up.

Roslyn McKinnon, CFO of Samson Tug and Barge and Markos Scherr represented the item. Scherr stated that Samson does not object to the valuation or 4.5% lease rate. Scherr stated that Samson is amenable to a monthly lease but would like to get a long-term lease executed as soon as possible. Scarcelli asked if the monthly lease would impact their security interests. Scherr stated that a long-term lease to be executed in one to six months would not impact the applicant. Scarcelli noted DEC regulations for fuel storage tanks.

No public comment.

**Windsor/Parmelee moved to RECOMMEND approval of the lease renewal including a month to month and long-term lease request for 5309 Halibut Point Road subject to the condition that the conditions of approval for the bulk fuel facility conditional use permit are included in the lease. The property is also known as ATS 1571. The request is filed by Samson Tug and Barge. The owner of record is the City and Borough of Sitka. Motion PASSED 4-0.**

- E**     MISC 17-16           Discussion and direction regarding amendments to public notice requirements and Sitka General Code 22.30.

~~CITY & BOROUGH OF SITKA  
100 LINCOLN ST  
SITKA AK 99835~~

~~C/B OF SITKA  
100 LINCOLN ST  
SITKA AK 99835~~

ALLEN MARINE, LLC  
P.O. BOX 1049  
SITKA AK 99835-1049

~~Parcel ID: 26015000  
ALLEN PROPERTIES, LLC  
ALLEN PROPERTIES, LLC  
P.O. BOX 1049  
SITKA AK 99835-1049~~

Parcel ID: 26016000  
STATE OF ALASKA  
FERRY TERMINAL  
STATE OF ALASKA  
6860 GLACIER HWY  
JUNEAU AK 99801

Parcel ID: 26025000  
SAMSON TUG & BARGE CO., INC  
SAMSON TUG & BARGE CO.  
P.O. BOX 559  
SITKA AK 99835-0559

Parcel ID: 26035001  
BRYANNA GRAHAM  
GRAHAM, BRYANNA M.  
5316 HALIBUT POINT RD  
SITKA AK 99835

Parcel ID: 26035002  
ARYEH/KAY LEVENSON  
LEVENSON, ARYEH, L./KAY, L.  
11600 MOOSE RD  
ANCHORAGE AK 99516-2477

Parcel ID: 26035003  
ARYEH/KAY LEVENSON  
LEVENSON, ARYEH, L./KAY, L.  
11600 MOOSE RD  
ANCHORAGE AK 99516-2477

~~Parcel ID: 26035004  
ARYEH/KAY LEVENSON  
LEVENSON, ARYEH, L./KAY, L.  
11600 MOOSE RD  
ANCHORAGE AK 99516-2477~~

Parcel ID: 26040000  
JACK/TRACY ALLEN  
ALLEN, JACK, S./TRACY, S.  
P.O. BOX 1352  
SITKA AK 99835-1352

Assembly Mailing  
July 28, 2017





# City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

*Coast Guard City, USA*

## **Notice of Public Hearings**

The Assembly of the City and Borough of Sitka will hold public hearing during a regular meeting scheduled Tuesday, August 8, 2017 on the following item:

- A. Public hearing and consideration of a tideland lease renewal request for 5309 Halibut Point Road. The property is also known as ATS 1571. The request is filed by Samson Tug and Barge. The owner of record is the City and Borough of Sitka.

The Assembly may take action on Tuesday, August 8, 2017. The Assembly meeting will begin at 6:00 pm at Harrigan Centennial Hall at 330 Harbor Drive in Sitka.

Interested residents are encouraged to make comments during the meeting and written comments can be submitted to the Municipal Clerk at 100 Lincoln Street.

Parcel ID: 26004000  
CITY & BOROUGH OF SITKA  
CITY & BOROUGH OF SITKA  
100 LINCOLN ST  
SITKA AK 99835

Parcel ID: 26006000  
SITKA, CITY & BOROUGH OF  
C/B OF SITKA  
100 LINCOLN ST  
SITKA AK 99835

Parcel ID: 26010000  
ALLEN MARINA, LLC  
ALLEN MARINE, LLC  
P.O. BOX 1049  
SITKA AK 99835-1049

Parcel ID: 26015000  
ALLEN PROPERTIES, LLC  
ALLEN PROPERTIES, LLC  
P.O. BOX 1049  
SITKA AK 99835-1049

Parcel ID: 26016000  
STATE OF ALASKA  
FERRY TERMINAL  
STATE OF ALASKA  
6860 GLACIER HWY  
JUNEAU AK 99801

Parcel ID: 26025000  
SAMSON TUG & BARGE CO., INC  
SAMSON TUG & BARGE CO.  
P.O. BOX 559  
SITKA AK 99835-0559

Parcel ID: 26035001  
BRYANNA GRAHAM  
GRAHAM, BRYANNA, M.  
5316 HALIBUT POINT RD  
SITKA AK 99835

Parcel ID: 26035002  
ARYEH/KAY LEVENSON  
LEVENSON, ARYEH, L./KAY, L.  
11600 MOOSE RD  
ANCHORAGE AK 99516-2477

Parcel ID: 26035003  
ARYEH/KAY LEVENSON  
LEVENSON, ARYEH, L./KAY, L.  
11600 MOOSE RD  
ANCHORAGE AK 99516-2477

Parcel ID: 26035004  
ARYEH/KAY LEVENSON  
LEVENSON, ARYEH, L./KAY, L.  
11600 MOOSE RD  
ANCHORAGE AK 99516-2477

Parcel ID: 26040000  
JACK/TRACY ALLEN  
ALLEN, JACK, S./TRACY, S.  
P.O. BOX 1352  
SITKA AK 99835-1352

**P&Z Mailing**  
July 7, 2017



# CITY AND BOROUGH OF SITKA

PLANNING AND COMMUNITY DEVELOPMENT DEPARTMENT  
LAND MANAGEMENT APPLICATION FORM

1. Review guidelines and procedural information.
2. Fill form out completely. No request will be considered without a completed form.
3. Submit all supporting documents and proof of payment.

**APPLICATION FOR:**     TIDELAND                       LEASE  
     LAND                                       PURCHASE

**BRIEF DESCRIPTION OF REQUEST:** Renewal of Tideland lease  
No. ADL 02683 / City and Borough of Sitka Tideland  
lease ATS 1571

**PROPERTY INFORMATION:**

CURRENT ZONING: waterfront                      ARE YOU THE UPLAND PROPERTY OWNER? yes  
 CURRENT LAND USE(S): Marine Transportation                      PROPOSED LAND USES (if changing): \_\_\_\_\_

**APPLICANT INFORMATION:**

PROPERTY OWNER: Sawson Tug & Barge Co. Inc  
 PROPERTY OWNER ADDRESS: 329 Harbor Drive, Sitka, Alaska 99835  
 STREET ADDRESS OF PROPERTY: 5311 Halibut Pt. Road.  
 APPLICANT'S NAME: Sawson Tug & Barge Co., Inc.  
 MAILING ADDRESS: P.O. Box 559, Sitka, Alaska 99835  
 EMAIL ADDRESS: roslyn.dailey@sawsonug.com                      DAYTIME PHONE: 747-8559  
roycelawoffice@gmail.com

**PROPERTY LEGAL DESCRIPTION:**

TAX ID: \_\_\_\_\_ LOT: \_\_\_\_\_ BLOCK: \_\_\_\_\_ TRACT: \_\_\_\_\_  
 SUBDIVISION: \_\_\_\_\_ US SURVEY: \_\_\_\_\_

**OFFICE USE ONLY**

COMPLETED APPLICATION		SITE PLAN	
NARRATIVE		CURRENT PLAT	
FEE		OWNERSHIP	



**REQUIRED SUPPLEMENTAL INFORMATION:**

- Completed application form
- Narrative
- Site Plan showing all existing and proposed structures with dimensions and location of utilities
- Proof of filing fee payment \$300.00
- Proof of ownership (If claiming upland preference) See Property Tax Statement.
- Copy of current plat

**CERTIFICATION:**

I hereby certify that I desire a planning action in conformance with Sitka General Code and hereby state that all of the above statements are true. I certify that this application meets SCG requirements to the best of my knowledge, belief, and professional ability. I acknowledge that payment of the review fee is non-refundable, is to cover costs associated with the processing of this application, and does not ensure approval of the request. I understand that public notice will be mailed to neighboring property owners and published in the Daily Sitka Sentinel. I further authorize municipal staff to access the property to conduct site visits as necessary.

  
Applicant

6-19-17  
Date

Narrative re: renewal of tidelands lease.

Samson Tug & Barge Co. Inc. is Lessee and the City & Borough of Sitka is Lessor under a 55-year tidelands lease entered in 1962 which will expire August 13, 2017 (attached as Exhibit A).<sup>1</sup> Samson Tug & Barge Co. Inc. is also owner of uplands adjacent to the leased tidelands and operates a commercial port which includes a floating dock, ramps, utilities, and other facilities at the site. Samson has leased a portion of its uplands to Delta Western which has located a fuel tank farm and truck rack on this site with fuel supplied from barges over Samson's floating dock. The Delta Western lease is for a term of 30 years expiring April 30, 2042, followed by six (6) options to renew for periods of five (5) year renewal terms. Should Delta Western exercise all options to renew it would have the right to occupy the leased uplands until April 30, 2072. The Delta Western lease provides that the six options to renew are automatically deemed exercised unless Delta Western gives notice in writing that it does not wish to exercise its right to renewal.

Samson's tidelands lease provides it may be renewed on expiration (August 13, 2017). The renewal terms (clauses 22 and 23 of the tidelands lease) provide that Samson may exercise its right to renew by written notice directed to Lessor "within 30 days before the expiration of the lease". While a literal interpretation of this clause may require Samson to direct its written notice after July 12, 2017 and before August 13, 2017, Samson is giving written notice to Lessor in this application for renewal and will give an additional notice in writing "within 30 days before the expiration of the lease" to satisfy any technical requirements.

Samson has invested substantial sums in improvements of the leased tidelands and adjacent uplands which are essential for its marine transportation business. Delta Western has likewise invested substantial sums in improvements related to its tank farm and fuel operations. The original tidelands lease is silent on the term of renewal which suggests that a true renewal would be just that: renewal of the 55-year lease for an additional term of 55 years.

The present municipal code Section 18.16.210 B states that the term of certain tidelands leases shall be thirty years "unless otherwise determined by the assembly". Samson proposes that the parties agree on a term of fifty-five (55) years for this renewal of its tidelands lease. This would provide a tidelands lease which will expire on August 13, 2072, some three months after the last Delta Western renewal term.

The annual lease payments per the same ordinance are set at 4.5% of a price normally established at auction. In the present circumstance of renewal pursuant to rights contained in the original tidelands lease the Lessee proposes to work with the Lessor to negotiate in good faith the price which is to be used in calculating annual lease payments.

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<sup>1</sup> The original Lessor was Alaska Division of Lands and the original Lessee was Alaska Lumber & Pulp. Co. Samson as Lessee and the City as Lessor have obtained their respective status through assignment of the original lease.

**William G. Royce**  
**Attorney at Law**

310 K Street  
Suite 200  
Anchorage, Alaska 99501

Telephone: (907) 495-1000  
Facsimile (907) 278-0877  
roycelawoffice@gmail.com

June 13, 2017

Mr. Brian Hanson  
Municipal Attorney  
City and Borough of Sitka  
100 Lincoln Street  
Sitka, Alaska 99835

Hand Delivered and E-mailed

Re: Samson Tug & Barge Tideland Lease

Dear Brian,

It was good to meet with you last Friday to briefly talk about Samson Tug's application to renew its tideland lease at old Sitka. As we discussed the existing lease was originally between the State of Alaska, Department of Natural Resources, Division of Lands as Lessor and Alaska Lumber & Pulp Co., Inc. as the original Lessee. I have gathered copies of the principal documents and attach the same as (A) through (E) below.

The original 55-year lease runs from August 13, 1962 through August 13, 2017. This lease (Exhibit A) provides Lessee with a right to renew at paragraphs 22 and 23. It appears that this right to renew may be exercised in writing any time before 30 days before the lease expires. The clause discussing the right to renew references a Form DL-74 and provides that renewal must comply with various rules and regulations of the State of Alaska. The parties modified the provisions for setting rent in 1979 (Exhibit B).

The City and Borough of Sitka first came into the chain of title on this leased parcel in 1982 when Alaska Lumber & Pulp assigned its Lessee's rights to the City (Exhibit C). Sitka subsequently assigned its Lessee's rights to Samson Tug & Barge in 1994 (Exhibit D). Finally, in 1997 the State of Alaska gave notice that it had transferred its Lessor's rights to the City and Borough of Sitka (Exhibit E).

Accordingly, under the original lease the City and Borough of Sitka (Lessor through assignment) and Samson Tug (Lessee through assignment) each have obligations and rights. Samson has a right to renew its lease, however some of the State of Alaska procedures may no longer apply as the State of Alaska has transferred its Lessor's rights to the City and Borough of Sitka.



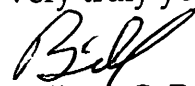
The City has a separate procedure for lease of tidelands which does not appear to contemplate the present situation where an existing lease has specific renewal rights and obligations.

One related issue is that Samson Tug has leased a portion of its owned upland (adjacent to the leased tidelands) to Delta Western which has constructed and now operates a fuel tank farm on that site. The Delta Western lease is dependent on the continuation of the Samson Tug tidelands lease as Delta Western's operation and its lease from Samson Tug requires access to Samson's port facilities and piping operating on or over leased tidelands to receive its fuel from barges. The Delta Western lease was entered in 2013 and runs for an initial term of 30 years followed by six 5-year renewal options, which are deemed automatically exercised unless Delta Western gives advance notice that it desires to terminate. . I have previously provided you with the provisions of the Delta Western lease which concern term of lease and renewals and attach those provisions again here as Exhibit F.

Samson Tug's existing tideland lease runs until August 13, 2017. Samson requests a 55-year renewal of its lease which would extend the term to August 13, 2072. This term allows Delta Western to utilize its full lease term and extensions which would expire April 30, 2072. As I shared in our meeting Samson Tug wants to make the renewal process as simple and fair as possible. The existing lease contemplates that the Lessee exercise the renewal right by simply giving timely notice and depositing 50% of the current annual rental ("not to exceed the sum of \$50.00"). There is a rent adjustment process set out in Exhibit B which can occur at 25 years and 10 year intervals. I recently checked with the Alaska Division of Lands and have confirmed that it presently processes renewals with a maximum term of 55 years. See the present State Application form (Exhibit G).

To get the renewal process started Samson Tug is submitting, together with this letter, a completed City and Borough of Sitka Land Management Application Form. Samson Tug proposes that it work with the City and Borough of Sitka to determine the value of the parcel as the tideland lease is renewed. That value, once agreed, can be used to develop the rental in accordance with the Code provisions. The Code provides that normal terms are to 30-years but that the Assembly may adopt a different term. Samson Tug requests that the term be 55 years for the reasons discussed above. Samson's Sitka management is ready to exchange information and work with the City to promptly develop a fair and reasonable value for the parcel. I am happy to discuss any of the unusual features of this notice of renewal and modifications to help make the process more closely fit the needs of both the Lessor and Lessee.

Very truly yours



William G. Royce



**CITY AND BOROUGH OF SITKA  
PROPERTY TAX STATEMENT**

**TAX YEAR:  
January 1 to December 31, 2016**

REMIT TO:  
CITY & BOROUGH OF SITKA  
100 LINCOLN STREET  
SITKA, AK 99835-7594  
BILLING QUESTIONS: 907-747-1853  
PAYMENT QUESTIONS: 907-747-1818  
ASSESSMENT QUESTIONS: 747-1822

**ACCOUNT NUMBER:**  
2-6025-000-000-0000

SAMSON TUG & BARGE CO.  
P.O. BOX 559  
SITKA, AK 99835-0559

MAILING DATE: 07/01/2016

MILLAGE RATE: 6.00 MILLS

Note: Taxes are \$6 per thousand based on assessed valuation.

SURVEY	SUBDIVISION	LOT	BLOCK	ADDRESS/LOCATION
3670	USS 3670	PT5		5309 HALIBUT POINT
CURRENT YEAR ASSESSED VALUE				NET TAX FOR 2016
CLASSIFICATION		AMOUNT		
LAND		670,500		10,023.00
IMPROVEMNT		1,000,000		
TOTAL		1,670,500		
DELINQUENCIES				
YEAR	AMOUNT	PENALTY & INT	TOTAL	
2015	.00	.00	.00	
2014	.00	.00	.00	

Progressive Penalty:  
1st month delinquent = 3%  
2nd month delinquent = 7%  
3rd month delinquent = 5%  
12% Interest per annum

**THIS TAX MUST BE PAID (OR POSTMARKED)  
BY 4:45 PM WEDNESDAY, AUGUST 31, 2016  
OR A PROGRESSIVE PENALTY WILL BE  
IMPOSED.**

**TOTAL DUE: \$ 10,023.00**

\_\_\_\_\_  
Date

\_\_\_\_\_  
Amount Paid

PLEASE KEEP ABOVE PORTION FOR YOUR RECORDS - RETURN BOTTOM PORTION WITH PAYMENT

REMIT TO:  
CITY & BOROUGH OF SITKA  
100 LINCOLN STREET  
SITKA, AK 99835-7594  
PHONE: 907-747-1818

NAME AND ADDRESS (please note any change)

SAMSON TUG & BARGE CO.  
P.O. BOX 559  
SITKA, AK 99835-0559

**Due Date: AUGUST 31, 2016**  
**2016 REAL PROPERTY TAX BILLING**

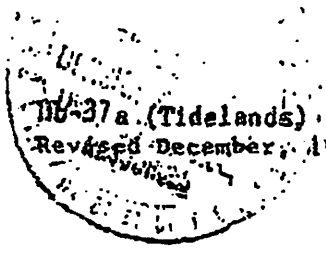
Address/Location	5309 HALIBUT POINT
Bill Number:	201602888
Account Number:	2-6025-000-000-0000
<b>TOTAL TAX DUE:</b>	<b>\$ 10,023.00</b>
Amount Remitted:*	

\*FAILURE TO PAY FULL AMOUNT BY DUE DATE WILL RESULT IN PENALTIES.

## Documents

- A. Original Tidelands Lease DNR/AL&P 13 August 1962- 13 August 2017
- B. Amendment - Converts to 25 year term for purpose of rental re-evaluation.  
All other terms unchanged
- C. Assignment of Leasee's interest from AL&P to City & Borough of Sitka. January 22, 1982  
Note: error on stated expiration date of *January 22, 2017*
- D. Assignment of Lease City & Borough of Sitka to Samson Tug Feb. 17, 1994  
Note: has correct expiration date of August 13, 2017
- E. Assignment of Lessor's interest from DNR to City & Borough of Sitka Aug 20, 1997
- F. Portion of Delta Western Lease
- G. State of Alaska present land application form.





STATE OF ALASKA  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF LANDS  
344 Sixth Avenue  
Anchorage, Alaska

Lease No. ADL 02603

LEASE AGREEMENT

THIS INDENTURE made and entered into this 13th day of August 1962, by and between the STATE OF ALASKA, through the Director of the Division of Lands, with the consent and approval of the Commissioner of the Department of Natural Resources, acting for and on its behalf under and pursuant to Chapter 169, SLA 1959, as amended, and the regulations promulgated thereunder, as amended or hereafter amended, hereinafter referred to as the LESSOR; and Alaska Lumber and Pulp Co., Inc. of P.O. Box 1090, Sitka, Alaska, hereinafter referred to as the LESSEE:

WITNESSETH, that whereas the Lessor has classified the lands herein demised as: Commercial-Industrial lands on May 28 1962, pursuant to Chapter 169, SLA 1959, as amended; and

WHEREAS, the Lessor has caused the lands herein demised to be appraised and such appraisal was made and approved on or after May 28, 1962, 1962; and

WHEREAS, the Lessor has caused a notice of intent to lease the lands herein demised to be published as required by law or caused notices of intent to lease to be posted as required by law; and

WHEREAS, an auction of the within demised property was held at the time and place designated by notice and said sale was approved by the Director of the Division of Lands, Department of Natural Resources, State of Alaska:

NOW THEREFOR, the Lessor has agreed to let and does hereby let and demise to the Lessee, and the Lessee has agreed to take and does hereby take from the Lessor all that lot, piece, or parcel of land more particularly bounded and described, as follows:  
~~Commencing at N. C. of U.S. Survey 3670, common with Lot 4, 5, and 6 at Lat. 57°08' N., Long. 135°23' W., thence N. 41°47' W., a distance of 178.74 ft. to a point on the mean high tide line thence along the mean high tide line N. 79°17' E., 53.89 ft. to Cor. No. 1 of ADS 35 and the actual point of beginning, thence by notes and boundaries: N. 36°57'30" E., 39.01 ft. to Cor. No. 2, N. 32°07'20" E., 299.30 ft. to Cor. No. 3, N. 52°52'50" E., 173.74 ft. to Cor. No. 4, S. 63°07'33" E., 442.39 ft. to Cor. No. 5, S. 300 ft. to Cor. No. 6, N. 68°45'34" W., 242.12 ft. to Cor. No. 7, N. 56°34'02" W., 208.14 ft. to Cor. No. 8, S. 28°39'14" W., 119.80 ft. to Cor. No. 9, N. 85°21'45" W., 218.92 ft. to Cor. No. 10, S. 75°17' W., 0.08 ft. to Cor. No. 1, the actual point of beginning. Containing 4.52 acres more or less.~~

A-1

to have and to use the said demised premises for term of Fifty-five  
( 55 ) years commencing on the 13th day of August, 19 62 and ending  
at 12 o'clock midnight on the 13th day of August, 2017, unless  
sooner terminated as hereinafter provided.

The Lessee shall pay to the Lessor rental as follows: Equal Annual  
payments, in advance, on or before the 13th day of August of every  
year during said term at the rate of Four Hundred and 00/100  
~~-----~~ Dollars (\$400.00~~-----~~) per year, such payments to  
be subject to adjustment at each five year interval from the effective date hereof, if the  
lease term hereof exceeds five years, such adjustment to be based primarily upon a reappraisal  
annual rental value of land in a state of improvement similar to that of the land described  
herein at the time this lease was entered into.

It is hereby mutually covenanted and agreed that this indenture is made upon the  
foregoing, and upon the following agreements, conditions, covenants, and terms, VIZ:

1. The word "Lessor" as and wherever used in the lease, shall be construed to include, and shall include, bind and inure to the benefit of, the State of Alaska, its successor and assigns, at any time during the term of this lease or any renewal thereof; and the word "Lessee" as and wherever used in this lease shall be construed to include and shall include and bind and inure to the benefit of the Lessee, his successors and assigns.
2. It shall be the responsibility of the Lessee to properly locate himself and his improvements within the confines of the property leased herein.
3. The Lessor, Alaska, hereby expressly saves, excepts and reserves out of the grant hereby made unto itself, its lessees, successors, and assigns forever, all oils, gases, coal, ores, minerals, fissionable materials, and fossils of every name, kind or description, and which may be in or upon said lands above described, or any part thereof, and the right to explore the same for such oils, gases, coal, ores, minerals, fissionable materials, and fossils, and it also hereby expressly saves and reserves out of the grant hereby made, unto itself, its lessees, successors, and assigns forever, the right to enter by itself, its or their agents, attorneys, and servants upon said lands, or any part or parts thereof, at any and all times, for the purpose of opening, developing, drilling and working mines or wells on these or other lands and taking out and removing therefrom all such oils, gases, coal, ores, minerals, fissionable materials and fossils, and to that end it further expressly reserves out of the grant hereby made, unto itself, its lessees, successors, and assigns forever, the right by its or their agents, servants and attorneys at any and all times to erect, construct, maintain, and use all such buildings, machinery, roads, pipelines, powerlines, and railroads, sink such shafts, drill such wells, remove such soil, and to remain on said lands or any part thereof for the foregoing purposes and to occupy as much of said lands as may be necessary or convenient for such purposes hereby expressly reserving to itself, its lessees, successors, and assigns, as aforesaid, generally all rights and power in, to and over said land, whether herein expressed or not, reasonably necessary or convenient to render beneficial and efficient the complete enjoyment of the property and rights hereby expressly reserved.

Provided, however, no rights shall be exercised by Alaska, its lessees, successors or assigns, until provision has been made by Alaska, its lessees, successors or assigns, to pay to the owner of the land, upon which the rights herein reserved to Alaska, its lessees, successors, or assigns are sought to be exercised, full payment for all damages sustained by said owner, by reason of entering upon said land; provided, that if said owner for any cause whatever refuses or neglects to settle said damages, Alaska, its lessees, successors or assigns or any applicant for a lease or contract from Alaska for

valuable minerals, or option contract or lease for mining coal or lease for extracting petroleum or natural gas, shall have the right, after posting a surety bond with the Director in a company qualified to do business in Alaska or in a form as determined by the Director, after due notice and opportunity to be heard, to be sufficient in amount and security to secure the said owner full payment for all such damages, to enter upon the land in the exercise of said reserved rights, and shall have the right to institute such legal proceedings in a court of competent jurisdiction where the land is situated, as may be necessary to determine the damages which the surface lessor of such lands may suffer.

4. The lands leased herein have been classified as shown on page 1 of this agreement and in accordance with the Classification Regulations, Title II, Division I, Chapter I, Subchapter I, and any use thereof which shall be in material conflict with said classification shall, if not remedied after due notice thereof has been served on the Lessee, constitute a breach of this lease and the Lessor may thereupon terminate same in accordance with provisions herein contained. The Lessor does not warrant that by such classification the land is ideally suited for the use authorized thereunder and the Lessor gives no guaranty, actual or implied, that the utilization under said classification will be profitable.

5. All coal, oil, gas and other minerals and all deposits of stone or gravel valuable for extraction and utilization and all materials subject to Title II, Division I, Chapters Four (4), Five (5) and Six (6), Alaska Administrative Code, as amended or as shall hereafter be amended are excepted from the operation of this lease. Viz: The Lessee shall not sell or remove for use elsewhere any timber, stone, gravel, peatmoss, or any other material valuable for building or commercial purposes; provided, however, that material required in the enjoyment of this lease may be used after a written permit therefor has been obtained from the Lessor.

6. The Lessor expressly reserves the right to grant easements or rights-of-way across the land herein leased if it is determined to be in the best interests of the State to do so; provided, however, that the Lessee shall be entitled to compensation for all improvements or crops which are damaged or destroyed as a direct result of such easement or right-of-way.

7. The Lessee shall not commit waste or injury upon the lands leased herein. Any violation of this agreement shall not only subject the offender to civil liability, but upon conviction thereof he may be fined in any sum not exceeding \$1000.00.

8. If the lands leased herein are classified and leased as grazing or agricultural lands the Lessee shall not prevent or deny the lawful pursuit or the hunting of game or the taking of fish; provided, however, the Director, upon request in writing, may allow the lands leased herein, or portions thereof, to be posted to prohibit hunting and fishing when it appears necessary in order to properly protect the Lessee and his property.

9. Should the lands herein leased lie within the jurisdiction of any authorized building or zoning authority they shall be utilized in accordance with the rules and regulations promulgated by said authority.

10. The Lessee shall take all reasonable precaution to prevent, and take all reasonable action to suppress grass, brush and forest fires on the land herein leased.

11. The Lessee shall allow the Lessor, through its duly authorized representative, to enter upon the leased premises, at any reasonable time, for the purpose of an inspection thereof.



... shall not construct any form of hydraulic project or employ any equipment or engage in any activity which will use, divert, obstruct, pollute or change the natural flow or bed of any river, lake or stream or that will utilize any of the waters of the State or materials from any river, lake or stream beds, the Lessee shall, prior to the commencement of any such operations, procure the approval of the Commissioner of the Department of Fish and Game and the original or an enlarged copy thereof shall be filed with the Lessor prior to the commencement of such activity.

13. The Lessee may assign the lands, or portion thereof, herein demised, provided, he first makes application to the Lessor for a permit and the Lessor, in his discretion, may issue such permit if he finds it to be in the best interest of Alaska. Upon an assignment being granted, the assignee thereunder shall become subject to and be governed by the provisions of this lease in the same manner as though he were the original Lessee.

14. This lease may not be modified orally or in any manner other than by an agreement in writing signed by all parties hereto or their respective successors in interest.

15. This lease may be cancelled, in whole or in part, under one or more of the following conditions:

- A. while in good standing by the mutual agreement in writing of the respective parties hereto.
- B. If issued in error with respect to material facts.
- C. If the leased premises are being used for an unlawful purpose.

16. If the Lessee should default in the performance of any of the terms, covenants or stipulations herein contained or of the regulations promulgated pursuant to Chapter 169, SLA 1959, as amended, and said default shall not be remedied within 30 days after written notice of such default has been served upon the Lessee by the Lessor, the Lessee shall be subjected to such legal action as the Lessor shall deem appropriate including but not limited to, the forfeiture of this lease. No improvements may be removed by the Lessee during any period in which this lease is in default. In the event that this lease shall be terminated because of a breach of any of the terms, covenants, or stipulations contained herein the annual rental payment last made by the Lessee shall be retained by the Lessor as liquidated damages.

17. Any notice or demand which must be given or made by the parties hereto shall be in writing, and shall be complete by sending such notice or demand by United States registered or certified mail to the address shown on the lease or to such other address as the parties shall designate in writing from time to time. A copy of any such notice shall be forwarded by the Lessor to any lienholder who has properly recorded his interest in the lease with the Lessor.

18. In the event that this lease is terminated as herein provided, by summary proceedings or otherwise, or in the event that the demised lands, or any part thereof, should be abandoned by the Lessee during the term of this lease, the Lessor may immediately, or at any time thereafter, enter or re-enter and take possession of said lands, or any part thereof, and without liability for any damage therefor, remove all persons and property therefrom either by summary proceedings or by a suitable action or proceeding at law; provided, however, that the words "entry" and "re-entry" as used herein, are not restricted to their technical legal meaning. Any entry or re-entry, possession, repossession,

dispossess, and/or disposition by the Lessor, whether had or taken by summary proceedings, or otherwise, shall not be deemed to absolve, relieve, release or discharge the Lessee, either in whole or in part, from any liability hereunder.

19. Upon the expiration, termination or cancellation of this lease, unless the same has been renewed, the Lessee shall quietly and peaceably leave, surrender, and yield up unto the Lessor all of the leased land on the last day of the term of the lease.

20. The receipt of rent by the Lessor, with or without knowledge of any breach of the lease by the Lessee or of any default on the part of the Lessee in observance or performance of any of the conditions or covenants of this lease, shall not be deemed to be a waiver of any provision of this lease. No failure on the part of the Lessor to enforce any covenant or provision herein contained, nor any waiver of any right hereunder by the Lessor, unless in writing, shall discharge or invalidate such terms or covenants or affect the right of the Lessor to enforce the same in the event of any subsequent breach or default. The receipt by the Lessor of rent or any other sum of money or the termination, in any manner, of the term therein demised, or after giving by the Lessor of any notice hereunder to affect such termination, shall not reinstate, continue, or extend the resultant term herein demised, or destroy, or in any manner impair the efficacy of any such notice of termination as may have been given hereunder by the Lessor to the Lessee prior to the receipt of any such sum of money or other consideration, unless expressed in writing and signed by the Lessor.

21. The Lessee, after written request therefor has been filed with the Lessor and prior to the commencement of such work, may receive credit toward current or future rentals, provided the contemplated work, to be accomplished on or off the area leased herein, in the discretion of the Lessor, shall result in increased valuation to other State owned lands. The Lessor's authorization to proceed with the work for rental credit, if granted, shall stipulate the type and extent of improvements, standards of construction to be followed and the maximum allowable rental credit therefor; provided further that no rental credit shall inure to the Lessee until the work has been completed and the Lessor has inspected same to determine compliance with the provisions of said authorization.

22. If, upon the expiration of this lease, the Lessee desires a renewal lease on the lands, properties or interests covered herein, he shall within 30 days before the expiration of this lease, make application to the Lessor on Form DL-74 entitled "Application for Renewal of Lease," in which he must certify under oath as to the character and value of all the improvements existing upon the land, the purpose for which he desires a renewal and such other information as the Director of the Division of Lands may require. Along with the application the applicant shall deposit a sum equal to 50% of the current annual rental, as provided herein, but in no event to exceed the sum of \$50.00. The Lessor may thereupon lease said lands in compliance with the provisions herein enumerated, Chapter 169, SLA 1959, as amended, and the rules and regulations promulgated thereunder, allowing a preference right to the Lessee herein.

23. The Lessee hereunder shall, upon the expiration of this lease or the prior termination thereof by mutual agreement, be allowed a preference right to re-lease the lands leased herein if all other pertinent factors are substantially equivalent. If the renewal lease does not require public auction the preference right holder shall exercise his right within 30 days before the expiration of this lease by written notice directed to the Lessor and failure to do so shall result in forfeiture and cancellation of such preference right. In the event that the lease is subject to and is offered at public auction the preference right holder shall, at the close of bidding, indicate his desire to exercise his preference right and meet the highest bid. In the event the preference right holder does not elect to exercise his right and fails to do so at this time his preference right shall be forfeited and forever lost.

the termination of the lease by a Lessee on Alaska land shall within 60 days after or damage to the lands; and further provided, that the lessor may extend the time for removing such improvements in cases where hardship is proven. The retiring Lessee or permittee may, with the consent of the lessor, sell his improvements to the succeeding Lessee or permittee.

If any improvements and/or chattels having an appraised value in excess of \$10,000.00 as determined by the lessor are not removed within the time allowed, such improvements and/or chattels shall upon due notice to the Lessee, be sold at public sale under the direction of the lessor. The proceeds of sale shall inure to the Lessee who placed such improvements and/or chattels on the lands after paying to Alaska all taxes due and owing and expenses incurred in making such sale. In case there are no other bidders at any such sale, the lessor is authorized to bid, in the name of Alaska, on said lands belong and the said fund shall receive all monies or other value subsequently derived from the sale or leasing of such improvements and/or chattels. Alaska shall acquire all the rights, both legal and equitable, that any other purchaser could acquire by reason of said purchase.

If any improvements and/or chattels having an appraised value of \$10,000.00 or less, as determined by the lessor, are not removed within the time allowed, such improvements and/or chattels shall revert to and absolute title shall vest in Alaska.

25. If any clause, or provision, herein contained, shall be adjudged to be invalid, it shall not affect the validity of any other clause or provision, of this lease or constitute any cause of action in favor of either party as against the other.

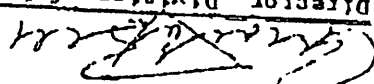
**HEIRING SPAWN COVENANT:**

This lease is issued subject to Section 2, Chapter 34, SIA 1959, as thereafter amended.

It is agreed that the covenants, terms and agreements herein contained shall be binding upon the successors and assigns of the respective parties hereto.

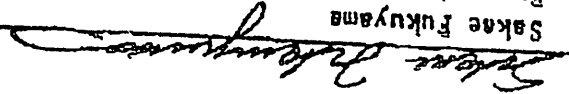
IN WITNESS WHEREOF, the State of Alaska, Lessor, acting through the Director of the Division of Lands of the Department of Natural Resources, lawfully authorized thereunto, has caused these presents to be executed at Anchorage, Alaska, in duplicate and the said Lessee has hereunto set his hand, agreeing to keep, observe and perform the rules and regulations promulgated under Chapter 169, SIA 1959, as amended, the terms, conditions and provisions herein contained, on the Lessee's part to be kept, observed and performed; and executed said instrument, in duplicate on the 5th day of September, 1962.

APPROVED:

  
Director, Division of Lands

COMMISSIONER, DEPARTMENT OF NATURAL RESOURCES  
STATE OF ALASKA

ALASKA LUMBER & PULP CO., INC.  
LESSOR(S)

  
Sakae Fukuyama  
Executive Vice President



UNITED STATES OF AMERICA )  
State of Alaska ) ss.

THIS IS TO CERTIFY that on the 24th day of September, 1962, before me, the undersigned Notary Public, personally appeared Roscoe E. Bell known to me and known by me to be the Director of the Division of Lands of the Department of Natural Resources, and acknowledged to me that he executed the foregoing lease for and on behalf of said State, freely and voluntarily and for the use and purposes therein set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

Dale F. Owen  
Notary Public in and for the State of Alaska  
My commission expires Feb. 27-65

UNITED STATES OF AMERICA )  
State of Alaska ) ss.

THIS IS TO CERTIFY that on this 13th day of September, 1962, before me, the undersigned, a Notary Public in and for Alaska duly commissioned and sworn, personally appeared Mr. Sakae Fukuyama personally known to be one of the persons described in and who executed the within instrument and the said Sakae Fukuyama acknowledged to me that he signed and executed the same freely and voluntarily for the uses and purposes therein mentioned.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

Margaret McCollon  
Notary Public in and for the State of Alaska  
My commissioner expires February 24, 1965

RETURNED  
STATE OF ALASKA  
DEPT OF NATURAL RESOURCES  
POB 107005  
Anchorage AL 99510-7005

Approved as to Form:

Ralph E. Moody  
Attorney General

By Richard A. Bradley  
Title Assistant Attorney General

95-693

cc	N/C
<u>Sikka</u>	REC. DIST.
DATE <u>4-17</u>	<u>19-65</u>
TIME <u>10:50</u>	<u>A.M.</u>
Requested By <u>AS/DNR</u>	
Address	

Certified to be  
a True Copy  
Christine Madra  
P/22/94

1 - 7

Alaska Tax Division of Land, SERO  
400 W. 14th Ave. Suite 400  
Anchorage, AK 99501

STATE OF ALASKA  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF FOREST, LAND AND WATER MANAGEMENT

BOOK/28 PAGE 855

AMENDMENT TO LEASE AGREEMENT

THIS AMENDMENT to that certain 55-year lease issued on August 13, 1962  
and serialized ADL 02483 is executed and made effective as follows:

\*\*\*\*\*

The above referenced lease agreement is amended in accordance with Chapter 138 of the Session Laws of 1977, as amended by Chapter 182 of the Session Laws of 1978. The lease was filed with the Lessor a Request for Conversion of Lease on October 10, 1978. Under the provisions of these Acts the annual lease rental will be \$ 2,199.63, effective November 13, 1978 for a 25-year period starting with the effective date of this amendment. This rental is subject to adjustment at the expiration of the initial 25-year period, and at intervals of 10 years thereafter, in accordance with the procedures and limitations prescribed by statute.

A quarterly/annual rental payment of \$ 2,199.63 is due on or before August 13th of each lease year until reappraised in accordance with law.

All other terms and conditions of the above-referenced lease agreement are not affected by this amendment, and remain in full force and effect.

This amendment is hereby incorporated into and made a part of the above-referenced lease agreement as of the effective date of this amendment.

LESSEE:  
[Signature]  
J.A. Rynearson  
Senior Vice-President  
Alaska Lumber and Pulp Company, Inc.

LESSOR:  
[Signature]  
Chief, Land Management Section  
Division of Forest, Land and Water  
Management  
Alaska Division of Lands

Date: \_\_\_\_\_

Date: JAN 30 1979

APPROVED AS TO FORM:

[Signature]  
Assistant Attorney General  
Sept 14, 1978  
Date

283  
cc [Signature] NRC  
DATE 7-17 1978  
TIME 8:20 AM  
Requested by [Signature]  
Address \_\_\_\_\_

To be recorded with the State of Alaska  
Original Lease Book 114 . Page 836-840

J B

See Instructions on Back

STATE OF ALASKA DEPARTMENT OF NATURAL RESOURCES DIVISION OF FOREST, LAND & WATER MANAGEMENT

ASSIGNMENT OF LEASE

(I/we) Alaska Lumber and Pulp Company, Inc. mailing address of P.O. Box 10501 - Sitka, Alaska 99835

lands under that certain lease designated as Lease No. ADL 002 483 covering the following described property: description attached

Section Township Range Meridian (do) (does) hereby assign, for good and valuable consideration, all right, title and interest, and subject to all rents, covenants and conditions, in said lease to assignee City and Borough of Sitka

mailing address of P.O. Box 79 - Sitka, Alaska 99835 successors and assigns, for the unexpired term thereof commencing on January 22, 1982, and expiring on January 22, 2017

[Signature of J.A. Rynearson]

J.A. Rynearson ASSIGNOR(S) Senior Vice-President Alaska Lumber and Pulp Company, Inc.

STATE OF ALASKA First Judicial District

THIS IS TO CERTIFY that on this twenty-second day of January, 1982, before me appeared J.A. Rynearson to me known and known to me to be the person named in and who executed the assignment and acknowledged voluntarily signing the same.

[Signature of Notary] Notary Public in and for the State of Alaska My Commission expires: 1/26/83

The assignee(s), City & Borough of Sitka, Alaska herein expressly assumes the obligation to pay any and all prior, or delinquent taxes, liens of any nature, penalties, interest, or any other obligations charged against the lands described herein above as of the date of this assignment.

[Signature of Municipal Administrator] Municipal Administrator ASSIGNEE(S)

STATE OF ALASKA First Judicial District

THIS IS TO CERTIFY that on this 14th day of July, 1983, before me appeared FERMIN GUTIERREZ to me known and known to me to be the person named in and who executed the assignment and acknowledged voluntarily signing the same.

[Signature of Notary] Notary Public in and for the State of Alaska My Commission expires: 10-31-84

APPROVED: Robert A. Babe

Head, Contract Administration Division of Forest, Land and Water Management

2-11-88 Date

Certified to be a True Copy [Signature] 2/22/94

C

936-2354

BOOK 111 PAGE 49 7

For record  
Instructions

STATE OF ALASKA  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF LAND  
P.O. BOX 107005  
ANCHORAGE, ALASKA 99510-7005

ASSIGNMENT OF LEASE

For value received, I (We) city and Borough of Sitka mailing address of 104 IAK ST STE 104 Sitka Alaska 99834  
under that certain lease designated as AUL No. 2493 covering the following described property: Commencing at N.E. of H.S. Harvey 1470, corner with Lot 3, 4, and 5 at Lot. 27-08' N., Long. 155-33' W., thence N. 41-47' W., a distance of 578.74 ft. to a point on the mean high tide line thence along the mean high tide line N. 72-17' E., 53.07 ft. to Cor. No. 1 of B7S 75 and the actual point of beginning, thence by notes and bearings N. 34-37-30" E., 39.01 ft. to Cor. No. 2, N. 33-07-20" E., 199.30 ft. to Cor. No. 3 N. 51-52-59" E., 372.74 ft. to Cor. No. 4, S. 63-07-33" E., 647.39 ft. to Cor. No. 5, S. 300 ft. to Cor. No. 6, N. 62-43-34" W., 242.12 ft. to Cor. No. 7, N. 36-24-42" W., 208.14 ft. to Cor. No. 8, S. 28-28-15" W., 119.00 ft. to Cor. No. 9, S. 85-31-43" W., 710.22 ft. to Cor. No. 10, S. 72-17' W., 0.00 ft. to Cor. No. 1, the actual point of beginning. Containing 6.23 acres more or less. I hereby assign for good and valuable consideration, all right, title and interest, and subject to all covenants, conditions and conditions, in said lease to assignee Successors of Hansen Roy and Marie Co., Inc. mailing address of Box 599 SITKA, AK 99834 and assigns, for the unexpired term thereof, commencing on August 13, 1993, and expiring on August 13, 2017.

In WITNESS WHEREOF, the Assignor has hereunto set his hand and seal this 17th day of FEBRUARY 1994

[Signature]  
City and Borough of Sitka

STATE OF ALASKA  
1st Judicial District

ASSIGNOR(S)

THIS IS TO CERTIFY that on this 17th day of February, 1994, before me, personally appeared [Signature] and known to me (or proved to me on the basis of satisfactory evidence) to be the person named in and who executed the foregoing assignment and acknowledged voluntarily signing the same.

In WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year above written.

[Signature]  
Notary Public in and for the State of Alaska  
My Commission Expires 2/29/94

STATE BUSINESS NO CHARGE



BOOK 114 PAGE 945

BOOK 111 PAGE 50

ADL No. 2483

The assigner(s) Samson Toy and Barge Co., Inc. herein expressly assume(s) the obligation to pay any and all prior, or delinquent taxes, liens of any nature, penalties, interest, or any other obligations charged against the lands described herein above as of the date of this assignment.

[Signature]  
Samson Toy and Barge Co., Inc.

(ASSIGNEE(S))

STATE OF ALASKA  
Judicial District

THIS IS TO CERTIFY that on this 17th day of February, 1994, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, as such, personally appeared GEORGE BACCHI known to me and to me known (or proved to me on the basis of satisfactory evidence) to be the president of Samson Toy and Barge the corporation which executed the foregoing instrument, and he acknowledged to me that he executed the same for and on behalf of said corporation, and that he is fully authorized by said corporation so to do; and that the corporate seal affixed to said instrument is the corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year above written.

[Signature]  
Notary Public in and for the State of Alaska  
My Commission Expires: 8/29/96

APPROVED:

[Signature]  
Supervisor, Contract Administration  
DIVISION OF LAND

6-7-94

Date

94-2811

cc	<u>2/18</u>	<u>N/C</u>
	<u>2/23</u>	<u>1994</u>
DATE	<u>2/23</u>	<u>1994</u>
TIME	<u>2:49</u>	<u>P.M.</u>
transmitted by	<u>AS/DAK</u>	
Address	_____	

RETURN TO:  
STATE OF ALASKA  
DEPT OF NATURAL RESOURCES  
DIV OF LAND - CONTRACT ADMIN  
P.O. BOX 107005  
ANCHORAGE AK 99510-7005

D.2

⑤ pag to Roolyn  
@ 7-5370 fax

ATS 35  
TONY KNOWLES, GOVERNOR

**DEPARTMENT OF NATURAL RESOURCES**

August 20, 1997

SOUTHEAST REGIONAL OFFICE  
DIVISION OF LAND

400 WILLOUGHBY AVENUE, SUITE 400  
JUNEAU, ALASKA 99801  
PHONE: (907) 465-3400  
FAX: (907) 586-2954

Samson Tug and Barge Co., Inc.  
P.O. Box 559  
Sitka, AK 99835

ADL 2483

Re.: Transfer of Tideland Lease ~~ADL 2483~~ to the City and Borough of Sitka


Dear Lessee:

This is to inform you that the above identified tideland lease has been transferred to the City and Borough of Sitka. This makes the City and Borough of Sitka your new landlord and all responsibilities and obligations for your lease are now due to the City and Borough of Sitka.

You will no longer receive a State courtesy billing notice and timeliness of payment will have to be observed by you. We thank you for your business with the State of Alaska and wish you a successful partnership with the new landowner.

Sincerely,

Andrew W. Pekovich,  
Southeast Regional Manager

by:   
Elizaveta H.C. Shadura  
Natural Resource Manager

cc: City and Borough of Sitka

E

JUL 114 PAGE 946



United States of America  
State of Alaska

THIS IS TO CERTIFY that the foregoing is a true and correct copy of the document as it appears in the records and files of my office.

IN THE WITNESS WHEREOF, I have hereunto set my hand and have affixed my official seal of Alaska, Alaska, this 17th day of April, 1995.  
District Recorder: *[Signature]*  
By: \_\_\_\_\_

95-695

cc	<i>MLC</i>
<i>Sitka</i>	REC. DIST.
DATE <i>4-17</i>	19 <i>95</i>
TIME <i>11:05</i>	<i>A</i> M
Requested By <i>ASJONR</i>	
Address _____	

F-1  
r 1

**Samson Tug & Barge Co., Inc.  
and  
Delta Western, Inc.**

**Ground Lease**

**February 15, 2013**



## GROUND LEASE

This Ground Lease is made and executed on February 15, 2013, by and between Samson Tug and Barge Co., Inc., an Alaska Corporation, whose address for all purposes herein is P.O. Box 559, Sitka, Alaska 99835 (Lessor) and Delta Western Inc. (a Washington Corporation registered to do business in Alaska), whose address for all purposes herein is 420 L Street, Ste. 101 Anchorage, AK 99501, (Lessee).

Whereas Lessee wishes to construct and operate a tank farm, truck rack, and fueling depot at the port in Sitka, Alaska; and

Whereas Lessor owns a parcel located at the Port ("Premises") which may be suitable for Lessee's needs; and

Whereas Lessee wishes to lease the Premises from Lessor, and Lessor wishes to lease the Premises to Lessee and to enter into such other agreements as are necessary for the operation of Lessee's tank farm and fueling depot; now, therefore, the Parties agree as follows:

### SECTION ONE: DEMISE, DESCRIPTION, AND USE OF PREMISES

Lessor covenants that Lessor is seized of the demised Premises and has full right to make and enter into this Ground Lease and that the Lessee shall have quiet and peaceable possession of the Premises during the term of this Ground Lease.

Lessor leases to Lessee and Lessee leases from Lessor, for the purpose of conducting the business operations of bulk fuel storage and distribution, and general purposes as more fully described in Section Six below, and for no other purposes, the Premises situated at Lessor's port located near Sitka, Alaska, containing 30,000 square feet, and which are more particularly described in Exhibit A hereto. Subject to the contingencies set forth in Section 5, Lessee has inspected the Premises and accepts the same in its present condition.

### SECTION TWO: TERM

The Initial Term of this Ground Lease shall be for thirty (30) years, commencing on March 1, 2013, and ending on April 30, 2042. As used in this Ground Lease, the expression "term of this lease agreement" refers to the Initial Term and to any renewal of this Ground Lease as provided below.

This Ground Lease and all rights and obligations hereunder are dependent upon the renewal and extension of a lease of adjacent tidelands where Lessor has established a port for its marine operations. The relevant tidelands lease is recorded at Book 114 Page 93, in the records of the Sitka Recording District, First Judicial District, State of Alaska. Lessor has acquired all of original lessee's right there under by assignment. This tidelands lease was for an initial fifty-five (55) year term to expire August 13, 2017. Lessor herein intends to obtain an extension of said tidelands lease as provided therein. In the event

Lessor is unable to obtain an extension of said tidelands lease, this Ground Lease shall terminate when the tidelands lease expires and Lessee herein shall perform all acts required herein on termination including restoration of the premises.

Notwithstanding the above, Lessee may elect to terminate this Ground Lease without penalty at any time during the Initial Tenancy by providing Lessor years/months advance notice of termination, if Lessee determines, in its sole discretion, that the operation of its business at the Premises no longer is economically advantageous. In the event of exercising such option, Lessee shall pay rent through the effective date of early termination and shall return the Premises to Lessor consistent with its redelivery obligations set forth herein.

### SECTION THREE: OPTION TO RENEW

In addition to the Initial Term, Lessee is hereby granted the right to extend the Term of this Ground Lease for six (6) separate, consecutive and additional extension terms ("Extension Tenn(s)"), each for a period of five (years) years. Unless Lessee shall notify Lessor in writing, not less than one hundred eighty (180) days prior to the expiration of the Initial Tenn or any Extension Tenn then in effect, of its intention to terminate this Ground Lease effective as of the end of the Initial Tenn or Extension Term then in effect, Lessee shall be deemed to have exercised its option to renew this Ground Lease for the next ensuing Extension Tenn and Lessee shall not be required to give any notice of its intention to avail itself of such Extension Tenn. Such Extension Terms shall be on the same terms and conditions as set forth in this Ground Lease, except as to the amount of Rent and the length of term and number of extensions, and except that Tenant may terminate any Extension Term by giving Lessor one hundred eighty (180) days written notice.

### SECTION FOUR: RENT

**STATE OF ALASKA DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF MINING, LAND AND WATER**

- |   |  |   |  |
|---|--|---|--|
| <input type="checkbox"/> <b>Land Sales and Contract Administration</b><br>550 W 7th Ave., Suite 640<br>Anchorage, AK 99501-3576<br>(907) 269-8594 | <input type="checkbox"/> <b>Northern Region</b><br>3700 Airport Way<br>Fairbanks, AK 99709<br>(907) 451-2740 | <input type="checkbox"/> <b>Southcentral Region</b><br>550 W 7th Ave., Suite 900C<br>Anchorage, AK 99501-3577<br>(907) 269-8552 | <input type="checkbox"/> <b>Southeast Region</b><br>400 Willoughby, #400<br>P.O. Box 111020<br>Juneau, AK 99811-1021<br>(907) 465-3400 |
|---|--|---|--|

**APPLICATION FOR PURCHASE OR LEASE OF STATE LAND**

Date \_\_\_\_\_ ADL # (assigned by DNR) \_\_\_\_\_

Applicant's Name \_\_\_\_\_ Doing business as: \_\_\_\_\_

Mailing Address \_\_\_\_\_

City/State/Zip \_\_\_\_\_ E-Mail \_\_\_\_\_

Message Phone ( ) \_\_\_\_\_ Work Phone ( ) \_\_\_\_\_ Date of Birth \_\_\_\_\_

Is applicant a corporation qualified to do business in Alaska?  yes  no. Is the corporation in good standing with the State of Alaska, Dept. of Commerce and Economic Development?  yes  no.

Is applicant 18 years or older?  yes  no. Are you applying for a  lease or  sale?

What kind of lease or sale are you applying for?  Tideland;  Public/Charitable Use;  Grazing;  Millsite;  
 Negotiated;  Competitive;  Non-Competitive;  Preference Right.

If a lease, how many years are you applying for? \_\_\_\_\_ years. (55 years Max.)

Legal Description: Lot(s) \_\_\_\_\_ Block/Tract # \_\_\_\_\_ Survey/Subdivision \_\_\_\_\_

Other: \_\_\_\_\_

Meridian \_\_\_\_\_ Township \_\_\_\_\_, Range \_\_\_\_\_, Section(s) \_\_\_\_\_ Acres \_\_\_\_\_

Municipality \_\_\_\_\_ LORAN Reading (optional) \_\_\_\_\_

Geographic Location: \_\_\_\_\_

What is the proposed use of and activity on the state land? \_\_\_\_\_

Are there any improvements on the land now?  yes  no. If yes, who owns the improvements, and what is the estimated value? \_\_\_\_\_

If yes, describe any existing improvements on the land. \_\_\_\_\_

Are there any improvements or construction planned?  yes  no. If yes, describe them and their estimated value. \_\_\_\_\_

State the proposed construction date: \_\_\_\_\_; estimated completion date\*: \_\_\_\_\_

Name and address of adjacent land owners and, if you are applying for tidelands, the name and address of the adjacent upland owners: \_\_\_\_\_

Are you currently in default on, or in violation of, any purchase contract, lease, permit or other authorization issued by the department under 11 AAC?  yes  no. Within the past three years, has the department foreclosed or terminated any purchase contract, lease, permit or other authorization issued to you?  yes  no.

**Non-refundable filing fee: \$100**  
(Fee may be waived under 11 AAC 05.010(c))

Date Stamp: \_\_\_\_\_

Is the land applied for subject to any existing leases or permits?  yes  no. If yes,  lease or  permit?

Name lease/permit is issued under: \_\_\_\_\_ ADL # \_\_\_\_\_

Do you think you qualify for a non-competitive lease or sale?  yes  no. If yes, under what provision of AS 38.05?

- AS 38.05.035(b)(2) (to correct an error or omission);
- AS 38.05.035(b)(3) (owner of bona fide improvements);
- AS 38.05.035(b)(5) (occupied, or are the heir of someone who occupied the land before statehood);
- AS 38.05.035(b)(7) (adjacent owner of remnant of state land, not adjoining other state land);
- AS 38.05.068 and .087 (U.S. Forest Service Permittee);
- AS 38.05.075(c) (upland owner or lessee);
- AS 38.05.035(f) (previous federal and state authorization, erected a building and used the land for business purposes);
- AS 38.05.102 (current long-term lessee or current shore fishery lessee);
- AS 38.05.255 (millsite lease for mine-related facilities);
- AS 38.05.810(a)\* (government agency; tax-exempt, non-profit organization organized to operate a cemetery, solid waste facility, or other public facility; or a subdivision's nonprofit, tax-exempt homeowners' association);
- AS 38.05.810(b)-(d) (non-profit corporation, association, club, or society operated for charitable, religious, scientific, or educational purposes, or for the promotion of social welfare, or a youth encampment);
- AS 38.05.810(e) (licensed public utility or licensed common carrier);
- AS 38.05.810(f) (non-profit cooperative organized under AS 10.25, or licensed public utility);
- AS 38.05.810(h) (Alaska Aerospace Development Corporation);
- AS 38.05.810(i) (port authority);
- AS 38.05.825 (municipality applying for eligible tidelands, or tidelands required for private development);
- other (please explain): \_\_\_\_\_

If you have checked one of the above statutes, attach a statement detailing your qualifications under each requirement of that statute.

Do you think you qualify to lease the land for less than fair market value?  yes  no. If yes, under what provision of AS 38.05?

- AS 38.05.097 (youth encampment or similar recreational purpose);  other (please explain).
- AS 38.05.098 (senior citizen discount for a residential lease);

Signature \_\_\_\_\_

Date \_\_\_\_\_

If applying on behalf of an agency, municipality, or organization, state which one \_\_\_\_\_

Title \_\_\_\_\_

**NOTICE TO APPLICANT:**

- \* For applications filed by a municipality under AS 38.05.810, if there is a remaining entitlement of the municipality under AS 29.65, land transferred under AS 38.05.810 shall be credited toward fulfillment of the entitlement.
- \* Construction may not commence until approval is granted by lessor.
- \* This application will not be considered unless it is accompanied by the appropriate filing fee and completed in full. THE FILING FEE WILL NOT BE REFUNDED NOR IS IT TRANSFERABLE. All checks are to be made payable to the Department of Natural Resources.
- \* Include a 1:63,360 USGS map showing location of proposed activities in relation to survey monumentation or fixed geographical features which fully illustrates your intended use, including the location of buildings and improvements and access points, labeled with all dimensions, and a development plan providing a complete list of proposed activities.
- \* The applicant may be required to deposit a sum of money sufficient to cover the estimated cost of survey, appraisal, and advertising. If the land is sold or leased to another party, the deposit will be returned to the applicant.
- \* The filing of this application and payment of the filing fee vests the applicant with no right or priority in the lands applied for. It is merely an expression of the desire to purchase or lease a parcel of land when and if it becomes available. Filing an application serves the purpose of notifying the state that an individual is interested in purchasing or leasing land. It is not a claim, nor does it in any way obligate the state to sell or lease land.
- \* If the application site is in the Coastal Zone, include a Coastal Project Questionnaire ([www.gov.state.ak.us/dgc/Projects/projects.html](http://www.gov.state.ak.us/dgc/Projects/projects.html)).
- \* If the application is for use in conjunction with a guide/outfitter operation, include proof of a guide/outfitter certification for the use area.
- \* If the application is for a commercial fish camp, include a copy of your limited entry permit or an interim-use salmon set net permit.
- \* If applying for a senior citizen discount, include form 102-1042.
- \* AS 38.05.035(a) authorizes the director to decide what information is needed to process an application for the sale or use of state land and resources. This information is made a part of the state public land records and becomes public information under AS 40.25.110 and 40.25.120 (unless the information qualifies for confidentiality under AS 38.05.035(a)(9) and confidentiality is requested). Public information is open to inspection by you or any member of the public. A person who is the subject of the information may challenge its accuracy or completeness under AS 44.99.310, by giving a written description of the challenged information, the changes needed to correct it, and a name and address where the person can be reached. False statements made in an application for a benefit are punishable under AS 11.56.210.



# Memorandum

**TO:** Maegan Bosak, Planning and Community Development Director

**FROM:** Wendy Lawrence, Assessing Director  
*Wendy Lawrence*

**SUBJECT:** City and Borough of Sitka Tidelands Lease Application – ATS 1571 (which is adjacent to: PID: 2-6025-000 – 5309/5311 HPR (83,635sf owned filled tidelands))

**DATE:** December 29, 2015

The real property described below was inspected on November 30, 2015, for the tideland lease application noted above:

ATS 1571 consists of 4.52 acres (196,891sf) of a combination of filled and submerged city-owned tidelands addressed as 5309/5311 HPR. This leased parcel is located due north and directly adjacent to another filled tideland lot owned by the lease applicant, which is noted as 5309/5311 HPR (PID 2-6025-000) aka Samson Tug & Barge. Samson Tug & Barge is owned and operated by the lease applicants, and this leased parcel provides key access for this business. This leased parcel contains floating docks, pontoons and rock fill area which are used for parking, staging, storage and dock access. This parcel consists of approximately 30% of filled tidelands valued at \$6.97/sf, and approximately 70% of submerged tidelands, valued at \$1.04/sf.

Tidelands within the City and Borough of Sitka are valued according to their classification and upland land modeling. Upland and filled tidelands are valued according to the regular land modeling of the area, unfilled tidelands are valued at thirty percent of the upland rate, and submerged tidelands are valued at fifteen percent of the upland rate. This standard of valuation is used throughout Alaska, with price variances according to upland land values.

This lease renewal valuation is significantly higher than the previous valuation due to a substantially different classification of upland/filled/submerged square footages since the last valuation in 2003, and simply due to market activity from 2003-2015. Average sales prices per square foot range from \$1.60-\$20.60 for this market area, and this parcel's overall price per square foot of \$2.82/sf falls toward the low-end of that range due to this parcel's larger size.

**Recommended Value Conclusion:** land modeling for the Halibut Point Rd-North area yields a fee simple valuation of \$555,500 for this tideland parcel. The lease rate to be applied to this valuation shall be determined by the appropriate authority.

## Samantha Pierson

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**From:** Stan Eliason  
**Sent:** Wednesday, July 05, 2017 9:03 AM  
**To:** Samantha Pierson  
**Cc:** Michael Scarcelli  
**Subject:** Re: Special Port and Harbors Meeting

Samantha, that facility is out of the harbor jurisdiction. I don't feel that I or the commission needs to weigh in on this.

Stan

Sent from my iPhone us my new email address: [stan.eliason@cityofsitka.org](mailto:stan.eliason@cityofsitka.org)

On Jul 5, 2017, at 8:56 AM, Samantha Pierson <[samantha.pierson@cityofsitka.org](mailto:samantha.pierson@cityofsitka.org)> wrote:

Stan,

Samson Tug and Barge has submitted an application for renewal of their tideland lease adjacent 5309 HPR. Is it possible to call a special meeting of Port and Harbors Commission to weigh in on this request?

*Sam*

Samantha Pierson  
Planner I  
City and Borough of Sitka  
100 Lincoln Street  
Sitka, AK 99835  
(907) 747-1814

## Samantha Pierson

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**From:** Lindsey Vilandre  
**Sent:** Wednesday, July 12, 2017 11:22 AM  
**To:** Samantha Pierson  
**Subject:** Re: Lease status - Samson Tug and Barge

**Yes.**

---

**From:** Samantha Pierson  
**Sent:** Wednesday, July 12, 2017 11:21:16 AM  
**To:** Lindsey Vilandre  
**Subject:** RE: Lease status - Samson Tug and Barge

Thanks, that's the one. Are they current?

*Sam*

**From:** Lindsey Vilandre  
**Sent:** Wednesday, July 12, 2017 11:20 AM  
**To:** Samantha Pierson <samantha.pierson@cityofsitka.org>  
**Subject:** Re: Lease status - Samson Tug and Barge

**Good Morning,**

**I don't have an address for Samson Tug and Barge. I have and ADL number as 2483.  
The rent is \$11,144.00 plus tax.**

**Thank you  
Have a great day  
Lindsey ☺**

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**From:** Samantha Pierson  
**Sent:** Wednesday, July 12, 2017 8:56:02 AM  
**To:** Lindsey Vilandre  
**Subject:** Lease status - Samson Tug and Barge

Lindsey,

Is Samson Tug and Barge current on its payments for a tidelands lease at 5309 HPR? Could you also tell me the current payment amount? Let me know if you need any other identifying info. Thanks!

*Sam*

Samantha Pierson  
Planner I  
City and Borough of Sitka  
100 Lincoln Street



# CITY AND BOROUGH OF SITKA

## Legislation Details

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File #: 17-138      Version: 1      Name:

Type: Item      Status: AGENDA READY

File created: 8/2/2017      In control: City and Borough Assembly

On agenda: 8/8/2017      Final action:

Title: Approve the renewal of a Standard Marijuana Cultivation Facility license for Green Leaf, Inc. dba Green Leaf at 4614 Halibut Point Road C-2, C-3

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and memos Green Leaf.pdf](#)  
[supporting documentation Green Leaf.pdf](#)

Date	Ver.	Action By	Action	Result
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## **POSSIBLE MOTION**

**I MOVE TO** approve the renewal of a standard marijuana cultivation facility license for Green Leaf, Inc. dba Green Leaf 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:** Mayor Hunter and Assembly Members  
Phillip Messina, Interim Municipal Administrator

**From:** Sara Peterson, Municipal Clerk

**Date:** August 2, 2017

**Subject:** Approve the renewal of a Standard Marijuana Cultivation Facility license for Green Leaf, Inc. dba Green Leaf at 4614 Halibut Point Road C-2, C-3

---

Our office has received notification from the Alcohol and Marijuana Control Office of a renewal for a marijuana cultivation facility license submitted by:

License #: 10066  
License Type: Standard Marijuana Cultivation Facility  
Licensee/Applicant: Green Leaf, Inc.  
D.B.A.: Green Leaf  
Physical Address: 4614 Halibut Point Road, C-2 C-3; Sitka, AK  
Designated Licensee: Aaron Bean

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

### Recommendation

**Approve the renewal of a Standard Marijuana Cultivation Facility license for Green Leaf, Inc. dba Green Leaf and forward this approval to the Alcohol and Marijuana Control Office without objection.**



# City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

*Coast Guard City, USA*

## MEMORANDUM

**To:** Phillip Messina, Municipal Administrator  
Mayor Hunter and Members of the Assembly

**From:** Michael Scarcelli, Planning and Community Development Director *MS*  
Samantha Pierson, Planner I

**Subject:** Marijuana Cultivation License Renewal for Green Leaf, Inc., at 4614 Halibut Point Road

**Date:** August 2, 2017

---

**BACKGROUND:** The Planning Commission approved the conditional use permit for marijuana cultivation for Green Leaf, Inc. on May 17, 2016. The Planning Commission approved the major amendment to the conditional use permit for an increase in cultivation space on April 18, 2017. To date, Green Leaf, Inc. is in full compliance with all state law and local regulations regarding marijuana cultivation business.

**ANALYSIS:** Green Leaf, Inc.'s cultivation operation is located at 4614 Halibut Point Road in the C-2 General Commercial Mobile Home zoning district. Planning staff have not received any complaints about this operation. The operation has created local jobs, generated local sales tax revenue, created commercial development, utilized local electricity, and are developing a local and regional market that may generate further economic growth in all of these topic areas.

**FISCAL NOTE:** In the 14 months that marijuana businesses have been licensed in Sitka, all of the operations have generated sales totaling \$813,772.08 and have remitted local sales tax totaling \$35,711.51. In addition, there has been significant use and payment for electrical utilities with all of the operations.

**RECOMMENDED ACTION:** Approval of the license renewal.





THE STATE  
of ALASKA  
GOVERNOR BILL WALKER

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 26, 2017

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);

[maegan.bosak@cityofsitka.org](mailto:maegan.bosak@cityofsitka.org); [Michael.scarcelli@cityofsitka.org](mailto:Michael.scarcelli@cityofsitka.org)

[Reuben.yerkes@cityofsitka.org](mailto:Reuben.yerkes@cityofsitka.org); [planning@cityofsitka.org](mailto:planning@cityofsitka.org); [brian.hanson@cityofsitka.org](mailto:brian.hanson@cityofsitka.org)

License Number:	10066
License Type:	Standard Marijuana Cultivation Facility
Licensee:	Green Leaf, Inc.
Doing Business As:	GREEN LEAF
Physical Address:	4614 Halibut Point Rd C-2 C-3 Sitka, AK 99835
Designated Licensee:	Aaron Bean
Phone Number:	907-738-8923
Email Address:	aaronbean28@gmail.com

AMCO has received a complete renewal application for the above listed license (see attached application documents) within your jurisdiction. This is the notice required under 3 AAC 306.035(c)(2).

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.

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,

*Erika McConnell*

Erika McConnell  
Director





City & Borough of Sitka  
**Municipal Clerk's Office**  
100 Lincoln Street, Sitka AK 99835  
Telephone: 907-747-1811 Fax: 907-747-4004



## Memorandum

To: Planning Department  
Collections - Leisha  
Municipal Billings – Lindsey  
Sales Tax/Property Tax – Hannah  
Utility Billing Clerk – Diana  
Public Works Department – Shilo

Fire Department  
Police Department  
Electric Department  
Building Official

From: Sara Peterson, Municipal Clerk

Date: July 27, 2017

Subject: Renewal Standard Marijuana Cultivation Facility License

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The Municipal Clerk's Office has been notified by the Alcohol and Marijuana Control Office of a renewal for a marijuana cultivation facility license submitted by:

License #: 10066  
License Type: Standard Marijuana Cultivation Facility  
Licensee/Applicant: Green Leaf, Inc.  
D.B.A.: Green Leaf  
Physical Address: 4614 Halibut Point Road, C-2 C-3; Sitka, AK  
Designated Licensee: Aaron Bean

Please notify me **no later than noon on Tuesday, August 1st** of any reason to protest this request. This license is scheduled to go before the Assembly on August 8th.

Thank you.



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:	Green Leaf Inc.	License Number:	10066		
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	Green Leaf				
Premises Address:	4614 C-2 C-3 Halibut Point Road				
City:	Sitka	State:	Alaska	ZIP:	99835

**Section 2 – Individual Information**

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

Name:	Aaron Daniel Bean
Title:	CEO

**Section 3 – Changes to Licensed Marijuana Establishment**

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

I certify that no changes have been made, except for those that have been previously reported or requested on a form prescribed by the Board, to this licensed establishment's business name, ownership, licensed premises diagram, or operating plan, and (for marijuana product manufacturers) that I do not wish to request Board approval for production of any new proposed marijuana products.

Initials

I certify that a change has been or will be made to one or more of the items listed above for this establishment, and I understand that an additional form(s) and fee(s) must be submitted to AMCO before any renewal application for this license can be considered complete.

If you have selected the second certification, please list any and all of the five types of changes that need to be reported/requested:

--



Alaska Marijuana Control Board

**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 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.

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

Initials

I have attached a written explanation for why I cannot certify one or both of the above statements, which includes the type of offense, as required under 3 AAC 306.035(b)(4).

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

Initials

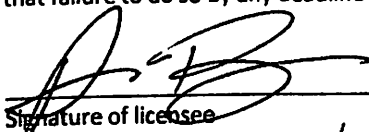
I certify that no person other than a licensee listed on my marijuana establishment license renewal application has a direct or indirect financial interest, as defined in 3 AAC 306.015(e)(1), in the business for which the marijuana establishment license has been issued.

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

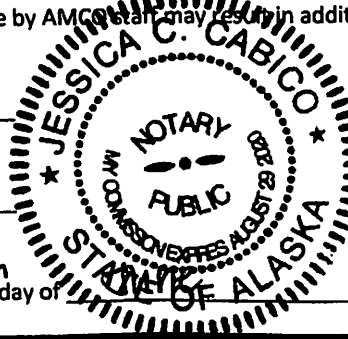
I certify that I have not violated any restrictions pertaining to this particular license type, and that this license has not been operated in violation of a condition or restriction imposed by the Marijuana Control Board.

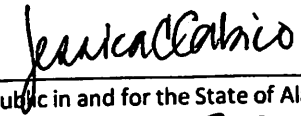
I certify that I understand that providing a false statement on this form, the online application, or any other form provided by or to AMCO is grounds for rejection or denial of this application or revocation of any license issued.

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 may result in additional fees or expiration of this license.



AARON BEAN  
Printed name of licensee



  
Notary Public in and for the State of Alaska

My commission expires: 08-29-2020

Subscribed and sworn to before me this 29<sup>th</sup> day of [Month], 20 17.

# Alcohol & Marijuana Control Office

**License Number:** 10066

**License Status:** Active

**License Type:** Standard Marijuana Cultivation Facility

**Doing Business As:** GREEN LEAF

**Business License Number:** 1032755

**Designated Licensee:** Aaron Bean

**Email Address:** aaronbean28@gmail.com

**Local Government:** Sitka (City and Borough of)

**Community Council:**

**Latitude, Longitude:** 57.689050, -135.233500

**Physical Address:** 4614 Halibut Point Rd  
C-2 C-3  
Sitka, AK 99835  
UNITED STATES

## Licensee #1

**Type:** Entity

**Alaska Entity Number:** 10036065

**Alaska Entity Name:** Green Leaf, Inc.

**Phone Number:** 907-738-8923

**Email Address:** aaronbean28@gmail.com

**Mailing Address:** 103 A Toivo Circle  
Sitka, AK 99835  
UNITED STATES

## Entity Official #1

**Type:** Individual

**Name:** Aaron Bean

[REDACTED]  
[REDACTED]

**Phone Number:** 907-738-8923

**Email Address:** aaronbean28@gmail.com

**Mailing Address:** 103 A Toivo Circle  
Sitka, AK 99835  
UNITED STATES

*Note: No affiliates entered for this license.*



**Agreement to Lease**  
**4614 Halibut Point Road Sitka, Alaska 99835, Suite C-2 & C-3**

AGREEMENT TO LEASE 4614 C-2 C-3 Halibut Point Road Sitka, Alaska 99835 made this day 4th of October 2016, between: Connor Nelson (hereafter referred to as "Landlord") and Green Leaf, Inc., an Alaskan Corporation (hereafter referred to as "Tenant."). Tenant and Landlord collectively referred to as the "Parties." This Agreement to Lease is referred to throughout the Agreement to Lease as "Lease" and/or "Agreement."

In consideration of acts performed and to be performed, mutual promises made and exchange, monies paid and other good and valuable considerations, receipt of which is hereby acknowledged, and parties agree as follows:

**Section 1. LEASED PREMISES.**

Landlord hereby leases to Tenant, and Tenant leases from Landlord, on a NNN basis, approximately 3,600 square feet of cultivation space, at the premises situated in the Sitka Recording District, Third Judicial District, State of Alaska, more particularly described as: 4614 Halibut Point Road Sitka, Alaska 99835. Parking will be addressed by separate written understanding.

**Section 2. OCCUPANCY DATE**

Occupancy date shall be May 1st, 2016.

**Section 3. RATE**

For the time period of November 1, 2016 to April, 1<sup>st</sup> 2022, the rental rate of the premises shall be totaling a monthly payment of \$1,800 plus tax paid by Tenants to Landlord no later than the 5<sup>th</sup> day of each month. If no prior arrangement is made late fees shall be \$50.00 dollars per day after a grace period of 3 business days.

**Section 4. LENGTH OF TERM.**

The length of the term of this Lease shall be for 5 years from the date of Commencement of Term unless sooner terminated or extended as herein provided.

**Section 5. TENANT'S OPTION TO RENEW LEASE.**

Tenant, at Tenant's option, shall have the option to renew Lease for an additional three (3) year term to be negotiated between landlord and tenant.

**Section 6. OPTION TO PURCHASE**

Tenant's shall have the Option to Purchase the leased space described herein at any time during

the Term of this lease. In the event Tenant's exercise this Option, Tenant's shall purchase from Landlord the Premises at a purchase price to be negotiated and on terms to be negotiated. This section is subject to the units being approved though the condo process.

#### **Section 7. FIRST RIGHT OF REFUSAL.**

Tenant shall have an ongoing, and exclusive right of first refusal (herein after referred to as "Right of First Refusal") to lease or purchase the area comprising of leased space described in section 1 of this lease agreement. The Right of First Refusal shall be exercisable by Tenant only if no event of default by Tenant under this Lease then exists and is continuing beyond the expiration of any notice and cure periods applicable thereto under the Lease, as of the date of submission of the Offer (as defined below) by Landlord to Tenant.

#### **Section 8. OFFER TO LEASE OR PURCHASE FROM THIRD PARTY.**

If Landlord receives a bona fide offer (the "Offer") from a prospective tenant to lease or purchase all or any part of the Right of First Refusal Space at the end of the Three (3) year lease term period provided herein, Landlord shall give Tenant written notice of same setting forth all of the material terms and conditions of such Offer (the "Offer Notice").

Tenant shall have Twenty (20) business days after receipt of the Offer Notice to exercise the Right of First Refusal by written notice to Landlord of its intent to exercise. If Tenant exercises the Right of First Refusal, Tenant shall be required to lease or purchase all of the Right of First Refusal Space that is the subject of the Offer. If Tenant fails to notify Landlord of its election within the aforesaid Twenty (20) business day period, Tenant shall be deemed to have waived the Right of First Refusal with respect to the Offer.

#### **Section 9. SECURITY DEPOSIT.**

On the execution of this lease, Tenant shall pay Landlord a refundable security deposit of \$ 100 to be held as a security deposit to assure payment of further rent and as security against any default or breach of this lease by tenant. If Tenant defaults with respects to any provision of this Lease, including but not limited to the provisions relating to the payment of rent, Landlord may use apply or retain all or any part of this security deposit for payment of any rent or any other sum in default, or for the payment of any amount which Landlord may spend or become obligated to spend by reasons of Tenant's default, or to compensate Landlord for any other loss or damage which Landlord may suffer by reasons of Tenant's default. Tenant shall be entitled to return of deposit, less any damages to the Premises beyond usual wear and tear at the end of this Lease.

#### **Section 10. UTILITIES AND SERVICES.**

Tenant shall pay all of Operating Expenses (i.e. Gas, Electric, Refuse, Water/Sewer, Liability Insurance, etc.) for the entire portion of the Premises.

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Tenant shall be responsible for establishing the appropriate utility services in their name and for paying the deposits and service charges. Any requirement for services and utilities over and above those customarily used by light retail and/or commercial kitchen use shall be provided by tenant.

#### **Section 11. MAINTENANCE of PREMISES.**

Landlord shall, at his own expense, maintain and keep in good repair foundations, exterior walls, (other than the windows and glass), roof, and other structural portions of the lease premises and all mechanical portions (heating, plumbing, electrical, etc.). Tenant shall, at his own expense, maintain the windows, glass, and interior of the Lease premises at all times in good condition and repair, and shall commit no waste of any kind in, on or about the Lease premises, nor create or suffer a nuisance. Tenant specifically acknowledges that it has inspected the premises prior to entering into Lease and accepts the premises in their present condition without any further repairs or maintenance to be required of landlord. At the expiration of this Lease, Tenant shall surrender the leased premises to the Landlord in good condition, normal wear and tear excepted; and shall pay for any and all damage to the Lease premises, and it's apparatus or appurtenances, the building in which the lease premises are situate, and the personal property of Landlord. If abnormal wear and tear or abuse or waste of the Lease premises is found during the term of this Lease, Tenant shall, upon demand by Landlord, immediately eliminate such abnormal wear and tear or abuse or waste and restore the leased premises to their condition at the beginning of this Lease, normal wear and tear excepted.

#### **Section 12. USE OF PREMISES**

Use of the leased premises by tenant is limited to business and commercial use, and the premises shall not be used for any other purpose without the express written consent of the landlord. Landlord is aware and agrees that Tenant shall operate a retail marijuana establishment business. Tenant agrees to comply with all municipal borough, state, and other governmental laws, statutes, ordinances, rules and regulations, including, but not limited to zoning ordinances, health and safety and environmental regulations. With respect to the marijuana retail store establishment, Tenant shall operate its establishment in a manner that respects the COLE Memorandum Priorities and shall not violate said priorities identified below:

- Preventing the distribution of marijuana to minors;
- Preventing revenue from the sale of marijuana from going to criminal enterprises, gangs, and cartels;
- Preventing the diversion of marijuana from states where it is legal under state law in some form to other states;
- Preventing state-authorized marijuana activity from being used as a cover or pretext for the trafficking of other illegal drugs or other illegal activity;
- Preventing violence and the use of firearms in the cultivation and distribution of marijuana;
- Preventing drugged driving and the exacerbation of other adverse public health consequences associated with marijuana use;
- Preventing the growing of marijuana on public lands and the attendant public safety and environmental dangers posed by marijuana production on public lands; and

- Preventing marijuana possession or use on federal property.

### **Section 13. VEHICULAR INGRESS and EGRESS.**

Tenant shall have the right to use all means of common ingress and egress to the leased premises, but shall comply with all reasonable rules and regulations pertaining to the same which have been or may be imposed by landlord to control such means of ingress and egress.

### **Section 14. LIENS and ENCUMBRANCES.**

Tenant and Landlord shall keep the property free and clear of all liens and encumbrances, including mechanics and material liens, mortgages and deeds of trust, arising or growing out of its use, improvements, additions, alterations or occupancy of the premises.

### **Section 15. INDEMNIFICATION and INSURANCE.**

***Tenant Indemnification.*** Tenant agrees to indemnify and save Landlord harmless from and against any and all claims arising from any act of gross negligence of Tenant, it's contractors, licensees, agents, servants, customers, visitors or employees, arising from any accident, injury or damage to any person or connection with any such claim or proceeding brought thereon.

***Landlord Indemnification.*** Landlord agrees to indemnify and save Tenant harmless from and against any and all claims arising from any act of gross negligence of Landlord, it's contractors, licensees, agents, servants, customers, visitors or employees, arising from any accident, injury or damage to any person or connection with any such claim or proceeding brought thereon.

***Fire and Extended Coverage Insurance.*** Landlord shall keep and maintain fire and extended coverage insurance on the building in such amounts as it deems appropriate. Any increase in the premium (over that in effect prior to the commencement of this lease) resulting from the use of the premises by Tenant shall be paid by Tenant.

***General Comprehensive Liability Insurance.*** Tenant shall keep and maintain general comprehensive liability insurance with single limits coverage in an amount of \$1,000,000.00 for personal injury, property damage and third party liability throughout the duration of this Lease.

### **Section 16. EMINENT DOMAIN.**

If the premises shall be taken substantially in it's entirety by right of eminent domain, this Lease shall cease as of the date possession is taken by the condemning authority and the rent shall be paid through that date. If only part of the premises shall be taken, then the Lease shall continue in effect with a reduction in rent in proportion to the amount of leased area taken at the option of Tenant.

### **Section 17 FIRE and OTHER CASUALTY.**



In the event the premises are destroyed or damaged by fire, earthquake or other casualty to such an extent as to render it untenable in whole or in a substantial part, the monthly rental shall be abated in the proportion of which the untenable portion of the premises bears to the whole of the premises. After the happening of any such casualty, Tenant shall give landlord immediate written notice of such. In the event that the premises shall be destroyed or damaged by fire, earthquake or other casualty to such an extent Tenant deems that operation of its businesses in the premises is not practicable, economical or desirable, then Tenant has the option to terminate this Lease. If Tenant elects to remain in the premises, than Landlord shall commence and use best efforts to complete the work necessary to restore or repair the premises. During the period the premises are being repaired, the monthly rent shall be abated in the proportion of which the untenable portion of the premises bears to the whole thereof.

**Section 18 ASSIGNMENT AND SUBLEASE.**

Tenant may, with prior notice to or approval from Landlord, sublease the premises or portion of the premises.

**Section 19 PROHIBITION of INVOLUNTARY ASSIGNMENT; EFFECTS of BANKRUPTCY or INSOLVENCY.**

Neither this lease nor any interest of tenant in the premises shall be subject to involuntary assignment, transfer or sale by operation of law, nor in any other manner whatsoever; and any such attempt at involuntary assignment, transfer or sale shall have the effect of voiding the interest sought to be assigned, transferred or sold, and shall be of no other effect whatsoever. In the event Tenant is adjudged insolvent, or make an assignment for the benefit of creditors, or if a receiver is appointed for a tenant with authority to take possession or control of the property or the business conducted thereon by Tenant, and such receiver is not discharged within a period of thirty (30) days after its appointment, that event shall constitute a material breach of this Lease by Tenant and shall, at the sole and exclusive option of the Landlord, and without the necessary of entry, notice, or other action by landlord, terminate this Lease and all rights of Tenant under this Lease in and to the property, and terminate all rights of any and all persons claiming under Tenant.

**Section 20. NON-WAVER of DEFAULT.**

Neither the acceptance of rent nor any other act or omission of Landlord at any time after the happening of any event which would entitle Landlord to terminate this lease or to declare Tenant's interest hereunder forfeited, shall operate as a waiver of any past or future violation, breach default, or failure to keep or perform any covenant, agreement, term or condition hereof or to deprive landlord of its rights to terminate or forfeit this Lease or be constructed to at any future time stop Landlord from promptly exercising any option, right or remedy that it may have under any term or provision of this Lease.

**Section 21. HOLDING OVER.**

In the event that Tenant remains in possession of the premises after the expiration of the term of this Lease, Tenant shall be deemed to be occupying the premises as a month-month tenant, subject to all of the conditions, provisions, terms and obligations of this lease insofar as they may be applicable to a month-month tenant. Such tenancy may be terminated as provided for by the

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laws of the State of Alaska.

**Section 22. ACCESS and INSPECTION.**

Upon no less than twenty-four hours' notice, Tenant will permit Landlord or its agents to enter the Premises during business hours, hereinafter defined as from 9:00 a.m. to 6:00 p.m. on weekdays and from 8:00 a.m. to 1:00 p.m. on Saturdays, excluding legal holidays to inspect, clean, repair, alter, or improve the Premises, or to show the Premises to prospective Purchasers or tenants. In exercising its rights under this section, Landlord will not unreasonably interfere with the conduct of Tenant's business. Landlord's agent or employee shall be over the age of 21 and shall comply with Tenant's visitor policy, show government issued ID, wear a visitor badge, remain in eye sight of a designated Tenant agent, comply with and sign into the log in sheet and sign out when leaving the premises, as is required by the Alaska Marijuana Control Board Regulations. At no time shall Landlord have more than five persons enter the premises.

**Section 23 LICENSE FEES and TAXES.**

Tenant shall pay any and all license or excise fees and occupation taxes covering businesses conducted in, on or about the premises, and any sales taxes which may become due and payment on rentals hereunder. Tenant shall be responsible for paying all real property taxes for the premises. Upon reasonable request, Tenant shall furnish landlord with evidence of payment of personal property, withholding, or other taxes which, if unpaid, might lead to a lien upon the leasehold interest of tenant in the property.

**Section 24 DEFAULT.**

In the event that either Party should materially violate or breach or fail to perform any covenant, agreement, term or condition of this lease, warranty, representation, including, but not limited to, failure to remit payment of rent, lien-free unencumbered nature of the premises, the non-defaulting Party may, at its sole and exclusive option, and in addition to any other rights and remedies it may have under the law: (a) terminate this Lease; and/or (b) pursue legal recourse to recoup damages incurred and monies lost.

**Section 25 SIGNS.**

Tenant has the right to place signage on the exterior of the building. Any additional signage shall require Landlord's written permission, which shall not be unreasonably withhold. All signs or symbols placed in windows, or doors, or elsewhere in, on or about the premises by Tenant shall meet the requirements of the city and borough of Sitka and application laws and regulations of the State of Alaska.

**Section 25 PARTIES BOUND.**

The covenants, terms, and conditions contained herein shall be binding upon the heirs, devisee, administrations, executors, and successors in interest of the parties.

**Section 26 SEVERABILITY.**

If any provision of this lease shall be declared invalid or unenforceable, the remainder the

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remainder of the lease shall continue in full force and effect.

**Section 27 MODIFICATION.**

No modification of this lease shall be effective unless in writing and signed by the parties hereon or their duly authorized representatives.

**Section 28 NOTICES.**

All notices required under the terms of this lease or by law shall be in writing, shall contain a clear and concise statement setting forth the reasons therefore, and shall be personally delivered or sent by certified mail, return receipt requested, to the appropriate party at the address specified hereafter or such other address as the party may designate in writing to the other party from time to time. In the event that a property sent notice is returned undelivered, the notice shall nonetheless be effective.

**Section 29 CHANGE IN LAW; STATE LICENSURE; FEDERAL POLICY SHIFT**

The purposed use of the building is to operate a marijuana retail establishment in one section of the building and a separate and distinct accessory business in a separate section of the premises. In the event Tenant is, despite its best efforts, unable to obtain state and local licenses and special land use approvals, Tenant shall, at Tenant's option, be released from the terms of this Lease but shall forfeit monies already paid to date, including Security Deposit.

In the event state or local law changes in a manner that makes the marijuana establishment illegal under state and/or local law, Tenant shall be released from the remaining terms of the Lease, receive its security deposit back less any charges for damages that are not normal wear and tear, but shall forfeit any rent paid to date.

In the event there is a policy shift in the Federal Government and/or Department of Law, and Tenant's (or other similar establishments in Alaska) become the Target of Federal prosecution or state prosecution, all parties to this Lease will be released from the Agreement entirely.

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**Section 30. ENTIRE AGREEMENT.**


This written agreement constitutes the entire agreement between the parties and supersedes all other prior or contemporaneous agreements, oral or written, not included herein.

Agreed to and understood by the Parties on this 24<sup>th</sup> day of July, 2017, executed by individuals whom represent themselves authorized to bind the Parties to this Lease:

Landlord: Connor Nelson

  
\_\_\_\_\_  
Connor Nelson

Tenant: Green Leaf, Inc.

  
\_\_\_\_\_  
Aaron Bear, CEO



Department of Commerce, Community, and Economic Development  
Division of Corporations, Business and Professional  
 Licensing

State of Alaska > Commerce > Corporations, Business, & Professional Licensing > Search & Database Download > Corp. > Corporation Details

## NAME(S)

Type	Name
Legal Name	Green Leaf, Inc.

## ENTITY DETAILS

**Entity Type:** Business Corporation  
**Entity #:** 10036065  
**Status:** Good Standing  
**AK Formed Date:** 2/23/2016  
**Duration/Expiration:** Perpetual  
**Home State:** ALASKA  
**Next Biennial Report Due:** 1/2/2018  
**Entity Mailing Address:** 215 PETERSON AVE, SITKA, AK 99835  
**Entity Physical Address:** 4614 HPR, SITKA, AK 99835

## REGISTERED AGENT

**Agent Name:** Jana Weltzin  
**Registered Mailing Address:** 3003 MINNESOTA DR #201, ANCHORAGE, AK 99503  
**Registered Physical Address:** 3003 MINNESOTA DR #201, ANCHORAGE, AK 99503

## OFFICIALS

AK Entity #	Name	Titles	<input type="checkbox"/> Show Former Owned
	Aaron Bean	Director, President, Shareholder, Secretary, Treasurer	100

## FILED DOCUMENTS

Date Filed	Type	Filing	Certificate
2/23/2016	Creation Filing	<a href="#">Click to View</a>	<a href="#">Click to View</a>
3/22/2016	Initial Report	<a href="#">Click to View</a>	
3/29/2016	Agent Change	<a href="#">Click to View</a>	

### Juneau Mailing Address

P.O. Box 110806  
 Juneau, AK 99811-0806

### Physical Address

333 Willoughby Avenue  
 9th Floor  
 Juneau, AK 99801-1770

### Phone Numbers

Main Phone: (907) 465-2550  
 FAX: (907) 465-2974

### Anchorage Mailing/Physical Address

550 West Seventh Avenue  
 Suite 1500  
 Anchorage, AK 99501-3567

### Phone Numbers

Main Phone: (907) 269-8160  
 FAX: (907) 269-8156

Alaska Entity #10036065

**State of Alaska**  
**Department of Commerce, Community, and Economic Development**  
**Corporations, Business, and Professional Licensing**

## **Certificate of Incorporation**

The undersigned, as Commissioner of Commerce, Community, and Economic Development of the State of Alaska, hereby certifies that a duly signed and verified filing pursuant to the provisions of Alaska Statutes has been received in this office and has been found to conform to law.

ACCORDINGLY, the undersigned, as Commissioner of Commerce, Community, and Economic Development, and by virtue of the authority vested in me by law, hereby issues this certificate to

**Green Leaf, Inc.**



IN TESTIMONY WHEREOF, I execute the certificate  
and affix the Great Seal of the State of Alaska  
effective **February 23, 2016**.

A handwritten signature in black ink, appearing to read "Chris Hladick".

Chris Hladick  
Commissioner



THE STATE  
 of **ALASKA**

Department of Commerce, Community, and Economic Development  
 Division of Corporations, Business, and Professional Licensing  
 PO Box 110806, Juneau, AK 99811-0806  
 (907) 465-2550 • Email: [corporations@alaska.gov](mailto:corporations@alaska.gov)  
 Website: [Corporations.Alaska.gov](http://Corporations.Alaska.gov)

FOR DIVISION USE ONLY

**Business Corporation**  
 Initial Biennial Report

Web-3/22/2016 9:23:19 AM

**Entity Name:** Green Leaf, Inc.  
**Entity Number:** 10036065  
**Home Country:** UNITED STATES  
**Home State/Province:** ALASKA

**Registered Agent**

**Name:** Jana Weltzin  
**Physical Address:** 601 W 5TH AVE, SECOND FLOOR, ANCHORAGE, AK 99501  
**Mailing Address:** 601 W 5TH AVE, SECOND FLOOR, ANCHORAGE, AK 99501

**Entity Physical Address:** 4614 HPR, SITKA, AK 99835

**Entity Mailing Address:** 215 PETERSON AVE, SITKA, AK 99835

Please include all officials. Check all titles that apply. Must use titles provided. All domestic business corporations must have a president, secretary, treasurer and at least one director. The secretary and the president cannot be the same person unless the president is 100% shareholder. The entity must also list any alien affiliates and those shareholders that hold 5% or more of the issued shares.

Name	Address	% Owned	Titles
Aaron Bean	215 Peterson Ave, Sitka , AK 99835	100	Director, President, Secretary, Shareholder, Treasurer

**NAICS Code:** 111998 - ALL OTHER MISCELLANEOUS CROP FARMING

**New NAICS Code (optional):**

Complete the below stock information on record with the Department. You may not change your authorized shares with this form. An amendment is required. Fill in number of shares issued.

Class	Series	Authorized	Par Value	Amount Issued
Common		1000000	\$0.81	1000000

I certify under penalty of perjury under the Uniform Electronic Transaction Act and the laws of the State of Alaska that the information provided in this application is true and correct, and further certify that by submitting this electronic filing I am contractually authorized by the Official(s) listed above to act on behalf of this entity.

**Name:** Aaron Bean