



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

Tuesday, July 11, 2017

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

IV. CORRESPONDENCE/AGENDA CHANGES

[17-127](#) Reminders, Calendars and General Correspondence

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

[USAF Northern Edge Exercise.pdf](#)

V. CEREMONIAL MATTERS

[17-124](#) Service Award - Dorik Mechau (Library Commission)

Attachments: [Certificate.pdf](#)

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

[17-123](#) Bags for Change - Michelle Putz

Attachments: [Bags for Change.pdf](#)

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** [17-121](#) Approve the minutes of the June 27 Assembly meeting
Attachments: [Consent and Minutes.pdf](#)
- B** [17-125](#) Approve a liquor license ownership transfer and restaurant designation permit for Beak LLC dba Beak Restaurant at 2 Lincoln Street Suite 1A
Attachments: [Motion and Memo Beak Restaurant.pdf](#)
[Supporting docs The Beak.pdf](#)
- C** [RES 17-14](#) Approving submittal and execution of a Municipal Harbor Facility Grant application to the State of Alaska Department of Transportation and Public Facilities (DOT&PF) in the amount of \$5,000,000 for the project entitled Crescent Harbor Float Replacement - Phase I
Attachments: [Motion and Memo Res 2017-14.pdf](#)
[Res 2017-14.pdf](#)
- D** [RES 17-15](#) Approving submittal and execution of a Municipal Harbor Facility Grant application to the State of Alaska Department of Transportation and Public Facilities (DOT&PF) in the amount of \$1,500,000 for the project entitled Eliason Harbor Electrical Replacement
Attachments: [Motion and Memo Res 2017-15.pdf](#)
[Res 2017-15.pdf](#)
- E** [RES 17-16](#) Supporting Sea Level Consulting's application under the FY17 Historic Preservation Fund Grant program for Certified Local Governments
Attachments: [Motion and Memo Res 2017-16.pdf](#)
[Res 2017-16.pdf](#)
[CLG Grant Application.pdf](#)
[June 30 subrecipient letter.pdf](#)
[CFAO Memo Administrative and Audit Requirements.pdf](#)

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- F** [17-122](#) Appoint Taylor Colvin to an unexpired term on the Planning Commission
Attachments: [Motion and application.pdf](#)

XI. UNFINISHED BUSINESS:

- G** [ORD 17-21](#) Amending Sitka General Code Title 15 to increase rates at Chapter 15.04 "Sewer System" Sections 15.04.100 entitled "Service Connection Charge", 15.04.320 entitled "Rates and Fees"; and Chapter 15.05 "Water System" Sections 15.05.240A entitled "Service Connection Charge", 15.05.620 entitled "Rates and Fees"; and Chapter 15.06 "Solid Waste System and Refuse Collection" Sections 15.06.020 entitled "Solid Waste Disposal Policy and Rates", 15.06.030 entitled "Receptacles Available", 15.06.035 entitled "Rates for Treatment and Collection", 15.06.045 entitled "Special Refuse and Treatment Charges"
Attachments: [Motion and Ord 2017-21.pdf](#)
- H** [ORD 17-22](#) Adjusting the FY17 Budget (PERS)
Attachments: [Motion and Memo Ord 2017-22.pdf](#)
[Ord 2017-22.pdf](#)

XII. NEW BUSINESS:

- I** [ORD 17-24](#) Adjusting the FY18 budget (downtown shuttle pilot project) first reading
Attachments: [Motion and Memo Ord 2017-24.pdf](#)
[Ord 2017-24.pdf](#)
- J** [17-126](#) Approve 1) a lease agreement, with amended terms, between Northline Seafoods, LLC and the City and Borough of Sitka for Block 4, Lot 4 of the Gary Paxton Industrial Park, and, 2) a lease agreement between Northline Seafoods, LLC and the City and Borough of Sitka for a portion of Block 4, Lot 9A of the Gary Paxton Industrial Park
Attachments: [Motion and Memo GPIP Leases.pdf](#)
[Lease Northline Seafoods Block 4 Lot 4.pdf](#)
[Lease Northline Seafoods Portion of Block 4 Lot 9A.pdf](#)
- K** [ORD 17-23](#) Adjusting the FY17/FY18 budgets (reappropriations) first reading
Attachments: [Motion and Memo Ord 2017-23.pdf](#)
[Ord 2017-23.pdf](#)

- L [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" first reading

Attachments: [Motion and Ord 2017-25.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

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: July 7*



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 17-127 **Version:** 1 **Name:**
Type: Item **Status:** AGENDA READY
File created: 7/5/2017 **In control:** City and Borough Assembly
On agenda: 7/11/2017 **Final action:**
Title: Reminders, Calendars and General Correspondence
Sponsors:
Indexes:
Code sections:
Attachments: [Reminders and Calendars.pdf](#)
[USAF Northern Edge Exercise.pdf](#)

Date	Ver.	Action By	Action	Result
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REMINDERS

<u>DATE</u>	<u>EVENT</u>	<u>TIME</u>
Tuesday, July 11	Regular Meeting	6:00 PM
Thursday, July 13	Worksession <i>SCH Management Proposal</i>	6:00 PM
Monday, July 17	Town Hall Meeting <i>SEARHC/SCH Discussions</i>	6:00 PM
Tuesday, July 18	Special Meeting <i>SEARHC/SCH Proposals</i>	6:00 PM
Tuesday, July 25	Reception <i>for the USCG</i>	5:30 PM
Tuesday, July 25	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

July 2017

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
25 Jun	26	27	28	29	30	1 Jul
Hunter	Hunter	Hunter 6:00pm <u>Regular Assembly Mtg</u>	Hunter 6:00pm Police and Fire Commission	Hunter	Hunter	Hunter
2	3	4	5	6	7	8
Hunter	Hunter	HOLIDAY 7:00pm Planning	6:30pm Library Board	12:00pm SEDA Board Meeting		
9	10	11	12	13	14	15
		6:00pm <u>Regular Assembly Mtg</u>	12:00pm Health Needs & Human Services Commission 6:00pm Historic Preservation	12:00pm LEPC 6:00pm <u>Worksession: SCH management proposal</u>		
16	17	18	19	20	21	22
	6:00pm Town Hall Meeting: SEARHC/SCH Discussions	12:00pm <u>Tree/Landscape</u> 6:00pm <u>Special Meeting: SEARHC/SCH proposals</u> 7:00pm <u>Planning</u>	Potzuski	Potzuski	Potzuski	Potzuski
23	24	25	26	27	28	29
Potzuski	Potzuski	Potzuski 12:00pm Parks & Rec 5:30pm US Coast Guard Reception 6:00pm <u>Regular Assembly Mtg</u>	Potzuski Knox 6:00pm Police and Fire Commission	Potzuski Knox 6:00pm Hospital Board Meeting	Potzuski Knox	Potzuski Knox
30	31	1 Aug	2	3	4	5
Potzuski Knox	Potzuski Knox	Potzuski Knox 7:00pm Planning	Potzuski Knox 6:30pm Library Board	Potzuski 12:00pm SEDA Board Meeting	Potzuski	Potzuski

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 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 <u>Worksession:</u> <u>Airport Terminal</u> <u>improvements</u> 6:00pm <u>Regular</u> <u>Assembly Mtg</u>	12:00pm Health Needs & Human Services Commission 6:00pm Historic Preservation	12:00pm LEPC		
13	14	15	16	17	18	19
		Potrzuski 12:00pm <u>Tree/Landscape</u> 7:00pm <u>Planning</u>	Potrzuski	Potrzuski		
20	21	22	23	24	25	26
Hunter	Hunter	Hunter 6:00pm <u>Regular</u> <u>Assembly Mtg</u>	Hunter 6:00pm Police and Fire Commission	6:00pm Hospital Board Meeting		
27	28	29	30	31	1 Sep	2



HEADQUARTERS ALASKAN COMMAND (ALCOM)
JOINT BASE ELMENDORF-RICHARDSON, ALASKA 99506

7 June 17

Lieutenant General Kenneth S. Wilsbach, USAF
Commander
Alaskan Command
9480 Pease Avenue
Joint Base Elmendorf-Richardson AK 99506-2101

The Honorable Matthew Hunter
City and Borough of Sitka
100 Lincoln St.
Sitka, AK 99835

Dear Mayor Hunter

I am writing to sincerely express my appreciation for your community's support of Exercise Northern Edge 2017 (NE17) this past May. Without the outstanding support the military receives on a daily basis from the residents of Alaska, it would not be possible for us to complete our mission of homeland defense and civil support.

Alaska's unique size enables the military to have the largest air-ground and sea training complex in the United States in an incredibly strategic area of the world. This creates an ideal location for vital training exercises such as NE17. As always, the gratitude demonstrated by Alaskans toward our servicemembers was a great asset for Alaskan Command and U.S. Pacific Command during NE17. I want to again assure the residents of Alaska that Alaskan Command and our partner commands greatly appreciate your support and take any concerns you have very seriously.

In an effort to continue our dialogue, I'm asking for feedback from your community regarding our outreach efforts both prior to and during the exercise. We plan to send a survey to several Alaska communities toward the end of fishing season to determine what impacts NE17 may be believed to have had in the Gulf of Alaska. In the meantime, I'd respectfully ask for you to submit any feedback by email to v3alcom.j08@us.af.mil. We will make sure that any feedback is conveyed to Navy leadership at U.S. Pacific Fleet as well. Please contact Mr. Tommie Baker, Alaskan Command Chief of Community Relations, if you have any questions at 907-552-2341.

Sincerely

A handwritten signature in black ink that reads "Kenneth S. Wilsbach".

KENNETH S. WILSBACH
Lieutenant General, USAF
Commander



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 17-124 Version: 1 Name:
Type: Item Status: AGENDA READY
File created: 7/5/2017 In control: City and Borough Assembly
On agenda: 7/11/2017 Final action:
Title: Service Award - Dorik Mechau (Library Commission)
Sponsors:
Indexes:
Code sections:
Attachments: [Certificate.pdf](#)

Date	Ver.	Action By	Action	Result
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Service Award

On behalf of the City and Borough of Sitka is hereby awarded to

Dorik Mechau

*this expression of grateful acknowledgment for your 1.5 years of
valued service rendered in the public interest while serving on the
Library Commission. Thank you!*



Signed and sealed this 11th day of July, 2017

Matthew Hunter

Mayor, Matthew Hunter

Sara Peterson

ATTEST: Municipal Clerk, Sara Peterson



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 17-123 Version: 1 Name:
Type: Item Status: AGENDA READY
File created: 7/5/2017 In control: City and Borough Assembly
On agenda: 7/11/2017 Final action:
Title: Bags for Change - Michelle Putz
Sponsors:
Indexes:
Code sections:
Attachments: [Bags for Change.pdf](#)

Date	Ver.	Action By	Action	Result
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General

- U.S. consumers use approximately 100 billion plastic shopping bags annually (Scientific American, 2014)
- The use and manufacturing of single-use carryout bags has severe impacts on the environment on a local and global scale, including greenhouse gas emissions, litter, harm to wildlife, atmospheric and ocean acidification, water consumption and solid waste generation; (Scientific American, 2014)
- Plastic bags are particularly harmful to marine life. Plastic bags and their associated plastic pieces are often mistaken for food by animals, birds, and marine life like fish and sea turtles. The consumed plastic then congests the digestive tracts of these animals, and can lead to health issues such as infections and even death by suffocation.

Human Health

- Nearly all commercially available plastics tested in a 2011 study contained compounds (such as or similar to BPA) that release estrogen-mimicking chemicals that have adverse human health affects
 - In mammals, chemicals having estrogen activity can produce many health-related problems, such as early puberty in females, reduced sperm counts, altered functions of reproductive organs, obesity, altered sex-specific behaviors, and increased rates of some breast, ovarian, testicular, and prostate cancers especially in small children and fetuses. (Yang et al. 2011)
- Phthalates are a common ingredient in plastics that make them softer and more pliable. They act as an endocrine disrupter as they accumulate in our bodies. (Bag it!, 2010).
- Plastics are working their way up the food chain into the fish that we consume (Rochman et al. 2015, Kinver 2017).

Micro-plastics

- Plastic is not bio-degradable, it just breaks down into smaller pieces forming a 'plastic dust' called micro-plastics
 - Micro-plastics are capable of absorbing environmental contaminants including DDT, PCB's, etc. (Endo et al. 2005, Rios et al. 2007) which are consumed by the fish we eat and sell through our fisheries (<http://www.npr.org/sections/thesalt/2013/12/12/250438904/how-plastic-in-the-ocean-is-contaminating-your-seafood>).
 - In a study of fish from California and Indonesia, human derived debris (including plastic debris and fiber) was found in the stomach's of 25% of individual fish and in 67% of all species in California and in 28% of individual fish and in 55% of all species in Indonesia. This study, showing anthropogenic debris in more than 25% of individual animals and over half of the species purchased and/or collected from fish markets and fishermen selling fish for human consumption, demonstrate that anthropogenic debris has infiltrated marine foodwebs to the level of humans via seafood. Because anthropogenic debris is associated with a cocktail of priority pollutants, some of which can transfer to animals upon ingestion, this work supports concern that chemicals from anthropogenic debris may be transferring to humans via diets containing fish and shellfish (Lonnstedt and Eklov 2016)
 - In parts of the Pacific there is more plastic to plankton by a ration of 10:1 (Bag it!, 2010)
 - Micro-plastics enter the food web and can accumulate in humans

Plastic Bag Facts

Citations:

- Beraza, S. (Director). (2010). *Bag it: Is your life too plastic* [Video file]. USA: A Reel Thing Productions Film.
- Endo S., Takizawa R., Okuda K., Takada H., Chiba K., Kanehiro H., Ogi H., Yamashita R., Date T. 2005 Concentration of polychlorinated biphenyls (PCBs) in beached resin pellets: variability among individual particles and regional differences. *Mar. Pollut. Bull.* **50**, 1103–1114.
- Kinver, M. 2017. Video captures moment plastic enters food chain. BBC News. March 11, 2017. <http://www.bbc.com/news/science-environment-39217985>
- Rios, L.M., Moore, C., Jones, P.R., 2007. Persistent organic pollutants carried by synthetic polymers in the ocean environment. *Marine Pollution Bulletin* 54, 1230–1237
- Rochman, Chelsea M., Akbar Tahir, Susan L. Williams, Dolores V. Baxa, Rosalyn Lam, Jeffrey T. Miller, Foo-Ching Teh, Shinta Werorilangi, & Swee J. Teh. 2015. Anthropogenic debris in seafood: Plastic debris and fibers from textiles in fish and bivalves sold for human consumption. *Scientific Reports* 5, Article number: 14340 (2015). <http://www.nature.com/articles/srep14340#results>
- Yang CZ, Yaniger SI, Jordan VC, Klein DJ, Bittner GD. 2011. Most plastic products release estrogenic chemicals: a potential health problem that can be solved. *Environ Health Perspect* 119:989–996.996; doi:[Online 2 March 2011]10.1289/ehp.1003220 <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3222987/>
- Do Plastic Bag Bans Work? (2014). Retrieved November 29, 2016, from <https://www.scientificamerican.com/article/do-plastic-bag-bans-work/>

For more information on plastic bags or the Bags for Change group contact:

Michelle Putz 747-2708 or michelleputzfood@yahoo.com

The Bags for Change group is group of concerned Sitkans whose goals are to:

- 1) teach people about the problems and dangers associated with plastic bags,
- 2) provide reusable bags to those needing them, and
- 3) increase the use of reusable bags and decrease the use of disposable bags in Sitka by implementing a bag fee of \$0.25/bag on plastic disposable bags and \$0.10 on paper bags.

Bags for Change**Why should we use fewer plastic bags?**

For our health: Plastics contain chemicals that mimic estrogen. These chemicals affect human health – causing cancers, infertility, low sperm counts, and feminize boys and masculinize girls. They especially affect small children and fetuses. Plastics also break down into tiny pieces that are working their way up the food chain into the fish we eat. **For our marine environment:** Chemicals in plastic affect fish and kill thousands of birds, turtles, and whales every year.

The Bags for Change group's goals:

- 1) teach people about the problems and dangers associated with plastic bags,
- 2) provide reusable bags to those needing them, and
- 3) increase the use of reusable bags and decrease the use of disposable bags in Sitka by implementing a bag fee on disposable bags.

Keep your reusable bags clean!

Like clothes, your reusable bags need to be cleaned regularly or when they get dirty or contaminated. Most reusable bags (including those made of heavy duty plastic) can be washed in the washing machine along with your clothes and hung to dry. Consider turning bags inside out to make sure the inside gets cleaned. Insulated/heavy plastic reusable bags can be cleaned by spraying with a disinfectant spray (especially seams) and wiping dry.

Need plastic bags around the house? Here are some ideas to help reduce or replace plastic bags:

- For collecting dog poo or cat litter – try empty bags from potato chips, cereal or noodles
- For wet or gooey waste – use the bottom of a cut milk carton or the empty sour cream container
- For trash can liners – try bread bags or save the liner! Rather than throw away the liner each time, just dump the trash into a single large trash-can size bag and keep individual can liners.
- For yard and house waste – try empty dog or cat food bags, cat litter bags, or empty boxes
- For transporting clean items – try a backpack, dry bag, reusable bag or a box.
- For containing food – use reusable containers with lids – glass is especially a good choice because you can often reheat in glass in the microwave or oven. Jars with wide mouths can be reused and are usually spill proof.

Still need plastic bags? Consider purchasing “green” bags that are made from plant materials. While these bags don’t break down in Sitka’s cold temperatures, they are still better than bags made from oil.

Interested in Bags for Change or need more reusable bags? Contact Michelle at 747-2708 for more info.

Motion approved by the Health Needs and Human Services commission at their June 14, 2017 meeting.

M - Platson/S - Arndt moved that the Health Needs and Human Services Commission supports the reduction of plastic bags in our community because of their detrimental impacts on the health and environment. The Commission also supports the approach and work of the volunteer group Bags for Change. Motion carried unanimously on a roll call vote.



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 17-121 Version: 1 Name:
Type: Item Status: AGENDA READY
File created: 7/3/2017 In control: City and Borough Assembly
On agenda: 7/11/2017 Final action:
Title: Approve the minutes of the June 27 Assembly meeting
Sponsors:
Indexes:
Code sections:
Attachments: [Consent and Minutes.pdf](#)

Date	Ver.	Action By	Action	Result
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CONSENT AGENDA

POSSIBLE MOTION

**I MOVE TO APPROVE THE CONSENT AGENDA
CONSISTING OF ITEMS A, B, C, D & E**

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
June 27 Assembly meeting.



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*

Tuesday, June 27, 2017

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 6 - Swanson, Eisenbeisz, Guevin, Potrzuski, Knox, and Bean

Absent: 1 - Hunter

IV. CORRESPONDENCE/AGENDA CHANGES

No agenda changes.

17-111 Reminders, Calendars and Correspondence

V. CEREMONIAL MATTERS

17-112 Athletic Awards for Sitka High School Baseball

Deputy Mayor Potrzuski read and presented Athletic Awards to members of the Sitka High School Baseball Team for placing first at the 2017 ASAA State High School Baseball Championships.

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

Travis Hudson spoke to the upcoming schedule for continued discussions of healthcare in Sitka and expressed that the process felt rushed. He reported a worksession for Sitka Community Hospital to present their options was scheduled for July 13, a Town Hall Meeting had been organized for July 17, and a special Assembly meeting was planned for July 18.

Alene Henning voiced concern, that although prohibited, citizens were continuing to use cellphones while driving.

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

Interim Administrator - Messina spoke to the professionalism of City staff and thanked everyone for welcoming him. He announced the City had been notified by Senator Murkowski's office that Sitka would receive a payment of \$684,271 from the PILT (Payment in Lieu of Taxes) federal program.

IX. CONSENT AGENDA

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

Yes: 6 - Swanson, Eisenbeisz, Guevin, Potrzuski, Knox, and Bean

Absent: 1 - Hunter

A 17-113 Approve the minutes of the June 13 Assembly meeting

This item was APPROVED ON THE CONSENT AGENDA.

B RES 17-11 Setting the millage rates for the Fiscal Year July 1, 2017 through June 30, 2018

This item was APPROVED ON THE CONSENT AGENDA.

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

C 17-119 Reappoint Bert Stedman to a term on the Investment Committee

Guevin thanked Senator Bert Stedman for reapplying and his years of service with the Committee.

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

Yes: 6 - Swanson, Eisenbeisz, Guevin, Potrzuski, Knox, and Bean

Absent: 1 - Hunter

XI. UNFINISHED BUSINESS:

- D ORD 17-18** Vacating the right of way adjacent to 403 Alice Loop (Purpose: to vacate and sell to Mica Trani, owner of property at 403 Alice Loop)
- A motion was made by Swanson that this Ordinance be APPROVED on SECOND AND FINAL READING. The motion PASSED by the following vote.
- Yes:** 6 - Swanson, Eisenbeisz, Guevin, Potrzuski, Knox, and Bean
- Absent:** 1 - Hunter
- E ORD 17-17** Adjusting the FY17 Budget (GPIP Access Ramp)
- Knox and Guevin spoke in support of the Ordinance. Guevin added it was exciting to see economic development being created at the Gary Paxton Industrial Park.
- A motion was made by Knox that this Ordinance be APPROVED on SECOND AND FINAL READING. The motion PASSED by the following vote.
- Yes:** 6 - Swanson, Eisenbeisz, Guevin, Potrzuski, Knox, and Bean
- Absent:** 1 - Hunter
- F ORD 17-19** Amending the official Sitka Zoning Map to rezone harbors at 211 and 617 Katlian Avenue from Waterfront District (WD) to Public Lands District (P)
- Knox stated uniformity of zoning in the harbors was important.
- A motion was made by Guevin that this Ordinance be APPROVED on SECOND AND FINAL READING. The motion PASSED by the following vote.
- Yes:** 6 - Swanson, Eisenbeisz, Guevin, Potrzuski, Knox, and Bean
- Absent:** 1 - Hunter
- G ORD 17-20** Amending Sitka General Code Title 19 entitled "Building and Construction", Chapter 19.08 entitled "Code Applicability", by adding Subsection D to Section 19.08.030 entitled "Islands", for an exemption for private recreational cabins on islands
- Valerie Edwards spoke in support of the Ordinance.
- A motion was made by Swanson that this Ordinance be APPROVED on SECOND AND FINAL READING. The motion PASSED by the following vote.
- Yes:** 6 - Swanson, Eisenbeisz, Guevin, Potrzuski, Knox, and Bean
- Absent:** 1 - Hunter

- H ORD 17-14 Amending Sitka General Code Title 20 "Miscellaneous Permit Regulations" by changing the name to "Environmentally Critical Areas" and adding a new Chapter 20.01 entitled "Landslide Area Management"**

Scott McArthur, a contractor and owner of property near the Kramer landslide, spoke in support of the ordinance.

Eisenbeisz stated passage of the ordinance would allow development in areas where development might not otherwise be allowed.

Potrzuski thanked staff for their work.

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

Yes: 6 - Swanson, Eisenbeisz, Guevin, Potrzuski, Knox, and Bean

Absent: 1 - Hunter

XII. NEW BUSINESS:

- I 17-114 Consideration and award of the request for proposals submitted for the available funds (\$38,000) in the Fisheries Enhancement Fund**

Linda Behnken of Alaska Longline Fisherman's Association and Lisa Busch of Sitka Sound Science Center spoke to the disbursement of funds and their respective programs.

Nancy LeClerc Davidson and Steve Reifentstuhl spoke in support of the Sitka Sound Science Center proposal. Eric Jordan, Jacob Klusemeier, Kathryn Klusemeier, and Steve Fish voiced support for the Alaska Longline Fisherman's Association request.

A motion was made by Eisenbeisz to make \$38,000 in the Fisheries Enhancement Fund available for disbursement. The motion PASSED by the following vote.

Yes: 6 - Swanson, Eisenbeisz, Guevin, Potrzuski, Knox, and Bean

Absent: 1 - Hunter

A motion was made by Eisenbeisz to award \$10,000 to the Alaska Longline Fisherman's Association and \$28,000 to the Sitka Sound Science Center. After discussion, a motion was made by Eisenbeisz to Divide the Question. The motion to Divide the Question PASSED by the following vote.

Yes: 6 - Swanson, Eisenbeisz, Guevin, Potrzuski, Knox, and Bean

Absent: 1 - Hunter

A motion was made by Eisenbeisz to award \$10,000 to the Alaska Longline Fisherman's Association. The motion PASSED by the following vote.

Yes: 4 - Eisenbeisz, Guevin, Potrzuski, and Knox

No: 2 - Swanson, and Bean

Absent: 1 - Hunter

A motion was made by Eisenbeisz to award \$28,000 to the Sitka Sound Science Center. The motion PASSED by the following vote.

Yes: 6 - Swanson, Eisenbeisz, Guevin, Potrzuski, Knox, and Bean

Absent: 1 - Hunter

J 17-115 Discussion/Direction of use of Commercial Passenger Excise Tax (CPET) funds for a downtown shuttle pilot project

Pat Kehoe explained this was a one month pilot project and asked for Assembly support to include \$7,000.

The Assembly, while supportive of the concept, wished to have more information and discussed possible funding options: Commercial Passenger Excise Tax Funds, Visitor Enhancement Funds, partnership with Sitka Tribe of Alaska, and collaboration among local businesses.

Sheri Aitken, Director of Tourism at Visit Sitka, stated the last cruise ship was scheduled for September 29. She encouraged the pilot project to begin no later than the second or third week of July.

Eisenbeisz expressed concern over the need for a Request For Proposals. Municipal Attorney, Brian Hanson, indicated he would be involved to ensure the City was in compliance for this process.

A motion was made by Guevin to direct the Administrator to prepare a supplemental budget ordinance for a downtown shuttle pilot project working with Sitka Tribe of Alaska, and the group currently working to develop the project, with the amount not to exceed \$10,000. The motion PASSED by the following vote.

Yes: 6 - Swanson, Eisenbeisz, Guevin, Potrzuski, Knox, and Bean

Absent: 1 - Hunter

K 17-116 Approve a renewal of a retail marijuana store license for Anna M. Cleaver dba Weed Dudes at 1321 Sawmill Creek Road Suite J

Bean recused himself stating he benefitted from the license. Guevin thanked the Planning Department for their work.

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

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

Absent: 1 - Hunter

Recused: 1 - Bean

L 17-117 Approve a renewal of a retail marijuana store license for Micah Miller and Michael Daly dba Northern Lights Indoor Gardens, LLC at 1321

Sawmill Creek Road Suite O and P

Eisenbeisz recused himself and stated he had a financial conflict.

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

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

Absent: 1 - Hunter

Recused: 1 - Eisenbeisz

M 17-118

Approve a renewal of a standard marijuana cultivation facility license for Micah Miller and Michael Daly dba Northern Lights Indoor Gardens, LLC at 1321 Sawmill Creek Road Suite O and P

Eisenbeisz recused himself and stated he had a financial conflict.

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

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

Absent: 1 - Hunter

Recused: 1 - Eisenbeisz

N RES 17-13

Supporting Sitka Sound Science Center's application of FY17 Historic Preservation Fund Grant program for Certified Local Governments

Knox and Potrzuski expressed support for Sitka Sound Science Center's grant application to preserve the Mill Building. Eisenbeisz requested clarification on the administrative fee. Chief Finance and Administrative Officer, Jay Sweeney, indicated the fee could be upwards of 10% of the grant amount, however, he was willing to work with applicant to come to a mutual agreement regarding the amount of the administrative fee for this grant.

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

Yes: 6 - Swanson, Eisenbeisz, Guevin, Potrzuski, Knox, and Bean

Absent: 1 - Hunter

O ORD 17-21

Amending Sitka General Code Title 15 to increase rates at Chapter 15.04 "Sewer System" Sections 15.04.100 entitled "Service Connection Charge", 15.04.320 entitled "Rates and Fees"; and Chapter 15.05 "Water System" Sections 15.05.240A entitled "Service Connection Charge", 15.05.620 entitled "Rates and Fees"; and Chapter 15.06 "Solid Waste System and Refuse Collection" Sections 15.06.020 entitled "Solid Waste Disposal Policy and Rates", 15.06.030

entitled "Receptacles Available", 15.06.035 entitled "Rates for Treatment and Collection", 15.06.045 entitled "Special Refuse and Treatment Charges"

Chief Finance and Administrative Officer, Jay Sweeney, reminded the proposed increases were discussed during the annual budget meetings.

Several Assembly members spoke to the need for a reevaluation of the Master Plans and stated the City wasn't currently funding them to required levels. Guevin offered \$4 million was required to maintain the current level of infrastructure.

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

Yes: 4 - Swanson, Guevin, Potrzuski, and Knox

No: 2 - Eisenbeisz, and Bean

Absent: 1 - Hunter

P RES 17-12 Submitting City and Borough of Sitka Shovel Ready Project priorities to the State of Alaska

Guevin thanked staff for development of the project list. He noted, if awarded, the projects would provide multiple benefits including infrastructure improvements and employment opportunities.

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

Yes: 6 - Swanson, Eisenbeisz, Guevin, Potrzuski, Knox, and Bean

Absent: 1 - Hunter

Q 17-120 Discussion/Direction of Electric Department insurance renewal options

Utility Director, Bryan Bertacchi, provided an overview of Electric Department insurance renewal options and cost savings. He explained the annual cost for general liability, property and machinery breakdown was approximately \$700,000. Of that amount, nearly \$200,000 was for the two dams.

Bertacchi and Mike Venneberg of Venneberg Insurance reviewed the renewal options. Bertacchi recommended options 1 and 3.

Option 1: not to insure the dam or tunnel/penstock at either Green Lake or Blue Lake. The only covered property at these locations would be the powerhouses, a savings of \$210,000.

Option 2: insure all property but decrease earth movement and flood limit from \$50 million to \$30 million, a savings of \$50,000.

Option 3: increase the machinery deductible breakdown deductible to a flat \$500,000, a savings of \$49,285.

Option 4: make no changes and renew the policy as is.

Assembly members discussed the risks associated with each option.

A motion was made by Eisenbeisz to approve not insuring the Dam or Tunnel/Penstock at either Green Lake or Blue Lake and to approve an increase in machinery breakdown deductible to flat \$500,000. The motion FAILED by the following vote.

Yes: 3 - Swanson, Eisenbeisz, and Potrzuski

No: 3 - Guevin, Knox, and Bean

Absent: 1 - Hunter

A motion was made by Eisenbeisz to approve an increase in machinery breakdown deductible to flat \$500,000. The motion PASSED by the following vote.

Yes: 5 - Swanson, Eisenbeisz, Potrzuski, Knox, and Bean

No: 1 - Guevin

Absent: 1 - Hunter

R ORD 17-22 Adjusting the FY17 Budget (PERS)

Chief Finance and Administrative Officer, Jay Sweeney, explained the State of Alaska made and paid for contributions into PERS, on behalf of the City and Borough of Sitka (CBS) and its employees. He stated that financial reporting rules required the CBS to record in its accounting system, and report on financial statements, when another entity made an expenditure on behalf of CBS.

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

Yes: 6 - Swanson, Eisenbeisz, Guevin, Potrzuski, Knox, and Bean

Absent: 1 - Hunter

XIII. PERSONS TO BE HEARD:

None.

XIV. EXECUTIVE SESSION

None.

XV. ADJOURNMENT

A motion was made by Swanson to ADJOURN. Hearing no objections, the meeting ADJOURNED at 9:42pm.

ATTEST: _____
Sara Peterson, CMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 17-125 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 7/5/2017 In control: City and Borough Assembly

On agenda: 7/11/2017 Final action:

Title: Approve a liquor license ownership transfer and restaurant designation permit for Beak LLC dba Beak Restaurant at 2 Lincoln Street Suite 1A

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and Memo Beak Restaurant.pdf](#)
[Supporting docs The Beak.pdf](#)

Date	Ver.	Action By	Action	Result
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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 Beak LLC dba Beak Restaurant and forward these approvals to the Alcoholic Beverage Control Board without objection.



City & Borough of Sitka
Municipal Clerk's Office
100 Lincoln Street, Sitka AK 99835
Telephone: 907-747-1811 Fax: 907-747-4004



Memorandum

To: Mayor Hunter and Assembly Members
From: Sara Peterson, Municipal Clerk
Date: July 3, 2017
Subject: Liquor License Transfer of Ownership (#4971) and Application for Restaurant Designation Permit

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

Type: Restaurant/Eating Place
Owner: GraCED, Inc.
DBA: The Larkspur Cafe
Location: 2 Lincoln Street Suite 1A

To: Beak LLC
DBA: Beak Restaurant
Location: 2 Lincoln Street Suite 1A

The granting of the restaurant designation permit allows:

- 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
- Employment for persons 16 or 17 years of age

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 Beak, LLC dba Beak Restaurant and forward these approvals to the Alcoholic Beverage Control Board without objection.

OFFICE OF THE MUNICIPAL CLERK

June 27, 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 (#4971) and
Application for Restaurant Designation Permit**

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

Type: Restaurant/Eating Place
Owner: GraCED, Inc.
DBA: The Larkspur Cafe
Location: 2 Lincoln Street Suite 1A

To: Beak LLC
DBA: Beak Restaurant
Location: 2 Lincoln Street Suite 1A

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

Licensee: Beak LLC
DBA: Beak Restaurant
Location: 2 Lincoln Street Suite 1A

The granting of this permit allows:

- 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
- Employment for persons 16 or 17 years of age

Please notify **no later than noon July 5** of any reason to protest these requests.

Thank you.



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

**Department of Commerce, Community,
and Economic Development**
ALCOHOL & MARIJUANA CONTROL OFFICE
550 West 7th Avenue, Suite 1600
Anchorage, AK 99501
Main: 907.269.0350

June 19, 2017

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

License Type:	Restaurant/Eating Place	License Number:	4971
Licensee:	Beak LLC		
Doing Business As:	Beak Restaurant		

- 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



Alaska Alcoholic Beverage Control Board

Form AB-03: Restaurant Designation Permit Application

Alcohol and Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
alcohol.licensing@alaska.gov
https://www.commerce.alaska.gov/web/amco
Phone: 907.269.0350

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.

Table with fields: Licensee: Beak LLC, License Type: Restaurant/Eating Place, License Number: 4971, Doing Business As: Beak Restaurant, Premises Address: 2 Lincoln St. Suite 1A, City: Sitka, State: AK, ZIP: 99835, Contact Name: Renee Traffon, Contact Phone: (303) 478-2940

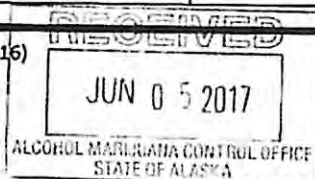
Section 2 - Type of Designation Requested

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 table with fields: Issue Date, Transaction #, BRE:





Alcohol and Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
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:

11:00 AM - 9:00 PM Mon - Sat. Sunday 10:00 AM - 2:00 PM

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:

Occasionally local musicians gather to play acoustic, original music to accompany the diners.

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:

RECEIVED
JUN 05 2017
ALCOHOL MARIJUANA CONTROL OFFICE
STATE OF ALASKA

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

39'6"

Back
Seating
area

Back
Kitchen

Covered
Porch

12'

40'

* This section of the
Cattle House premises is
walkway and lawn,
and is a potential
outdoor performance
and seating area.
We would like to
encompass this area
in our application
if possible.

Garage

22'

21'

RECEIVED

JUN 05 2017

RECEIVED MARIJUANA CONTROL
STATE OF ALASKA

* WE PROPOSE TO USE A PORTION OF THE LOCKED
GARAGE TO STORE BEER AND WINE.



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 Anchorage, AK 99501
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 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.

RJT

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

RJT

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.

RJT

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

Renee J. Trafton

Signature of licensee

Sandy Baird

Signature of Notary Public

Renee J. Trafton

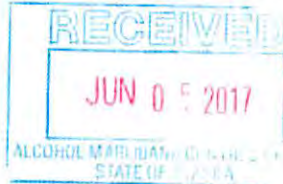
Printed name of licensee

Notary Public in and for the State of Alaska

My commission expires: 5/14/2020



Subscribed and sworn to before me this 31st day of May, 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
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Anchorage, AK 99501
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:

RECEIVED

JUN 05 2017

ALCOHOL & MARIJUANA CONTROL OFFICE



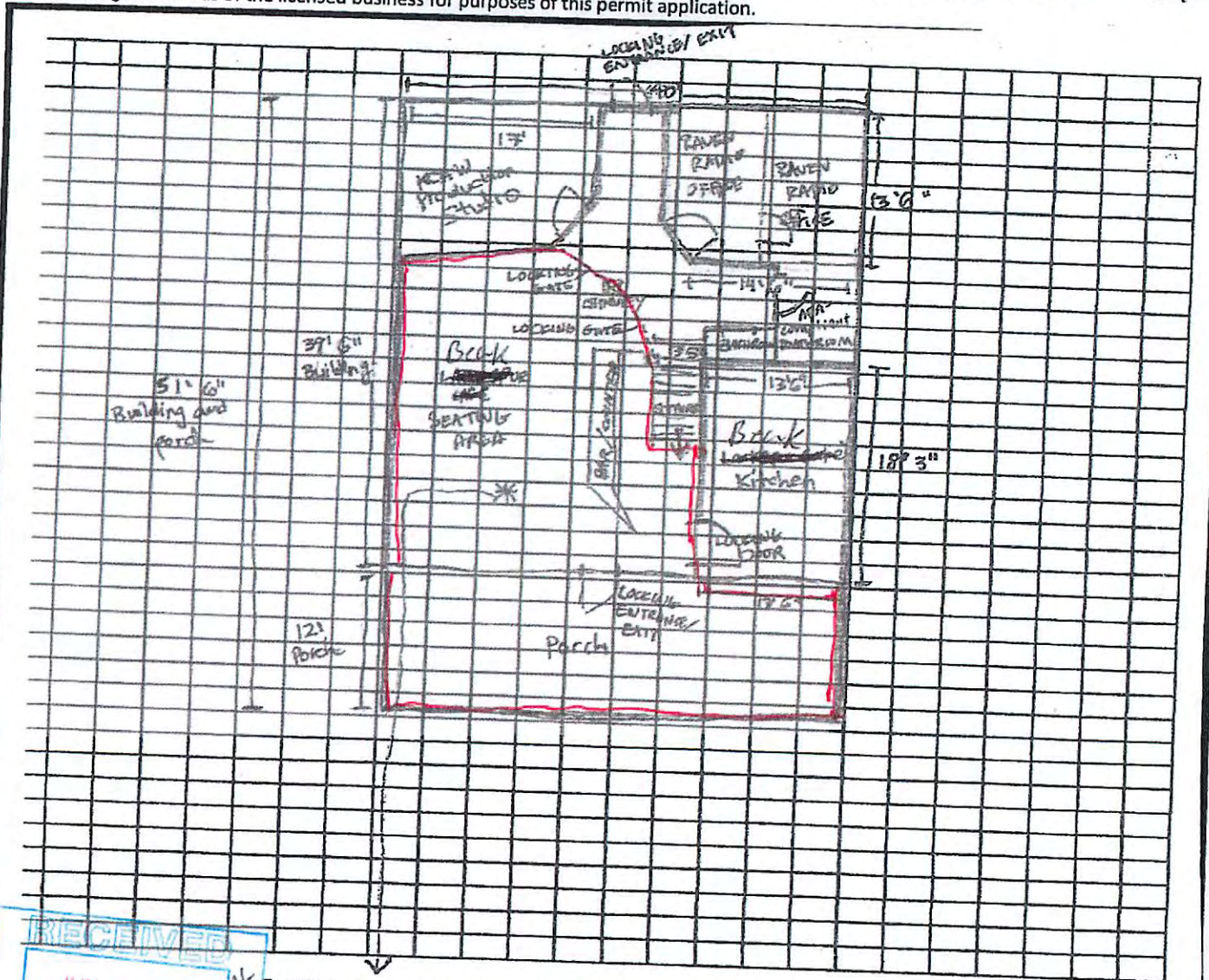
Alaska Alcoholic Beverage Control Board

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 undesignated areas of the licensed business for purposes of this permit application.

1/4" = 12'-scale



RECEIVED
 JUN 05 2017
 ALCOHOL MARIJUANA CONTROL OFFICE
 STATE OF ALASKA

* PLEASE SEE ATTACHED DETAILED ARCHITECTURAL DRAWING OF ~~THE~~ Beck Restaurant SEATING AREA & BAR (1/4" = 10' SCALE)

Brunch



Delta Junction Barley Porridge
Tender Barley, Cinnamon, Clove, Brown Sugar, Berries 13

One Scone and a Small Porridge
Assorted Selection 10

House Granola Parfait
Greek Style Yogurt, Peanut Butter-Chocolate Chip- Craisin Granola, Berries 15

Sitka Breakfast
Smoked Salmon Hash, Alaskan Bacon, Toast, Two Eggs Any Way 17

Breakfast Burrito
Potato, Scrambled Egg, Cheddar Cheese 13
Add Sausage 2

Salmon Scramble
Smoked Salmon, Cream Cheese, Spinach, Toast, Potato Hash 17

French Toast
Berry Compote, Whipped Cream 13

Breakfast Breads
Individual House made Assorted 4

Sides

Two eggs any style 4
Toast 2
Salmon Hash 4
Potato Hash 3
Alaskan Sausage 3
Alaskan Bacon 4

GRATUITY FREE

Consuming raw or undercooked meats, poultry, seafood, shellfish, or eggs may increase your risk of foodborne illness.



Dinner



Massaged Kale in Rosemary Vinaigrette
Apple Cider Vinegar, Candied Pecans, Macerated Berries 12

Alaskan Ranch
Romaine with House Croutons, Mat-Su Valley bacon, Sunflower Seeds 12

Warm Roasted Root Vegetable
Parsnips, Potato, Candied Carrot, Fennel, Herbed Balsamic Dressing 10

Creamy House Salmon Chowder
Local Coho, Potato, Carrot, Celery, White Pepper. Served With a Cheddar Scallion Scone 12

Alaskan Vegetable Barley Soup
Delta Junction Barley, Potato, Carrot, Parsnip, Tomato Base 8

Smoked King Salmon Dip
Cream Cheese, Dill, Sourdough Crostini 10

Hummus
Pita, House cooked Garbanzo, Olive Oil, Paprika 8

Honey Miso Black Cod Tips
Sautéed Sesame Kale, Delta Junction Barley Pilaf, Sweet Soy Reduction 20

Seared Sockeye Salmon
Root Vegetable Medley, Carrot Puree, Fresh Herb Salad 22

'Everything' Encrusted Pacific Cod
Crushed Red Potato, Fennel Slaw, Stoneground Mustard 20

Salmon Burger
Pickled Red Onion, Mixed Greens, Dijon Aioli, Toasted Bun 23

Alaska Reindeer Sausage
Indian Valley Meats' sausage, Crushed Red Potato, Candied Carrots 22

GRATUITY FREE

Consuming raw or undercooked meats, poultry, seafood, shellfish, or eggs may increase your risk of foodborne illness.



Lunch



Massaged Kale in Rosemary Vinaigrette
Apple Cider Vinegar, Candied Pecans, Macerated Berries 12

Alaskan Ranch
Romaine with House Croutons, Mat-Su Valley Bacon, Sunflower Seeds 12

House Salmon Chowder
Local Coho, Potato, Carrot, Celery, White Pepper. Served With a Cheddar Scallion Scone 12

Alaskan Vegetable Barley Soup
Delta Junction Barley, Potato, Carrot, Parsnip, Tomato Base 8

Soup & Salad
Cup of Soup, Small Alaskan Ranch Salad 10

Hummus
Pita, Mixed Greens, Marinated Garbanzo, Tahini (Vegan) 8

Scones
Two Savory House Made Cheddar Scallion Scones 8

Hummus Wrap
Pita, Mixed Greens, Marinated Garbanzo, Tahini (Vegan), Chips 14
Sub Chips for Salad \$2

Salmon Pita
Sesame Soy Marinated Sockeye Salmon, Fresh Greens, Spiced Aioli, Chips 18
Sub Chips for Salad \$2

Rockfish Tacos
Three Corn Tortillas, Chipotle Rockfish, Cabbage, Cilantro, Spiced Sour Cream 18

Salmon Burger
Brioche Bun, Mixed Greens, Pickled Onion, Dijon Aioli, Chips 23
Sub Chips for Salad \$2

Reindeer Sausage
Sauerkraut, Stone Ground Mustard, Chips or Salad 20

Salmon Mac'n Cheese
Coho Salmon, Tillamook Cheddar, Shell Pasta 17

GRATUITY FREE

Consuming raw or undercooked meats, poultry, seafood, shellfish, or eggs may increase your risk of foodborne illness.





Alcohol and Marijuana Control Office
 550 W 7th Avenue, Suite 1600
 Anchorage, AK 99501
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.

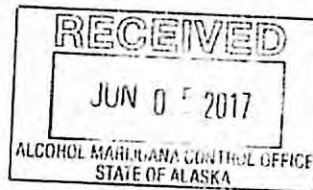
Section 1 - Transferor Information

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

Licensee:	GRAED, INC		License #:	4971	
License Type:	Restaurant/Eating Place		Statutory Reference:	AS 04.11.100	
Doing Business As:	The Larkspur Cafe				
Premises Address:	2 Lincoln St. Suite 1A				
City:	Sitka	State:	AK	ZIP:	99835
Local Governing Body:	City and Borough of Sitka				

Transfer Type:

- Regular transfer
- Transfer with security interest
- Involuntary retransfer



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



Alcohol and Marijuana Control Office
 550 W 7th Avenue, Suite 1600
 Anchorage, AK 99501
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 2 - Transferee Information

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

Licensee:	Beak LLC		
Doing Business As:	Beak Restaurant		
Premises Address:	2 Lincoln St. Suite 1A		
City:	Sitka	State:	AK
		ZIP:	99835
Community Council:			

Mailing Address:	692 Indian River Rd.		
City:	Sitka	State:	AK
		ZIP:	99835

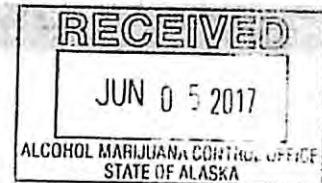
Designated Licensee:			
Contact Phone:	(303) 478-2940	Business Phone:	(907) 966-2326
Contact Email:	Renee@beakrestaurant.com		

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.

0.5 mile or 2640 ft.

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.

0.3 mile



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:		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:	Rebee Jakaitis Trafton				
Title(s):	Owner	Phone:	(303) 478-2940	% Owned:	100
Address:	692 Indian River Rd.				
City:	Sitka	State:	AK	ZIP:	99835



Alcohol and Marijuana Control Office
 550 W 7th Avenue, Suite 1600
 Anchorage, AK 99501
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:				
Title(s):	Phone:	% Owned:		
Address:				
City:	State:	ZIP:		

Entity Official:				
Title(s):	Phone:	% Owned:		
Address:				
City:	State:	ZIP:		

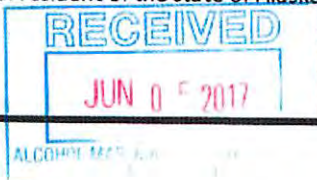
Entity Official:				
Title(s):	Phone:	% Owned:		
Address:				
City:	State:	ZIP:		

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 #:	10056808	AK Formed Date:	4/20/2017	Home State:	AK
Registered Agent:	Renee Jakaitis Traffon	Agent's Phone:	(303) 428 - 2940		
Agent's Mailing Address:	692 Indian River Rd.				
City:	Sitka	State:	AK	ZIP:	99835

Residency of Agent: Sitka, Alaska Yes No

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





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):

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:

Math Trafton - Husband





Alcohol and Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
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.

Grace E. Roller

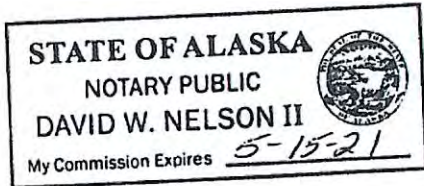
Signature of transferor

Grace E. Roller

Printed name of transferor

Subscribed and sworn to before me this 25th day of May, 2017.

[Signature]
Signature of Notary Public



Notary Public in and for the State of Alaska

My commission expires: 15 May 2021

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 7th Avenue, Suite 1600
 Anchorage, AK 99501
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.

RT

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

RT

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.

RT

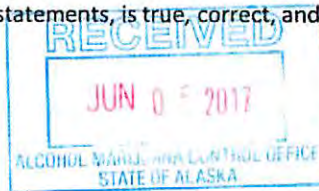
I certify that all licensees, agents, and employees who sell or serve alcoholic beverages or check the identification of a patron will complete an approved alcohol server education course, if required by AS 04.21.025, and, while selling or serving alcoholic beverages, will carry or have available to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

RT

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

RT

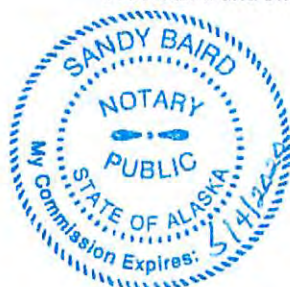
As an applicant for a liquor license, I declare under penalty of perjury that I have read and am familiar with AS 04 and 3 AAC 304, and that this application, including all accompanying schedules and statements, is true, correct, and complete.



Renee J. Trafton
 Signature of transferee

Renee J. Trafton
 Printed name

Subscribed and sworn to before me this 31st day of May, 2017.



Sandy Baird
 Signature of Notary Public

Notary Public in and for the State of Alaska

My commission expires: 5/4/2020



Alcohol and Marijuana Control Office
 550 W 7th Avenue, Suite 1600
 Anchorage, AK 99501
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.

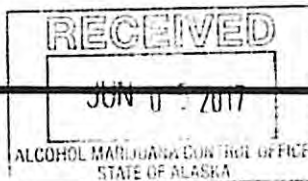
Yes No

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:	Beak LLC	License Number:	4971
License Type:	Restaurant/Eating Place		
Doing Business As:	Beak Restaurant		
Premises Address:	2 Lincoln St. Suite 1A		
City:	Sitka	State:	AK ZIP: 99835



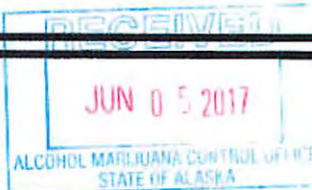
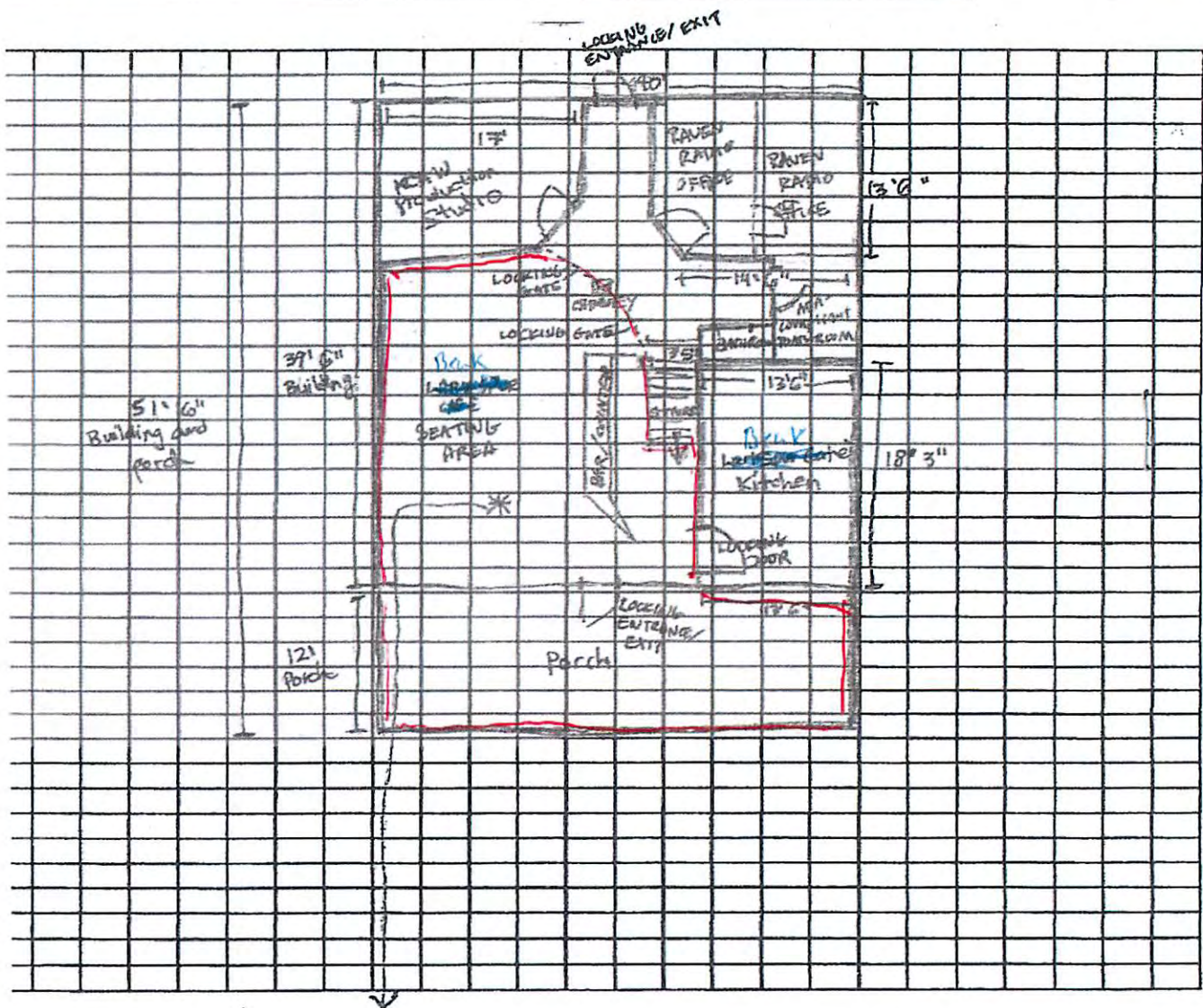


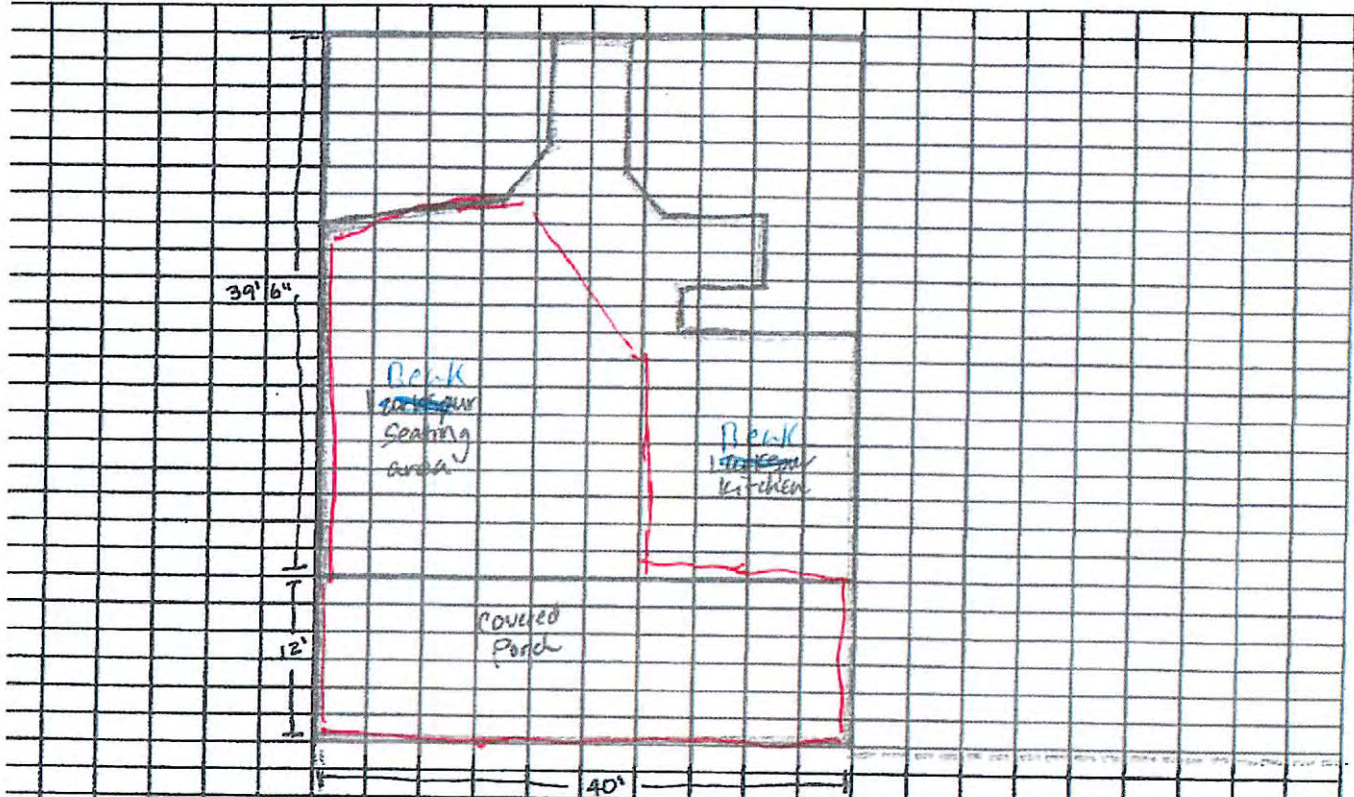
Alaska Alcoholic Beverage Control Board Form AB-02: Premises Diagram

Section 2 - Detailed Premises Diagram

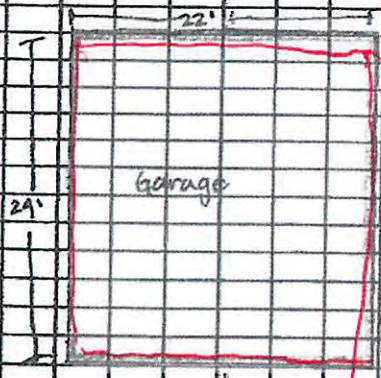
Clearly indicate the boundaries of the premises and the proposed licensed area within that property. Clearly indicate the interior layout of any enclosed areas on the proposed premises. Clearly identify all entrances and exits, walls, bars, a red the perimeter of the areas designated for alcohol storage, service, consumption, and manufacturing. Include streets, and points of reference in your drawing. You may attach blueprints or other detailed drawings that fit this form.

1" = 12' Scale





* This section of the
 Cattle House process is
 walkway and lawn,
 and is a potential
 outdoor performance
 and seating area.
 We would like to
 encompass this area
 in our application
 if possible.



RECEIVED
 JUN 05 2017
 ALASKA MARSHLANDS CONTROL OFFICE
 STATE OF ALASKA

* WE PROPOSE TO USE A PORTION OF THE LOCKED GARAGE TO STORE BEER AND WINE.



CITY AND BOROUGH OF SITKA

Legislation Details

File #: RES 17-14 Version: 1 Name:
Type: Resolution Status: AGENDA READY
File created: 7/3/2017 In control: City and Borough Assembly
On agenda: 7/11/2017 Final action:
Title: Approving submittal and execution of a Municipal Harbor Facility Grant application to the State of Alaska Department of Transportation and Public Facilities (DOT&PF) in the amount of \$5,000,000 for the project entitled Crescent Harbor Float Replacement - Phase I

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and Memo Res 2017-14.pdf](#)
[Res 2017-14.pdf](#)

Date	Ver.	Action By	Action	Result
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Should this item be pulled from the consent agenda the following motion is suggested:

POSSIBLE MOTION

I MOVE TO approve Resolution 2017-14 on first and final reading.

MEMORANDUM

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

From: Dan Tadic, P.E., Municipal Engineer *DT*
Stan Eliason, Harbormaster *SE*

Reviewed: Michael Harmon, P.E., Public Works Director *MH*
Jay Sweeney, Chief Finance and Administrative Officer *JS*

Date: June 26, 2017

Subject: ADOT&PF Municipal Harbor Facility Tier I Grant Application
Crescent Harbor Float Replacement – Phase I

Background

Crescent Harbor was designed and constructed by the State of Alaska, Department of Transportation and Public Facilities (ADOT&PF) in several phases, beginning in 1965 and completed in 1970.

Crescent Harbor has undergone numerous repair projects in the past 50 years. Supplemental floatation has been added at least three times over the past 27 years to increase the freeboard of the floats in an effort to get the structural members and fasteners out of the water. Numerous failing timber piling were replaced over the past several years. Approximately 50 percent of the timber finger floats on floats 1, 2 and 3 were replaced in 2002 and the electrical system was renovated in 2005. In spite of these repair projects, the facility is near the end of its safe and useable life. Float structural stringers are rotten such that multiple fasteners are required in each deck board in order to secure them down. Harbor staff have been forced to recently switch from deck nails to 6" long screws for this same reason.

Crescent Harbor was evaluated as a part of the Harbor System Master Plan in late 2011 and was included in the Capital Improvement Project (CIP) Plan with a proposed two-phase replacement. The Master Plan concluded that due to the numerous repair and expansion phases that the harbor has undergone during its lifespan, some components are in fair to good condition. However, the majority of the facility, and many critical structural components, has exceeded its life expectancy and is in need of replacement. The Master Plan went on to state that the 1965 harbor facilities (i.e. concrete floats) have a remaining safe and useable service life of approximately 5 years and that the 2002 improvements (i.e. timber floats) have a safe and useable life of approximately 15 years.

Analysis

The Alaska Legislature established the State of Alaska Municipal Harbor Facility 50/50 Grant Program in 2006 to provide financial assistance up to \$5,000,000 per project for municipally-owned harbor facilities. The grant program is funded on an annual basis at the discretion of the Governor and Legislature. Applications for the grant program are competitively scored based on ten weighted criteria.

The 50/50 Grant Program is comprised of two tiers: Tier I applications are for repair/replacement of formerly State-owned facilities and Tier II applications are for expansion, new construction, or repair/replacement of facilities that were not formerly State-owned. Tier I applications are given the higher priority, whereas Tier II applications are seldom funded. Each

eligible facility is permitted only one Tier I grant after which time, any further repairs or replacements would fall under a Tier II application. Since Crescent Harbor was at one time State-owned, it is eligible for a Tier I grant.

The updated cost estimate puts the replacement cost of the entire facility to be approximately \$18,000,000 (2017 dollars). Under the Master Plan, the concrete floats (floats 5, 6 and 7) at Crescent Harbor were to be replaced in 2016 with a second phase consisting of replacement of the timber floats occurring in 2026. However, Harbor Staff has concerns with this plan and feels that it is more critical to replace the timber floats now as opposed to the concrete floats. While supplemental floatation can be added to the concrete floats to extend their service life, once the timbers floats rot, the addition of supplemental floatation can force the floatation up through the rotten timber damaging the float and electrical cable tray. Following that line of thinking, Public Works and Harbor Staff modified the CIP to include a more robust Crescent Harbor project for 2019 to include replacement of the timber floats or as much scope as can be accomplished for \$13,500,000 total project cost. A \$13,500,000 project will maximize the value of the one-time Tier I grant. Since the program covers only up to \$5,000,000 in eligible construction costs, the City and Borough cost of the project would be \$8,500,000 to cover the remainder of construction and design, permitting, management and contingencies. It is assumed that a future Phase II project will replace the remainder of the harbor (i.e. concrete floats) in 2026.

Crescent Harbor is the next grant-eligible Tier I project for the CBS Harbor Department under the Harbor System Master Plan CIP. Staff applied for this grant for FY16-18, however the project scored in third (FY16-17) and second place (FY18) respectively and funding was not provided. Securing grant funding for this project would allow the City and Borough to replace a portion of this aging facility with a significant subsidy from the State. Furthermore, modifying the scope identified in the Master Plan as proposed by Staff will allow the City and Borough to fully optimize its one chance at a Tier I grant for Crescent Harbor. A resolution of support from the Assembly is not required for the application, however would provide the City and Borough the best possible chance of securing funding for this project.

Fiscal Note

Replacement of Crescent Harbor is a scheduled improvement contained within the Sitka Harbor Master Plan (2012). The City's portion of the project funding, if approved, would be provided for by some combination of undesignated working capital of the Harbor Fund and/or by the proceeds of loans or bonding. The Harbor Master Plan anticipated bonding for this project.

In order to finance the required match through either working capital or debt, implementation of multi-year moorage rate increases is necessary.

Recommendation

Approve Resolution 2017-14 and authorize the Administrator to submit an ADOT&PF Municipal Harbor Facility Tier I Grant Application for the Crescent Harbor Float Replacement – Phase I project and to execute the grant if received.

CITY AND BOROUGH OF SITKA
RESOLUTION NO. 2017-14

**A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF SITKA,
APPROVING SUBMITTAL AND EXECUTION OF A MUNICIPAL HARBOR FACILITY GRANT
APPLICATION TO THE STATE OF ALASKA, DEPARTMENT OF TRANSPORTATION AND
PUBLIC FACILITIES (DOT&PF) IN THE AMOUNT OF \$5,000,000 FOR THE PROJECT
ENTITLED CRESCENT HARBOR FLOAT REPLACEMENT - PHASE I**

WHEREAS, the State of Alaska, Department of Transportation and Public Facilities administers the Municipal Harbor Facility Grant program; and

WHEREAS, the City and Borough of Sitka owns and maintains Crescent Harbor and Crescent Harbor is eligible for a Municipal Harbor Facility Grant which, if awarded, will pay 50 percent of the eligible construction costs of this project; and

WHEREAS, the City and Borough of Sitka will provide the required 50 percent in local matching funds for construction of the Crescent Harbor Float Replacement – Phase I project per the Municipal Harbor Facility Grant program; and

WHEREAS, the City and Borough of Sitka is capable of completing the Crescent Harbor Float Replacement – Phase I project within eighteen (18) months after award of a Municipal Harbor Facility Grant; and

WHEREAS, Crescent Harbor is critical to the City and Borough of Sitka.

NOW, THEREFORE, BE IT RESOLVED by the Assembly of the City and Borough of Sitka that the City and Borough of Sitka supports the project entitled Crescent Harbor Float Replacement – Phase I and agrees, subject to available Alaska Legislative funding and selection by DOT&PF, to enter into a grant agreement with the State of Alaska, Department of Transportation and Public Facilities for a Municipal Harbor Facility Grant;

BE IT FURTHER RESOLVED that the Administrator is authorized to apply for the grant and to execute the grant if received.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska on this 11th day of July, 2017.

Matthew Hunter, Mayor

ATTEST:

Sara Peterson, CMC
Municipal Clerk

1st and final reading 7/11/17



CITY AND BOROUGH OF SITKA

Legislation Details

File #: RES 17-15 Version: 1 Name:
Type: Resolution Status: AGENDA READY
File created: 7/3/2017 In control: City and Borough Assembly
On agenda: 7/11/2017 Final action:
Title: Approving submittal and execution of a Municipal Harbor Facility Grant application to the State of Alaska Department of Transportation and Public Facilities (DOT&PF) in the amount of \$1,500,000 for the project entitled Eliason Harbor Electrical Replacement

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and Memo Res 2017-15.pdf](#)
[Res 2017-15.pdf](#)

Date	Ver.	Action By	Action	Result
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Should this item be pulled from the consent agenda the following motion is suggested:

POSSIBLE MOTION

I MOVE TO approve Resolution 2017-15 on first and final reading.

MEMORANDUM

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

From: Dan Tadic, P.E., Municipal Engineer *DT*
Stan Eliason, Harbormaster *[Signature]*

Cc: Michael Harmon, P.E., Public Works Director *[Signature]*
Jay Sweeney, Chief Finance and Administrative Officer *[Signature]*
Bryan Bertacchi, Electrical Utility Director *[Signature]*

Date: June 26, 2017

Subject: ADOT&PF Municipal Harbor Facility Tier II Grant Application
Eliason Harbor Electrical Replacement

Background

Eliason Harbor, once referred to as New Thomsen Harbor, was designed by the State of Alaska, Department of Transportation and Public Facilities (ADOT&PF) and constructed in two phases. Phase I construction began in 1996 and Phase II construction was completed in 1999.

Eliason Harbor was evaluated as a part of the Harbor System Master Plan in late 2011. While the overall harbor facility was deemed in good condition with a remaining safe and useable life of approximately 20 years, the consultants noted that the electrical system required substantial rehabilitation within the next five years. Significant issues within the Eliason electrical system include feeder cable abrasion/failure and rusting panels and load centers to the point of structural failure. In addition, new electrical code requirements mandate ground fault protection be provided when any significant work is done to the system.

Analysis

The Alaska Legislature established the State of Alaska Municipal Harbor Facility 50/50 Grant Program in 2006 to provide financial assistance up to \$5,000,000 per project for municipally-owned harbor facilities. The grant program is funded on an annual basis at the discretion of the Governor and Legislature. Applications for the grant program are competitively scored based on ten weighted criteria.

The 50/50 Grant Program is comprised of two tiers: Tier I applications are for repair/replacement of formerly State-owned facilities and Tier II applications are for expansion, new construction, or repair/replacement of facilities whether formerly State-owned or not. Since Eliason Harbor was never State owned, the Eliason Harbor Electrical Replacement project would fall under a Tier II grant application.

Crescent Harbor is the next grant-eligible project for the CBS Harbor Department under the Harbor System Master Plan CIP originally planned to be completed in 2017. Unfortunately, Crescent Harbor Phase I has not received grant funding in three prior application cycles which has also resulted in a deferral of Eliason Harbor Electrical. In recent years, a couple large Tier I grant requests have been funded, however multiple smaller Tier I and Tier II requests have also been funded. With that in mind, Staff has decided to pursue both a Tier I (Crescent Harbor)

and Tier II (Eliason Electrical) request to maximize the opportunity for the CBS to obtain grant funding for these critical infrastructure projects. Harbor, Electric, and Public Works Staff have worked to develop a scope of work that includes the replacement of the components of the harbor which are in the worst condition: main service equipment, main distribution panelboard and load centers on the floats, and the main cables between these components and the new pedestals. The total estimated cost of this scope is approximately \$3,800,000 to include construction, design, permitting, management and contingencies. The State grant would cover 50% of construction costs not to exceed \$1,500,000.

Securing Tier II grant funding for this project would allow the City and Borough to complete the necessary electrical replacement with State of Alaska cost-sharing thereby reducing the burden on the local rate payers. A resolution of support from the Assembly is not required for the application, however would provide the City and Borough the best possible chance of securing funding for this project.

Fiscal Note

The Eliason Harbor Electrical Replacement project is a scheduled improvement contained within the Sitka Harbor Master Plan (2012). The City's portion of the project funding, if approved, would be provided for by some combination of undesignated working capital of the Harbor Fund and/or by the proceeds of loans or bonding. The Harbor Master Plan anticipates bonding for this project.

In order to finance the required match through either working capital or debt, implementation of multi-year moorage rate increase is necessary.

Recommendation

Approve Resolution 2017-15 and authorize the Administrator to submit an ADOT&PF Municipal Harbor Facility Tier II Grant Application for the Eliason Harbor Electrical Replacement project and execute the grant if received.

CITY AND BOROUGH OF SITKA
RESOLUTION NO. 2017-15

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF SITKA,
APPROVING SUBMITTAL AND EXECUTION OF A MUNICIPAL HARBOR FACILITY GRANT
APPLICATION TO THE STATE OF ALASKA, DEPARTMENT OF TRANSPORTATION AND
PUBLIC FACILITIES (DOT&PF) IN THE AMOUNT OF \$1,500,000 FOR THE PROJECT
ENTITLED ELIASON HARBOR ELECTRICAL REPLACEMENT

WHEREAS, the State of Alaska, Department of Transportation and Public Facilities administers the Municipal Harbor Facility Grant program; and

WHEREAS, the City and Borough of Sitka owns and maintains Eliason Harbor and Eliason Harbor is eligible for a Municipal Harbor Facility Grant which, if awarded, will pay 50 percent of the eligible construction costs of this project; and

WHEREAS, the City and Borough of Sitka will provide the required 50 percent in local matching funds for construction of the Eliason Harbor Electrical Replacement project per the Municipal Harbor Facility Grant program; and

WHEREAS, the City and Borough of Sitka is capable of completing the Eliason Harbor Electrical Replacement project within eighteen (18) months after award of a Municipal Harbor Facility Grant; and

WHEREAS, Eliason Harbor is critical to the City and Borough of Sitka.

NOW, THEREFORE, BE IT RESOLVED by the Assembly of the City and Borough of Sitka that the City and Borough of Sitka supports the project entitled Eliason Harbor Electrical Replacement and agrees, subject to available Alaska Legislative funding and selection by DOT&PF, to enter into a grant agreement with the State of Alaska, Department of Transportation and Public Facilities for a Municipal Harbor Facility Grant;

BE IT FURTHER RESOLVED that the Administrator is authorized to apply for the grant and to execute the grant if received.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska on this 11th day of July, 2017.

Matthew Hunter, Mayor

ATTEST:

Sara Peterson, CMC
Municipal Clerk

1st and final reading 7/11/17



CITY AND BOROUGH OF SITKA

Legislation Details

File #: RES 17-16 Version: 1 Name:

Type: Resolution Status: AGENDA READY

File created: 7/5/2017 In control: City and Borough Assembly

On agenda: 7/11/2017 Final action:

Title: Supporting Sea Level Consulting's application under the FY17 Historic Preservation Fund Grant program for Certified Local Governments

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and Memo Res 2017-16.pdf](#)
[Res 2017-16.pdf](#)
[CLG Grant Application.pdf](#)
[June 30 subrecipient letter.pdf](#)
[CFAO Memo Administrative and Audit Requirements.pdf](#)

Date	Ver.	Action By	Action	Result
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Should this item be pulled from the consent agenda the following motion is suggested:

POSSIBLE MOTION

I MOVE TO approve Resolution 2017-16 on first and final reading.



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: Certified Local Government Grant Application – Cemetery Cataloging

Date: July 3, 2017

The Historic Preservation Commission is unanimously recommending approval of a Certified Local Government grant application submitted by Sea Level Consulting. The recommendation was made at their June 27, 2017 meeting.

The intent is to gather and preserve information regarding the community's cemeteries. This includes consolidation and organization of existing inventories, converting existing data to GIS format, gather additional data to fill existing gaps, and preparing appropriate information for public access. Sitka Tribe of Alaska will determine which information is appropriate for public access.

Sitka Tribe of Alaska has supplied a letter of support for the project.

The state Historic Preservation Office announced the grant on May 19, 2017. The Historic Preservation Commission considered the application June 27, 2017 and voted unanimously to support the project. The application deadline was June 30, 2017, and was submitted contingent upon passage of a resolution of support by the Assembly.

The grant application is for a 60-40 match grant. Sea Level Consulting intends to contribute \$16,655 with in-kind and donated resources and requests \$24,982 from the Historic Preservation Fund for Certified Local Governments (Federal Share).

A \$2000 municipal administration fee was included in the project budget. If the grant is awarded, the sub-grantee will be required to follow municipal procurement and reporting requirements.

RECOMMENDED ACTION: Approve the resolution supporting the grant application.

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 2017-16

A RESOLUTION BY THE CITY AND BOROUGH OF SITKA SUPPORTING SEA LEVEL CONSULTING’S APPLICATION UNDER THE FY17 HISTORIC PRESERVATION FUND GRANT PROGRAM FOR CERTIFIED LOCAL GOVERNMENTS

WHEREAS, Sea Level Consulting is a cultural resource firm specializing in Southeast Alaska history and archaeology; and

WHEREAS, Sitka’s historic cemeteries hold cultural significance and tell the story of human habitation in the vicinity; and

WHEREAS, Sea Level Consulting’s goal through this grant application is to gather and preserve information regarding the community’s cemeteries; and

WHEREAS, Sitka Tribe of Alaska has provided a letter of support for the project; and

WHEREAS, Sea Level Consulting proposes to contribute \$16,655 of in-kind and donated resources to the project while requesting \$24,982 from the Historic Preservation Fund for Certified Local Governments.

NOW FURTHER BE IT RESOLVED that the Assembly of the City and Borough of Sitka hereby supports the FY17 application of the Sea Level Consulting for a \$41,637 grant through the Historic Preservation Fund Grant program for Certified Local Governments.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 11th day of July, 2017.

Matthew Hunter, Mayor

ATTEST:

Sara Peterson, CMC Municipal Clerk

1st and final reading 7/11/17

CLG GRANT APPLICATION: FY17

State of Alaska: Office of History and Archaeology

Historic Preservation Fund: Grants for Certified Local Governments

Deadline: Applications are due by 4:30 pm on Friday, June 30, 2017.

The Certified Local Government (CLG) identified below is applying for a 60-40 Historic Preservation Fund (HPF) matching grant through the State of Alaska, Department of Natural Resources, Office of History and Archaeology.

CLG Name: City and Borough of Sitka

Federal Tax Identification Number: 92-00041163 DUNS: 63373831

Project Title and Location: Sitka Cemetery Project with Mr. Robert Sam, Sitka, Alaska

Type of CLG Grant Project: (Check project type below, as applicable)

<input checked="" type="checkbox"/>	Survey	<input checked="" type="checkbox"/>	Public Preservation Education
<input checked="" type="checkbox"/>	Inventory		Predevelopment
	National Register Nomination		Development
<input checked="" type="checkbox"/>	Historic Preservation Planning		Acquisition

Project budget required: (Use figures from shaded area on budget form)

- a. Estimated Total Project Cost (TPC) \$ 41,637
- b. Federal Share (60%) \$ 24,982
- c. Sponsor Share (40%) \$ 16,655

Source of applicant (sponsor) share: (Use figures from "Sources" box on budget form)

- a. Cash \$ 0
- b. In-kind Goods and Services \$ 14,425.00
- c. Donated Goods and Services \$ 2,230.00

Provide name, title and contact information for the following:

Project Manager: Anne Pollnow – Sealevel Consulting
Mailing Address: PO Box 6326
Sitka, AK 99835
Telephone: 907-738-0794
E-mail Address: sealevelanne@gmail.com

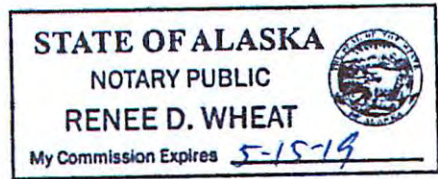
Telephone: 907-738-0794
E-mail Address: sealevelanne@gmail.com
Preservation Commission Chair: Anne Pollnow
Mailing Address: PO Box 6326
Sitka, AK 99835

Telephone: 907-738-0794
E-mail Address: sealevelanne@gmail.com

CLG Contact: Samantha Pierson, Planner I
Mailing Address: City and Borough of Sitka
100 Lincoln Street
Sitka, AK 99835

Telephone: 907-747-1814
E-mail Address: samantha.pierson@cityofsitka.org

Bryan Bertacchi *
Signature: Authorized Local Government Official
6/30/17
Date
Bryan Bertacchi, Acting Administrator
Name and Title (Print or Type)
City of Borough of Sitka
Entity Name



Notary Seal

Subscribed and sworn before me this 30th day of June, 20 17.
Renee D. Wheat
Notary for the State of Alaska My commission expires 5-15-19

* Execution of this grant application is conditional upon passage of an Assembly resolution of support Res # 2017-17

Willingness to Comply with Grant Requirements

1. I understand that this is a 60-40 matching grant application through the Historic Preservation Fund (HPF) administered by the State of Alaska Department of Natural Resources, Office of History and Archaeology.
2. Should this project be awarded, I understand that the State levies an indirect cost which may vary throughout the course of the grant period, but will not exceed the amount stated in the executed grant agreement.
3. If awarded an HPF grant, I understand that it is my responsibility to comply with all pertinent State and Federal regulations, the State-Local Grant Agreement, and requirements outlined in the *Historic Preservation Fund: Certified Local Government Grants Manual*.
4. Should this project be awarded, I understand that project records are subject to audit after project completion, and that if such an audit questions expenditures for which I have been reimbursed I will return an amount equal to the questioned expenditures.
5. I understand that no grant exists until the State Historic Preservation Officer (SHPO) signs the State-Local Grant Agreement, even if the Alaska Historical Commission recommends funds for my project. Any funds expended before the performance period specified on the fully executed grant agreement or before obtaining the SHPO's signature may not be reimbursed without specific approval.



Signature: Authorized Local Government Official

6/30/17
Date

Bryan Bertucchi, ACTING ADMINISTRATOR
Name and Title (Print or Type)

All parties to this Grant, including all potential sub-recipients and contractors, agree to abide and comply with all applicable Federal laws and guidelines as well as programmatic requirements, including 2 CFR Part 200 Subpart A.

HONORING THE DEAD: A cooperative project between the Sitka Tribe of Alaska and the City and Borough of Sitka to catalog Sitka's cemeteries and burial sites as well as 40 years of archival materials belonging to caretaker Mr. Robert Sam.



The Sitka cemetery, circa 1900s

(Mr. Sam estimates it is the final resting place for 1,600 bodies, 400 of which are marked. All are connected with the Russian Orthodox Church and many are Tlingit. Photo courtesy Bob Sam, for November 30, 2015 story by Emily Kwong at KCAW, Raven Radio, Sitka, Alaska).

PROJECT DESCRIPTION

The community of Sitka has inherited several historic cemeteries and burial sites from its culturally varied and distant past. These sacred places represent the community's heritage and continue to tell the story of the longevity of human habitation in the area. Presently, Sitka cemeteries and burial sites, other than the National Cemetery, are maintained by one man, L'eneidi Tlingit storyteller, Mr. Robert Sam. Mr. Sam has made it his life's work, nearly 40 years, to care take cemeteries and burial sites on behalf of the Sitka Tribe of Alaska (STA), the City and Borough of Sitka (CBS), and the community at large. Mr. Sam maintains an extensive photographic record for every single marked and unmarked grave in Sitka and is called upon as the community leader and STA authority during inadvertent discoveries, repatriation activities, and ceremonial matters regarding human remains. As Mr. Sam ages, he recognizes an ever-increasing necessity to protect and preserve burials and cemeteries in the community. As such, Mr. Sam wishes to work with Tribal leaders and the CBS government to catalog his extensive work and provide an imperative update of the community's cemetery records.

Mr. Sam's authority in handling this project is based upon many years of work employed by STA as their Native American Graves Protection and Repatriation Act (NAGPRA) Project manager as well as his consulting work for a multitude of clients and projects, and years of voluntary community advocacy and cemetery record keeping.

The results of this project will recognize the multitude of cultures and history resting in Sitka's lands, and lends an opportunity to present public presentation about the project at an event commemorating the sesquicentennial anniversary of the purchase of Alaska. Available at the Sitka Public Library, the *Kettleson Memorial Library Cemetery Project and the Cemetery Project Source Book* (Neher, et al., 2014) is a rough compilation of cemeteries, burial places, plot and burial records, and hand-drawn



Bob Sam at the Juneau Cemetery on a consulting mission, Juneau, AK

sketch maps (see additional information). This proposed project would build upon previous work, add missing data, and organize it into a working reference base. Also of use will be the Mobley report regarding the Sheldon Jackson Cemetery, the Sitka National Cemetery archives and maps, and previous reports by Maria Enckell on the Finns from the Russian Period, and Rhonda Grant's *Sitka's Tlingit Russian Orthodox Cemetery*. There are several online resources, such as *findagrave.com*, that provide extensive information regarding Sitka's cemeteries and their plot.

When complete, final products will allow STA to have a complete inventory of cemeteries and burial sites, thereby sharing appropriate components with the CBS for use in planning municipal projects and cultural resource protection. This inventory will be in the form of a database, from which a GIS layer will be developed and used as an overlay during planning and consultation.

Finally, as is the wish of Mr. Sam and parties involved in the project, a public component will be created to allow for ancestry research and heritage tourism. A separate, approved by STA, searchable database will assist researchers to access historic information and take virtual tours of Sitka's cemeteries and historic sites. Visiting cemeteries is a popular activity amongst heritage travelers, and Sitka's encompasses some of the oldest headstones in the state of Alaska and extends in years beyond purchase and statehood, while incorporating a multitude of cultures representative of our shared history.

Goals of the project are to:

1. Organize, catalog, and ensure appropriate curation of materials privately maintained by Mr. Sam.
2. Create a database consisting of all cemeteries and their plot information, burial sites, and potential burial grounds and boundaries.
3. Cooperatively, between the Sitka Tribe of Alaska and the City and Borough of Sitka, create a GIS layer for use by the municipality as a planning tool, yet held in confidence by STA or property owners.
4. Create a public component promoting heritage tourism and historic preservation. Upon completion of the project, personnel will work with the STA to identify content appropriate for the public. It is thus the intention of Mr. Sam and his support team to create a web application and story tour map of Sitka's historic cemeteries and provide a reference for descendants to locate their kin.

Known Cemeteries and Burial Sites within the City and Borough of Sitka (Kettleson Memorial Library Cemetery Project, 2014)

Cemetery	AHRS No.	Period of Significance/Oldest Known Burial	Location (within CBS)
Alaska Native Brotherhood Presbyterian Cemetery	SIT-00232	1801-1974	Indian River Road
Finnish Lutheran Church Cemetery (a.k.a. Sitka Cemetery)	SIT-00661	AD 1800s	Princess Way
Moose Lodge Cemetery	None	1946	Baranof Street
Old City Cemetery	None	1946	Baranof Street
Old Merchant's Cemetery	None	-	Merrill, DeGroff Streets
Pioneer Home Cemetery #1	None	1912-1942	Baranof Street
Pioneer Home Cemetery #2	None	1942-present	Baranof Street
Sitka National Cemetery	SIT-00023	1867-present	Sawmill Creek Road
Presbyterian Church Cemetery (Mill Cemetery)	None	-	Sister Lane
Halibut Point Cemetery	SIT-00027	Precontact	Halibut Point Road
Russian Orthodox Cemetery	SIT-00054	1805- present	Observatory Street
Saint Peter's Episcopal Church (Bishop Rowe & family burial)	SIT-00195 SIT-00029	1942	Lincoln Street
Russian Clergy, families and dignitaries	SIT-00054	AD 1800s	Blockhouse Hill
Mill Family	None		Shotgun Alley
Saint Michael's Cathedral (Kasheverof)	None	1940	Moved to Evergreen Cemetery in Juneau
Sheldon Jackson College Grave Sites (Also called The Tlingit Presbyterian Cemetery)	SIT-00234	1888-1975	Indian River Road
Sitka Memorial Park Cemetery/ City Cemetery	None	1982-present	Sisters Lane
Tuberculosis Mausoleum (1) (Also called Mermaid Cove Mausoleum)	SIT-00565	1947-1963	Charcoal Island
Tuberculosis Mausoleum (2) (Also called The Mt Edgecombe Hospital Mausoleum)	None	1945-1960	Japonski Island, near James Brown beach

PRESERVATION OBJECTIVES

The objectives of this project refer to Certified Local Government (CLG) and Alaska Historical Commission priorities:

1. As outlined in the latest draft of the *Sitka Historic Preservation Plan*, approved by the City's Preservation Commission and slated to go before the City Assembly for adoption in July of 2017, the plan recognizes *Sitka's Cemeteries and Sacred Burial Sites* in Section 5.6 and recommends: (1) an update Sitka's heritage resources inventory; (2) promotion of historic preservation in the municipal agenda, including cultural sensitivity and the protection and appropriate protocols for cemeteries and burial sites; (3) promotion of public awareness of historic preservation, and; (4) promotion of heritage tourism.

Protection of sacred sites is also a priority noted in the 1995 *Sitka Tribe of Alaska's Preservation Plan*. Part IV of this plan cites several instances in which Sitka Tribal citizens testify to the unearthing of human remains. To address these issues, STA took action to understand the laws and regulations governing sacred sites. Likewise, the Plan notes that in 1986, Mr. Sam heeded responsibility and formed relationships with various groups such as the Alaska Day Committee, the City and Borough of Sitka, United States, Army Ninth Infantry (Sitka National Cemetery), and others to maintain cemetery grounds.

This project also addresses the goals outlined in the current *Alaska Historic Preservation Plan* to: (Goal 1) Encourage the accuracy of information about historic places and providing materials and encouraging widespread participation in the protection of historic resources; (Goal 2) Encourage Alaska Native people and their organizations to identify concerns and develop strategies and programs to protect their resources, use new technologies and hands-on participation to improve communication among organizations and involvement of individuals interested in historic preservation, foster responsible stewardship of landowners; (Goal 3) Conduct historic surveys, improve statewide inventory; (Goal 4) Promote local preservation program involvement in their community's permitting process to ensure cultural resources are considered; (Goal 5) Demonstrate historic preservation is a successful economic development tool to maintain, enhance, and revitalize communities and to promote heritage tourism.

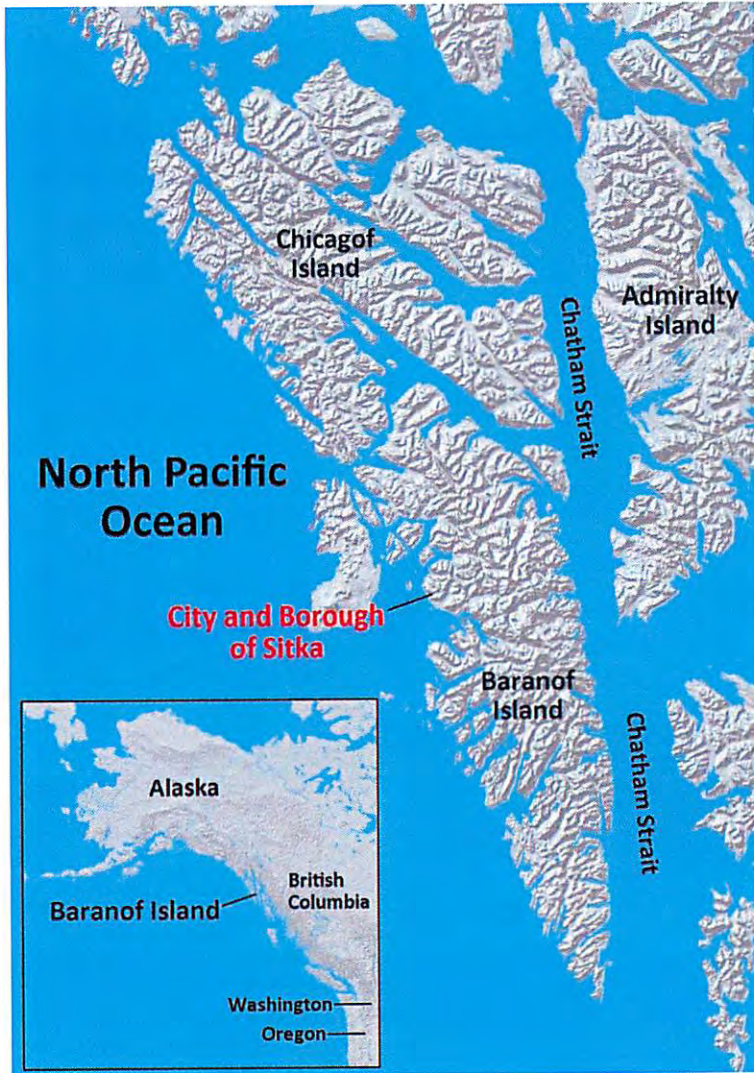
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2. This cemetery project was founded by members of the Sitka's Historic Preservation Commission, including Mr. Sam, to work in cooperation with STA, thus establishing a partnership with the local tribe to strengthen their ability to protect sacred sites. The project will also consult with clergy and appropriate parishioners of St. Michaels Russian Orthodox Church as well as other denominations of Sitka to ensure permissions and the most appropriate treatment of these sacred sites. The Sitka Historic Preservation Commission includes members of St. Michaels with Ana Ditmar agreeing to act as a liaison between the project team and Church officials.
 3. With cemeteries known as the Russian Cemetery, the Old Merchant's Cemetery, the Finnish Lutheran Cemetery, Sheldon Jackson Cemetery, the Pioneer Cemetery, and the Sitka Alaska Native Brotherhood Cemetery, and Traditional Grave Sites of the Original Indian Village, the multitude of history and culture is evident. This history and the project will be shared with the public at October 2017 events to commemorate the 150th anniversary of the transfer of Alaska from Russian to American hands. Such a discussion may include the landscape at the time of transfer and the noticeable changes of today as well as the timeline of our shared history Sitka's cemeteries provide.

PROJECT LOCATION

The cemetery project will be limited to the road system of Sitka proper, extending from the end of Halibut Point Road to the north, to the end of Saw Mill Creek Road south of downtown. The majority of work is within a three-mile radius of downtown Sitka (see project map below).



Grave of Princess Maksoutoff



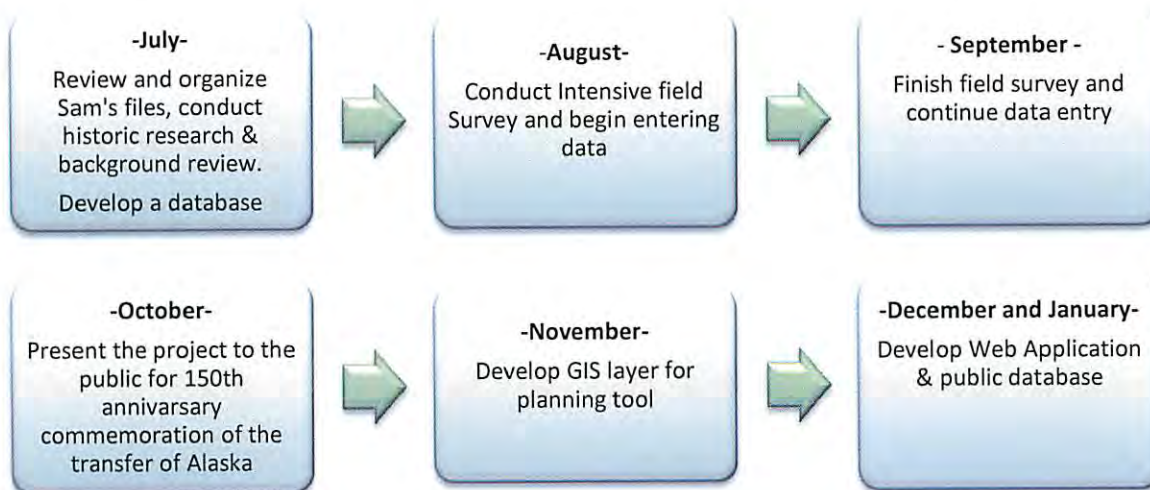
Cemetery project location map

WORK PLAN

For the security and protection of sacred sites, project personnel will be restricted to the Director of the STA's Resources Protection Office, the Planning Director for the CBS, Mr. Robert Sam and two members of his team, (see project personnel section). However, per direction of STA and cemetery property owners, citizen volunteers will be encouraged to participate during surveying.

Project time-line from July to October, 2017:

Throughout the duration of the project, Sam's team members will be updating the CBS Planning Director, STA Resources Protection Director, and Cultural, Customary, and Traditional (CC&T) Committee of the governing Sitka Tribal Council, and the Sitka Historic Preservation Commission, as well as following through on grant reporting requirements.



Task 1: Review and organize Sam's files, conduct historic research & background review (July)

1. Work with Mr. Sam to organize his materials per cemetery or burial site and location.
2. Gather archival research and previous reporting.
3. Conduct obituary research through local newspapers, the Sitka Historical Museum, Alaska State Library and Historical Collections, oral history interviews, and consult online sources.
4. While two team members are conducting research, one team member will be creating a useable database either from scratch or from a program source.
5. Work with an accredited facility, such as the Sitka National Historical Park, to curate Mr. Sam's materials.

Task 2: Conduct Intensive Survey (August/September)

The team has been authorized by the CBS to use the City's global positioning system (GPS) equipment. Further, GIS developers on behalf of the CBS have agreed to train the team on the use of the equipment and to support the survey efforts of the project (see attached letter of support).

To prepare for the field survey, the team will:

1. From information obtained in Task 1, the team will develop a survey strategy by cemetery or burial site location.
2. The team will spend approximately two months surveying and collecting data. Depending on the needs of the field crew, the crew may pare down to two, allowing one team member to begin data entry.

Task 3: Finish Field Survey and Input data (September/October)

1. Assess archival and field data gathered and continue collecting as needed in the field.
2. Intensify the data entry while creating photo logs and other data package components.
3. Update AHRS records

Task 4: Create a public presentation for the 150th anniversary of the transfer of Alaska (October)

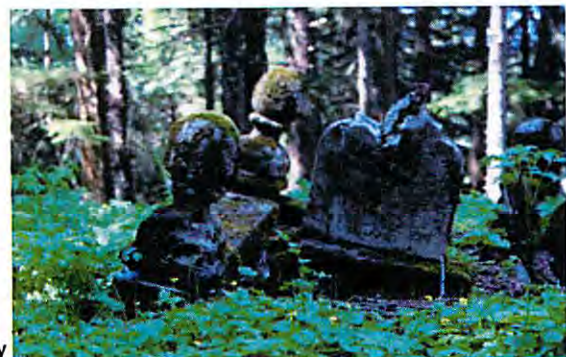
1. Work with the STA's CC&T Committee to create an appropriate public presentation recognizing the history and landscape of cemeteries in Sitka.
2. Coordinate with the Sitka Historical Society director and Alaska Day event coordinator to present to the public.

Task 4: Develop GIS layer (November)

1. Upon approval by STA, the team will begin working with CBS staff to develop a GIS layer to serve as an overlay for municipal staff to consult during proposed project.
2. Other GIS supported maps may be created depending upon permissions and needs of STA and CBS.

Task 6: Develop Web Application and public component (December/January)

1. Using GIS data and ArcGIS Online, develop a public application and story tour map.
2. The team will create a public database for the purpose of research and heritage tourism.



Sitka's Russian cemetery

PROJECT PERSONNEL

L'eeneidi Tlingit and Sitka resident Mr. Robert Sam – Project leader

Mr. Sam will head the cemetery project with two assistants. His personal and professional dedication to managing the grounds of our ancestors goes well beyond an ordinary volunteer caretaker. He has devoted his life in pursuit to the appropriate treatment of those that have gone before us. He has received community service awards (1986) and continuous recognition for his knowledge of the location of burial sites both marked and unmarked, of oral history, and of historic past through media outlets and other.

The Carlisle Indian Industrial School repatriation project serves as an example of his ongoing dedication to the appropriate care for the deceased. For this current position, he acts as the point person for the State of Alaska, tasked with finding family members for the children who died while attending the Pennsylvania boarding school.

Mr. Sam's greatest asset to the deceased, their living loved ones, and the community at large is as an advocate for human remains and his willingness to speak publicly about his work for the protection of cemetery and burial sites.

At a recent public event, Mr. Sam shared with the audience his work with professional archaeologists and the National Park Service regarding the historic Russian-era Neva wreck on the outside Coast of Kruzof Island. He invited attendees to consider, in the event of a crash, whether a military boat, or other, the site to be "considered as man's final resting place and classified as a cemetery. He was selected by STA and the Tribal Council at the request of the archaeologists working at the Neva site to be the Tribal expert on burials and cemeteries and to conduct a series of traditional Tlingit ceremonies on the island.

Personally, Mr. Sam "finds peace in the cemetery" and shares this feeling with others when he speaks of his work. Due to his decades of dedication and work, Mr. Sam has amassed a large sum of files. Should these files be lost, Sitka would lose a crucial piece of its history that one of its residents has dedicated his life. These historic files need to be transcribed and organized into a usable database.

Catherine Sopow – Anthropology M.A. candidate, University of North Texas, Sitka resident – Assistant Researcher/Field Technician

Ms. Sopow will serve as the personal assistant to Mr. Sam, project researcher, and field member. She is a trusted colleague of Mr. Sam's establishing this relationship during her employment at the STA. Ms. Sopow worked in the Resource Protection Department as the Department of Defense Lands Investigator, writing and managing grants to fund mitigation of the environmental impacts to Alaska Native Claims Settlement Act conveyed properties. She has volunteered her time with STA addressing such issues as food security, the revitalization of the Kayaaní Commission, staff support for the herring and CC&T committees. She is a former employee of the Daily Sitka Sentinel and along with her employment as a research assistant for the Alaska Department of Fish and Game, will serve the project well during archival research. Ms. Sopow has also served as a research assistant for Sea Level Consulting.

Anne Pollnow, Cultural Resource Specialist and Owner of Sea Level Consulting – Project Manager, Field Lead, and Database and GIS Developer

Ms. Pollnow will serve as the project manager, develop a Microsoft Excel database, and lead field mapping and GIS application efforts. Since 2008, Ms. Pollnow has been the sole owner of the Heritage and Cultural Resource Consulting firm Sea Level Consulting based in Sitka, Alaska. Ms. Pollnow has been affiliated with Sitka Historic Preservation Commission since 2000 first serving as secretary and then as a member. Ms. Pollnow has held the title of Chair since 2013. During this tenancy, Ms. Pollnow spearheaded efforts to update the Sitka Historic Preservation Plan now before the assembly. Besides her professional archaeological work, Ms. Pollnow has completed several courses on GIS application including graduate level coursework at Adams State University, workshops with the commercial enterprise, *Harris Geospatial Marketplace*, and Introduction to GIS for Archaeology through the Center for Digital Archaeology and taught by Edward González-Tennant, Ph.D. On a regular basis for compliance reporting, Ms. Pollnow uses ArcGIS to create cultural resource maps. Ms. Pollnow Anne has always been committed to assisting communities, small nonprofit corporations, and native organizations with their preservation goals, often in a volunteer capacity. She has written, been awarded, and managed historic preservation fund grants to assist in the rehabilitation of historic buildings and preservation planning including the historic Sage Building of the Sheldon Jackson Campus National Historic Landmark, the 100-year-old Alaska Native Brotherhood Camp #1 Hall and the Lincoln Street Historic District in Sitka. Currently, as President of the Alaska Association for Historic Preservation, she

leads Association's programming including the Ten Most Endangered Historic Properties Grant Program and the Preservation Easement Program now holding and managing four preservation conservation easements. In 2001, Ms. Pollnow assisted the United States Forest Service, Sitka Ranger District under the direction of Karen Iwamoto and Patrick Bower to create a Microsoft Access database, recataloging the Hidden Falls Collection before turning it over to the University of Alaska's Museum of the North for curation.

METHODOLOGY

First and foremost, permissions and permits as appropriate from property owners will be obtained. Further noted, this project is for the purpose of historic preservation and does not entail surveying for future plot layouts. Global Positioning System (GPS) instrumentation will be used to record and map cemeteries and ArcGIS programming will be used to develop mapped data layers.

Recording Overall Cemetery Information

To begin, information about the cemetery to be surveyed will be recorded. A standard form will be developed (example form in the attachments) and may contain the following general information:

- Cemetery name and address
- GPS coordinates at each corner of the cemetery to record the borders of the cemetery, entrance and structures (ground keeper's buildings, etc.)
- Directions from a main road to the cemetery
- Brief description of the cemetery
- Cemetery condition
- Any known history about the cemetery (ex. Alaska Native Brotherhood or Sheldon Jackson affiliation)
- A sketch of the layout of the cemetery, if possible, with indications where individual transcription rows began
- Owner's contact information, if available
- Overall pictures of the cemetery, including entrances

Establishing a grid system for survey

To establish cemetery boundaries, a variety of techniques will be applied including background research, landscape assessments, satellite imagery, and if available and needed, remote sensing technologies such as ground penetrating radar. Boundaries will be comprised of a typical archaeological grid system with a site datum and X and Y axis, and labeling numerically with Northing/Easting.

Within the grid system will be mapped any know grave, lot and/or plot numbers, and sections, rows, and family members and comparing with archival and other background information.

Surveying Individual Gravestone Markers

Once the general cemetery information is recorded and a grid system has been established, the crew will begin the surveying and transcribing of individual markers. Specific grave marker information includes:

- Name(s) on headstone
- Date of Birth
- Date of Death
- Age at Death
- Husband/Wife Of
- Son/Daughter Of
- Location Where Born
- Other Facts Listed
- Inscription and/or Epitaph Exactly as on Headstone

Gravestone Details

The below details that will guide a complete description of the headstone:

- Headstone Direction Facing (or direction inscription is facing): N S E W
- Dimensions of Marker: Above Ground Height, Width, Thickness
- Type of Marker(s): Headstone, Foot stone, Tomb, Table, Vault, Obelisk, Family Monument, Unmarked depression, Un-carved field stone, Other (provide description)
- Does the Headstone have Base Stone? Cement Pad?
- Material of Marker: Marble, Limestone, Sandstone, Granite, Wood, Concrete, Metal, Unknown
- Is a Photo of Individual Affixed to Headstone?
- Surface carvings? Front, back, top, side(s)
- Condition of Marker Inscriptions and Carvings: Mint, Clear but slightly worn, Difficult to read, Unable to read, Worn Smooth
- Overall Condition of Marker: Excellent, Good, Fair, Poor, Is Marker Fallen or Broken?
- Gravestone Damage Type: Vandalism, Weathering, Cracked or Broken, Unknown, Guess
- Symbols or Carvings
- Language of Inscription

Grave Location Details

Recording specific location information about the grave will identify the exact location as well as reference points for finding the grave again and include:

- GPS Coordinates of the headstone (both latitude and longitude)
- Location in Cemetery: Near the Center, Near the Front/Back/Side Gate, Near the Edges (N/S/E/W), Near a Structure (indicate structure), In New/Old Section, etc.
- Topography: Hill (Top/Mid/Lower), Flat Land, Valley, Near Water (Stream/Lake/Pond)

Photographing the Gravestones

A photographic record of each marker will be undertaken. This will not only provide you with additional visuals of the marker, but will be a good indicator of how the marker stands up over time. Photograph numbers will be established and recorded on the cemetery form.

- Photograph of Marker (on all sides where letters, words, carvings, inscriptions appear)
- Photograph of Overall Family Plot (if part of a family plot)
- Photograph of Separate Foot Markers, Military Plaques (that are separate from the primary headstone)
- Close-up of Inscription(s)
- Total Number of Photographs Taken in Set for Current Marker
- Starting and Ending Number of Image in Set for Current Marker

Developing a Database

An initial Microsoft Excel database will be created allowing data to be exported to other applications. An example of potential entries is included in the attachments.

Developing a GIS layer

GPS points will be downloaded from equipment into ArcGIS allowing for the creations of layers appropriate for Sitka Tribal records and use, City and Borough of Sitka planning, and to further create public web applications.

ArcGIS Online Web Application/Story Map Tour

To begin creating an application, data from our public spreadsheet and ArcGIS layer will be converted added to a map on ArcGIS Online. We will then configure symbols and pop-ups to clearly differentiate cemetery features.

From this point in the application creation, a story map tour can be created to engage the public in heritage tourism. This story map will contain geotagged images of markers and historically significant cemetery features whereby users will be able to explore a narrative, engaging actively with the story of Sitka's historic cemeteries.

See additional information for screenshot examples of the web application and story map tour.

BUDGET

The CBS Planner I may assist in coordinating with the project manager, although the project manager also serves as the chair for the Preservation Commission. The Sitka Historic Preservation Commission will assist in reviewing documents for the focus of this project. Members of the Commission and STA citizens may assist in the field by taking photos and gathering information and data and will review the public information and education aspects of the project the manager has organized.

The CBS has offered staff time to train project team members on the use of the GPS equipment and creating the GIS layer usable for the municipality and STA.



Netsvetov grave, Sitka, Alaska

Proposed Budget: HPF Grant Application for CLGs

Cost Category	Description	Sponsor Share 40%	Federal Share 60%	Total \$\$
Personnel Services	Project director (125 hrs @ \$85/hr)	2,125.00	8,500.00	10,625.00
Personnel Services	Assistant researcher	4,000.00	2,000.00	6,000.00
Personnel Services	Project manager, field lead, and GIS design services	8,300.00	10,400.00	18,700.00
+ Supplies/Materials	GPS equipment rental & ArcGIS programming	2,230.00	0.00	2,230.00
+ Other (specify)	City of Sitka Admin Cost	0.00	2,000.00	2,000.00
Equals All Direct Costs		16,655.00	22,900.00	39,555.00
x 8.33 % State Indirect Cost			2,082.50	2,082.50
= Total Project Costs (TPC)		16,655.00	24,982.00	41,637.50
Sponsor: 40% of TPC				16,655.00
Federal: 60% of TPC				24,982.50
Minus State Indirect Cost			2,082.50	2,082.50
Equals Potential Reimbursement to Sponsor				22,900.00

Source of Sponsor's Share of TPC

Cash Expenditures	0
+ In-kind	14,425
+ Donations	2,230
= Sponsor's 40% of TPC	16,655

FINAL PRODUCTS

In general, the final products for this project will serve several private and public purposes. As has been the wishes of several entities (see letters of support), there has been a long desire to catalog the cemeteries of Sitka. A great attempt was made by the Kettleon Memorial Library, but hence, a need to update this listing, incorporate Mr. Sam's materials, and apply current technology to create a useful database for STA and CBS while planning projects as well as provide a resource for the public and promote heritage tourism.

Deliverables:

1. Final Report (executive summary, project description and scope, historic context for each cemetery and/or burial site recorded, methodology, updates to the AHRS)
2. Microsoft Excel database (coordinated with GIS layer, plots, photographs)
3. GIS Layer (boundaries, locations, potential burial sites) used by municipality for protection of sites
4. Public Presentation on the Cemetery Project reviewing cemeteries and burial sites of Sitka as appropriate and per Sitka Tribe approval, the historic cemetery landscape then and now for intended for sesquicentennial events.
5. Web Application and database for public use for research and heritage tourism.

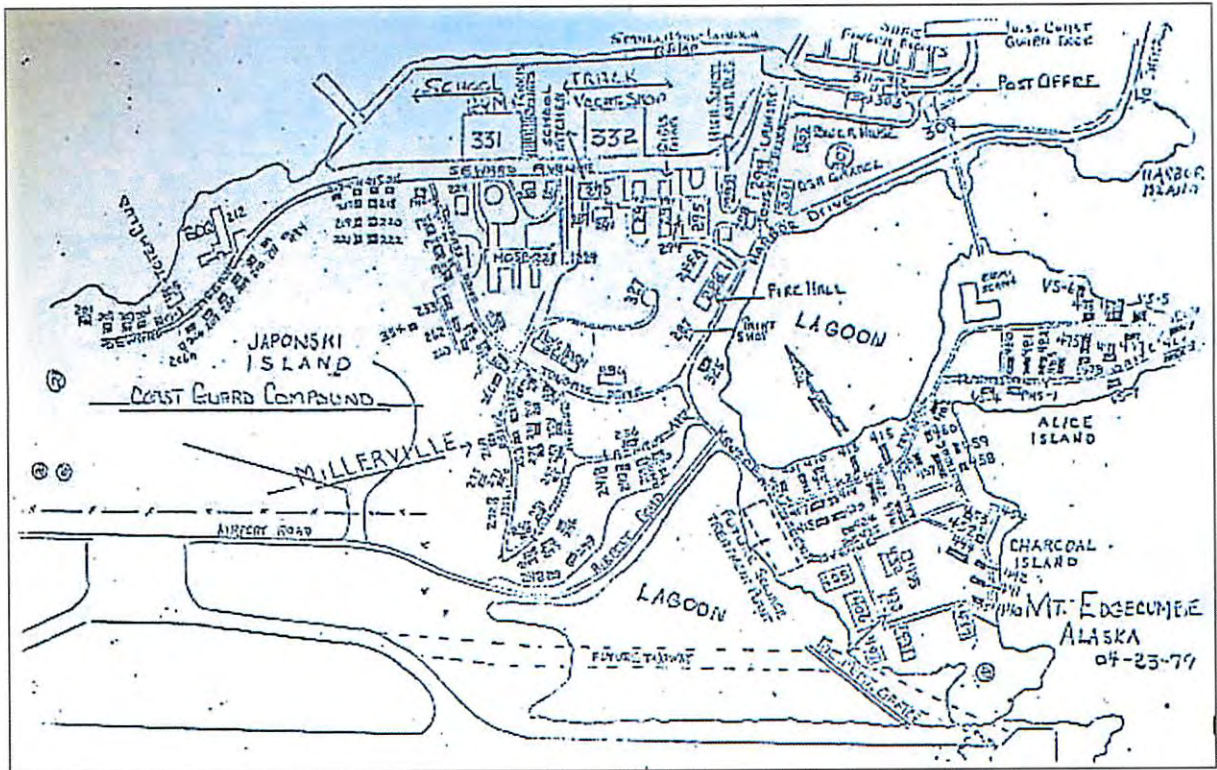
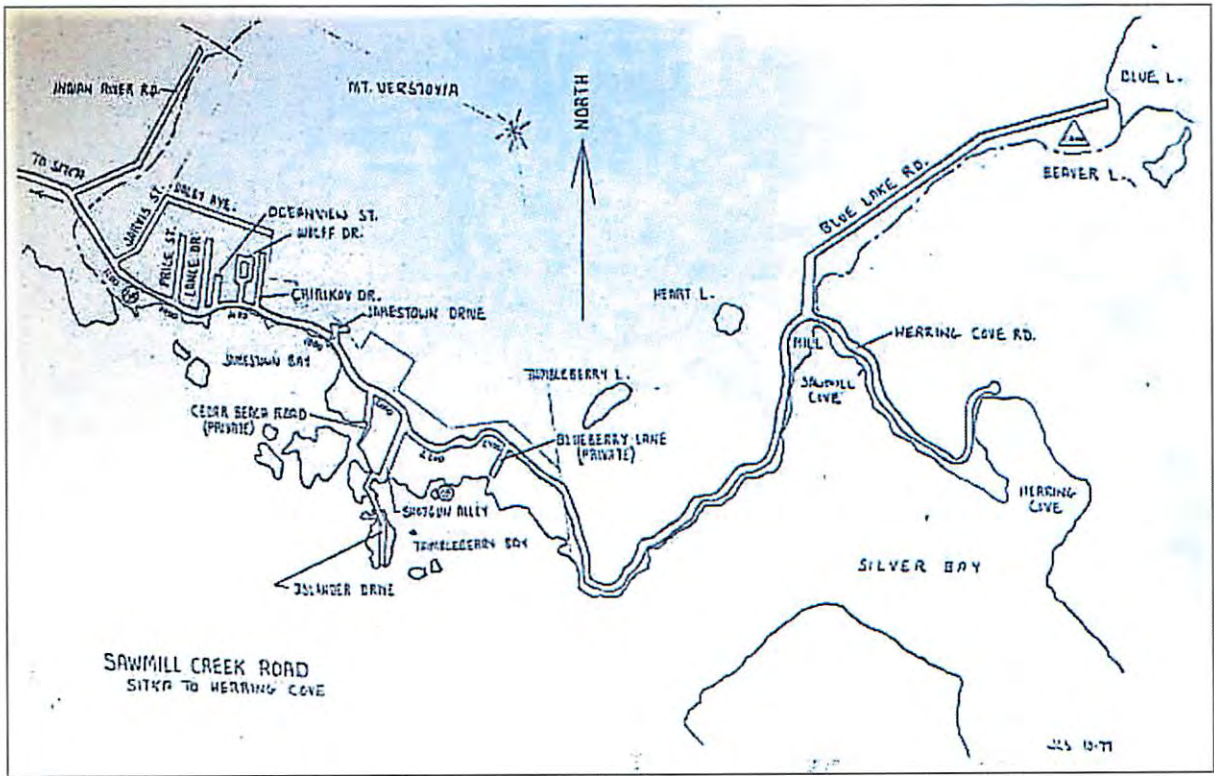
ADDITIONAL INFORMATION

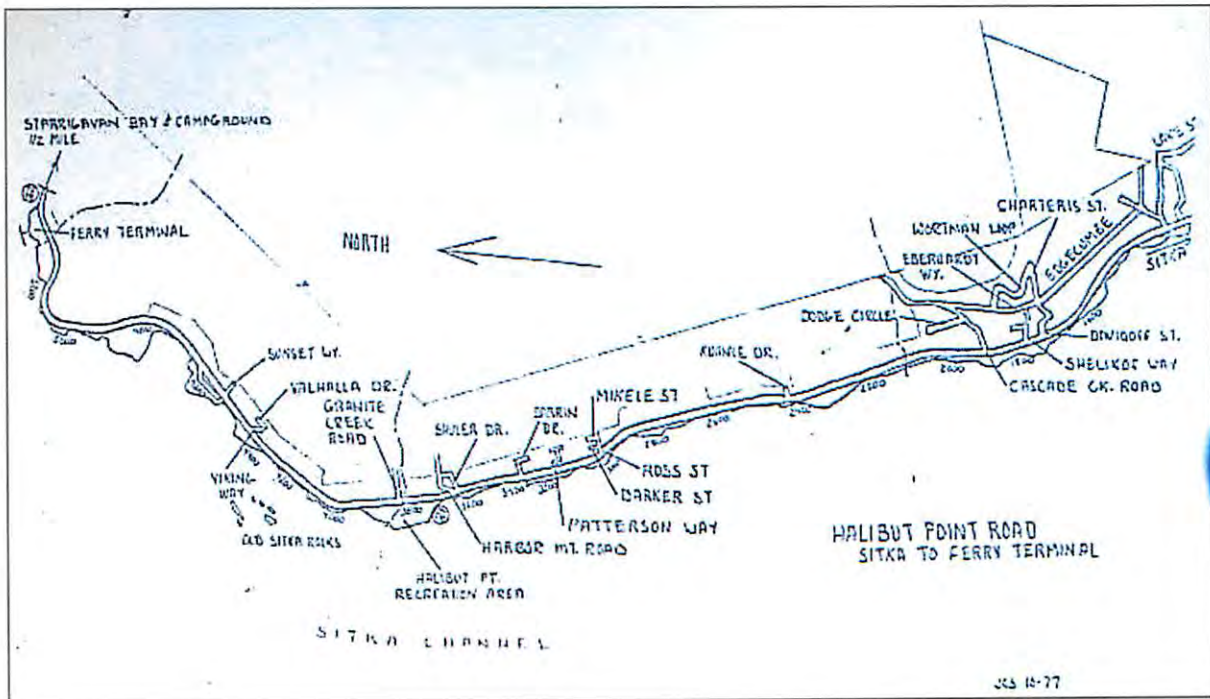
Please see attached

- Letters of support
- Maps from the Kettleon Cemetery Project
- Cemetery cataloging form
- Microsoft Excel spreadsheet example
- Web Application Example
- Team Resumes
- Martin Strand poem

Mr. Sam in 1987







Ashby Anderson map and lists, 1986

1. Old Indian Burial Grounds from pre-history - Village
2. Russian Clergy, families and dignitaries - blockhouse
3. Finnish Lutheran Church cemetery
4. Russian Orthodox (1805 - present)
5. Moose Lodge cemetery
6. City cemetery (old)
7. Pioneer Home cemetery #2 - Baranof Street
8. Sitka National cemetery (1867 - present) - Oldest National cemetery west of Miss. (VA)
9. Old Merchant's cemetery - Merrill, DeGroff-
10. Pioneer Home cemetery #1 (1912 - 1942)
11. City cemetery (new, 1982 - present) - (Sitka Memorial Park - 101 Sisters Lane)
12. Sheldon Jackson cemetery
13. Tlingit Presbyterian cemetery (Sheldon Jackson)
14. Russian & Aleut sailors (1905)
15. Mills Family (Quaker) - Island
16. St. Michael's Cathedral (Kasheverof)
17. Wrangell tomb (site of old church under Mac's Sporting Goods)
18. Mt. Edgumbe Hospital Mausoleum #2
19. John Brown - Hospital Mausoleum #1 - near John Brown
20. Battery Island (Pestilence)
21. Halibut Point cemetery
22. Old Sitka (1795 - 1802)
23. Mt. Edgumbe Hospital Mausoleum #1 (Coast Guard)
24. St. Peter's (Bishop Rowe)

Form Number:

Cemetery Main Survey Form

The **Location and Contact Information** section and **PART I** of the survey are required for completion (it is understood that certain information may not be attainable within these sections). **PART II** is optional, but does offer pertinent information for cemetery recordation and provides a more full record which can aid in later restoration projects.

Location and Contact Information

Survey Date: _____

Historic Name: _____

Common Name: _____

County & Municipality: _____

Street Address (if applicable) (Street, Town, Zip Code): _____

Location Description (if no street address): _____

Proximity:

Nearest Town: _____

Within town limits Within 1 mile of town 1-5 miles of town 5 or more miles

Context: commercial industrial residential rural urban

Owner: _____ Owner Address (Street, Town, Zip Code): _____

Contact: _____ Contact Address (Street, Town, Zip Code): _____

Tax Parcel Number: _____ Is the cemetery an out parcel in the tax records: yes no

Key #: _____

Recorder/Surveyor initials: /

Date:

Form Number:

Year of death of first interred (oldest legible date): _____

Year of death of last interred: _____

Is the cemetery in a National Register Historic District? _____

Published References: _____

Name of individual or institution who holds information about the cemetery and what type of information they hold (please include contact information): _____

Surveyor: _____ Recorder: _____

Affiliation: _____

1. Attach a **Narrative History**, including ownership history (if known), historically significant individuals interred (in local, state, and national arenas), historical incidents of interests, and distinctive architectural features or monuments.

2. Attach a USGS map or city cemetery or other map denoting the cemetery location and boundaries.

PART I

3. Description:

Type of cemetery (check all that apply)

- | | | |
|--|---|--|
| <input type="checkbox"/> churchyard | <input type="checkbox"/> family | <input type="checkbox"/> national/military |
| <input type="checkbox"/> community | <input type="checkbox"/> military | <input type="checkbox"/> prison |
| <input type="checkbox"/> community/religious | <input type="checkbox"/> municipal | <input type="checkbox"/> religious* |
| <input type="checkbox"/> company town | <input type="checkbox"/> municipal/company town | <input type="checkbox"/> single plot |
| <input type="checkbox"/> epidemic | <input type="checkbox"/> national | <input type="checkbox"/> Other: _____ |

*If you checked religious, please indicate affiliation: _____

4. Design/style/layout:

- | | | |
|--|--|---------------------------------------|
| <input type="checkbox"/> Lawn Park | <input type="checkbox"/> Rural Cemetery Movement | <input type="checkbox"/> Other: _____ |
| <input type="checkbox"/> Memorial Park | <input type="checkbox"/> No design evident | |

5. Type of ownership:

- | | | |
|----------------------------------|--|--|
| <input type="checkbox"/> city | <input type="checkbox"/> incorporated | <input type="checkbox"/> private-unspecified |
| <input type="checkbox"/> county | <input type="checkbox"/> Native American | <input type="checkbox"/> state |
| <input type="checkbox"/> federal | <input type="checkbox"/> private-nonprofit | <input type="checkbox"/> township |
| | | <input type="checkbox"/> Other: _____ |

6. Accessibility:

- A. by permission only restricted unrestricted

Recorder/Surveyor initials: /

Date:

Form Number:

- B. by footpath by road no defined access

7. Size in feet (Dimensions of Perimeter): _____

8. Condition:

- abandoned maintained, but not in use unmarked
 currently in use overgrown

PART II

9. Topography:

- flat rolling
 hill top slope

How does the cemetery sit in relation to the larger setting or landscape? _____

Natural Features, such as streams, gullies, hills, and indigenous vegetation: _____

Naturalistic developed features (man-made ponds, lakes, non-indigenous vegetation, or landforms): _____

10. Ethnic Group/Nationality Affiliation:

- | | | |
|---|--|---------------------------------------|
| <input type="checkbox"/> African American | <input type="checkbox"/> Irish | <input type="checkbox"/> Slavic |
| <input type="checkbox"/> Asian | <input type="checkbox"/> Italian | <input type="checkbox"/> Quaker |
| <input type="checkbox"/> German | <input type="checkbox"/> Jewish | <input type="checkbox"/> Unknown |
| <input type="checkbox"/> Hispanic | <input type="checkbox"/> Native American | <input type="checkbox"/> Other: _____ |

11. Grave Groupings (if present):

- | | | |
|--|-------------------------------------|---------------------------------------|
| <input type="checkbox"/> ethnic heritage | <input type="checkbox"/> military | <input type="checkbox"/> Other: _____ |
| <input type="checkbox"/> family | <input type="checkbox"/> occupation | |
| <input type="checkbox"/> fraternal order | <input type="checkbox"/> religious | |

If grouped, explain how groups are delineated, such as by hedges, curbs, walls, or fences (if man-made, please indicate design or material, see options under cemetery boundaries): _____

12. Cemetery Boundaries:

- | | | |
|--------------------------------|-------------------------------------|---------------------------------------|
| <input type="checkbox"/> curb | <input type="checkbox"/> vegetation | <input type="checkbox"/> none |
| <input type="checkbox"/> fence | <input type="checkbox"/> wall | <input type="checkbox"/> Other: _____ |

Recorder/Surveyor initials: /
Date:

Form Number:

If you checked fence, please indicate fence style:

- | | | |
|---|---|---|
| <input type="checkbox"/> bow & hairpin | <input type="checkbox"/> hairpin | <input type="checkbox"/> picket (metal) |
| <input type="checkbox"/> bow & picket | <input type="checkbox"/> hairpin & picket | <input type="checkbox"/> wood |
| <input type="checkbox"/> gas pipe railing | <input type="checkbox"/> milled point | <input type="checkbox"/> woven wire |
| | | <input type="checkbox"/> Other: _____ |

If you checked wall, please indicate building material:

- | | | |
|--------------------------------|--|---------------------------------------|
| <input type="checkbox"/> brick | <input type="checkbox"/> concrete (poured) | |
| <input type="checkbox"/> block | <input type="checkbox"/> stone | <input type="checkbox"/> Other: _____ |

13. Cemetery Accessories:

- | | | |
|--|--|---------------------------------------|
| <input type="checkbox"/> benches | <input type="checkbox"/> fountains | <input type="checkbox"/> planters |
| <input type="checkbox"/> directional markers | <input type="checkbox"/> ornamental sculpture | <input type="checkbox"/> None |
| <input type="checkbox"/> entrance signs | <input type="checkbox"/> outdoor lighting fixtures | <input type="checkbox"/> Other: _____ |

14. Circulation:

- | | | |
|--------------------------------------|----------------------------------|--|
| A. <input type="checkbox"/> pathways | <input type="checkbox"/> roads | <input type="checkbox"/> No paths or roads |
| B. <input type="checkbox"/> paved | <input type="checkbox"/> unpaved | <input type="checkbox"/> Other: _____ |

15. Associated Buildings:

- | | | |
|--|--|--|
| <input type="checkbox"/> caretaker's house | <input type="checkbox"/> gatehouse | <input type="checkbox"/> receiving vault |
| <input type="checkbox"/> chapel | <input type="checkbox"/> maintenance shed | <input type="checkbox"/> None |
| <input type="checkbox"/> crematorium | <input type="checkbox"/> receiving mausoleum | <input type="checkbox"/> Other: _____ |

Marker Information

(Please See Manual for differentiation between "Marker and Grave")

16. Number of markers (for large cemeteries estimate to closest ten and indicate estimates by writing "approx." before the number): _____

17. Age of Graves: (some early markers may be illegible; in section A, please note the number that cannot be dated)

A. Number of graves fifty years and older: _____, including _____ illegible

B. Number of graves less than fifty years old: _____

18. Graves are from this century: (check all that apply)

- | | | |
|--|---|---|
| <input type="checkbox"/> earlier than 18 th | <input type="checkbox"/> 19 th | <input type="checkbox"/> 21 st |
| <input type="checkbox"/> 18 th | <input type="checkbox"/> 20 th | |

19. Materials of markers:

- | | | |
|------------------------------------|-------------------------------------|------------------------------------|
| <input type="checkbox"/> argillite | <input type="checkbox"/> granite | <input type="checkbox"/> limestone |
| <input type="checkbox"/> brick | <input type="checkbox"/> greenstone | <input type="checkbox"/> marble |

Recorder/Surveyor initials: _____ /

Date:

Form Number:

- bronze
- cast stone
- concrete
- fieldstone

- iron – cast
- iron – galvanized
- iron – wrought/rolled
- lead

- sandstone
- slate
- wood
- zinc
- Other: _____

20. Marker types present:

Simple:

- block
- bronze marker
- column

- cross
- headstone w/ footstone
- headstone w/o footstone

- obelisk
- slab over crypt
- stele
- Other: _____

Compound:

- bedstead
- column on base
- cross on base
- headstone/base platform
- headstone/base w/footstone

- obelisk on base
- pedestal
- ped. w/column
- ped. w/obelisk

- ped. w/other
- pyramid
- stele/base
- table
- Other on base: _____

Tomb:

- mausoleum
- wall vault
- Other: _____

21. Orientation of markers:

- East
- South
- North-East
- North-West
- West
- South-East
- South-West
- North

Are the markers in original locations?

- yes
- all markers have been moved
- some markers have been moved

22. Marker image designs:

- All-seeing eye
- Anchor
- Angel
- Bible
- Cross
- Dove
- Draped Urn
- Hands reaching down
- Hands w/ fingers pointing up
- Lamb
- Lily
- Masonic
- Menorah
- Star/Star of David
- Sleeping Child
- Upside-Down Torch
- Weeping Willow

Other: _____

23. Condition of markers: (Give approximate numbers)

inscriptions illegible _____ inscriptions legible _____ no inscription _____
 sunken/tilted stones _____ fragments/pieces on the ground _____
 broken, but standing _____ damaged surfaces/chipped/cracked _____
 laden with lichen _____ graffiti _____ failed repair _____

Recorder/Surveyor initials: /

Date:

Form Number:

24. Signatures of architect/carvers: _____

25. Secondary Markers:

endowed markers
 flags

organizational markers
 plates

none

26. Photo log numbers (attach additional if necessary):

Photo Number	Camera	Description

27. Attach Drawings and Pictures of Site:

Recorder/Surveyor initials: /

Date:

Microsoft Excel Spreadsheet Example

Cemetery_Survey_Templates: (Compatibility Mode) - Microsoft Excel

Home Insert Page Layout Formulas Data Review View Acrobat QuickBooks

Clipboard Font Font Size: 10 Bold Italic Underline Color Fill Background Color Conditional Formatting Number Alignment Text Wrapping Styles

Autosum Sort & Filter Editing

Calculation Note

Normal Good Bad Exploratory... Input

Conditional Formatting

Number \$ %

Alignment

Text Wrapping

Styles

Ready

322

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z

1 Cemetery Name:

2 Cemetery Location:

3 Cemetery Contact Info:

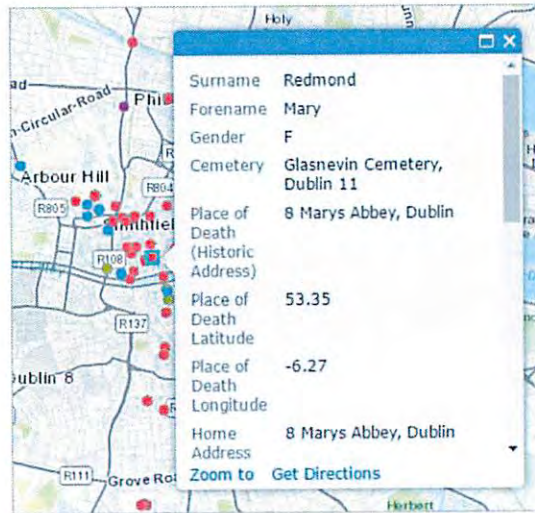
4 Survey Date:

5 Surveyors:

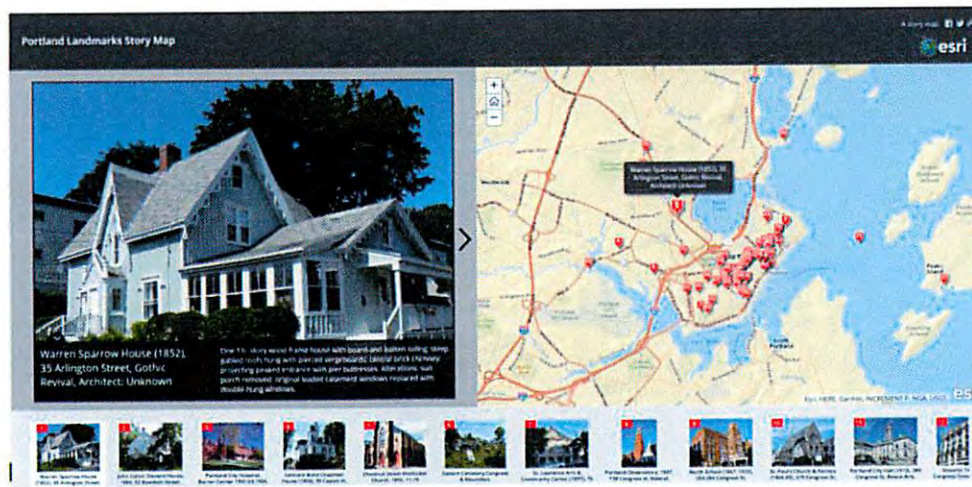
Marker	GRID #	Plot Location	Plot Photo Number	Last Name	First Name	Middle Name	Birth Year	Birth Month	Birth Day	Death Year	Death Month	Death Day	Veteran Designation	Veteran/Other plot Photo	Notes	Inscription	Source
8	1																
9	2																
10	3																
11	4																
12	5																
13	6																
14	7																
15	8																
16	9																
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32	25																
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34	27																
35	28																
36	29																
37	30																
38	31																
39	32																

Chart1 Plot Record Column Descriptions Examples

Web Application - On the map, you will be able to click a feature to open its pop-up, purposeful for an overall *Cemeteries of Sitka* Map.



Story Map Tour – By clicking on photos you will be taken to a narrative about the historic site or cemetery feature.



Catherine Sopow

3414 Halibut Point Rd. Sitka, Alaska 99835
kittysopow@gmail.com 907-623-0949

CARREER PROFILE

Applied anthropologist with 29 months of professional experience.
Effective liaison between Tribal and Federal and State governments during consultations. Commitment to working with Alaskan residents on Alaskan subsistence issues.

SKILLS

Qualitative interviews, door-to-door surveys, phone surveys, interview transcriptions, analytical writing, record keeping and organization, participant observation.

EDUCATION

UNIVERSITY OF NORTH TEXAS

Master of Science in Applied Anthropology

Denton, TX
Enrolled Online

- GPA 4.0
- Areas of focus: Environmental Anthropology
- Course work includes: Quantitative and qualitative research methods and theory

SOUTHERN ILLINOIS UNIVERSITY

Bachelor of Arts, Anthropology

Carbondale, IL
May 2010

PROFESSIONAL EXPERIENCE

SITKA TRIBE OF ALASKA (STA)

Resource Protection Department
Department of Defense Lands Investigator

\$46,000 per year
March 2015-September 2016
37.5 hrs. per wk.

- Wrote and managed grants to fund the mitigation of environmental impacts to Alaska Native Claims Settlement Act (ANCSA) conveyed properties
- Edited Strategic Project Implementation Plan outlining progress and future remediation plans required to restore Tribal land from WWII impacts
- Submitted quarterly reports to DoD involving site evaluation summaries and mapped data points using ArcGIS
- Staff support for committees and commissions, responsible for minutes and quarterly PSAs

ALASKA DEPARTMENT OF FISH AND GAME

Division of Subsistence As needed, seasonally July 2013-June 2016
Subsistence Resource Specialist *\$60,000 per year* – Research Assistant *\$15-50/hr*

- Compile existing data and conduct studies to gather new information, including data from subsistence users, on all aspects of the role of subsistence hunting and fishing in the lives of the residents of the state
- Assist the department, the Board of Fisheries and the Board of Game in determining which uses of fish and game, as well as what users and what methods, should be termed subsistence users, uses, and methods.
- Conducted door to door, comprehensive subsistence surveys. Conducted over the phone halibut, rockfish and herring surveys.

THE DAILY SITKA SENTINEL Sitka, Alaska
Office Manager

Jan 2014-Feb 2015
\$16.00 per hr. 40 hrs. per wk.

-
- Oversee 45 home distribution routes, 35 employees, and all subscriber accounts
 - Organize office operations and procedures including payroll, general correspondence, reviewing and approving supply requisition

SEA LEVEL CONSULTING Sitka, Alaska

\$25.00 per hour

Research Assistant

8 hrs. per wk. May 2014

- Research World War II Searchlights in Sitka Sound, including local field surveys, evaluations, and travel to state archives for creation of brochure for Department of Defense for publication.
- Conduct archival research and oral interviews on Katlian Bay for proposed road project, funded through LEI Engineering.
- Managed paperwork associated with writing reports

VOLUNTEER EXPERIENCE

AMERICORPS VOLUNTEER

\$1,150 per month

Sitka Tribe of Alaska

37.5 hours/week

- Combat food security issues by providing subsistence foods to local tribal citizens
- Assisted in the revitalization of the Kayaaní Commission, a volunteer ethnobotany branch of the United States Forest Service
- Staff support for Herring committee and Customary, Cultural, & Tradition committee
- Assisted with DoD's Native American Land Environmental Mitigation Program restoring and remediating Formally Used Defense Sites (FUDS)

HISTORIC PRESERVATION COMMISSION

At Large Seat

Jan 2017-Present

Prepare and maintain an inventory of buildings and sites of historical, cultural, architectural, geographical and archeological significance; develop a historic preservation plan; develop nominations to the National Register of Historic Places; and work toward the continuing education of citizens regarding historic preservation of the community's history.

ADDITIONAL TRAININGS & WORKSHOPS

NATIONAL PRESERVATION INSTITUTE

Sitka, Alaska

NAGPRA Preparing for and writing grant proposals

November, 2015

- Area of focus: Consultation and Documentation, Repatriation Grants

REFERENCES

Lauren Sill - ADF&G Subsistence Resource Specialist- 907-465-3617

Rosalie Grant - BIA - Fish and Wildlife Biologist 907-518-0821

Jeff Feldpausch - Sitka Tribe of Alaska, Resource Protection Director - 907-747-7469



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sealevelanne@gmail.com
www.sealevelsitka.com



ANNE ELISE POLLNOW

Sea Level Consulting Owner and Principal Archaeologist

STATEMENT OF QUALIFICATIONS

Anne Pollnow is the sole owner of Sea Level Consulting (SLC), a cultural resource firm based in Sitka, Alaska since 2008. Sea Level Consulting provides services required for the identification, evaluation, and treatment of cultural resources as needed for compliance with federal, state, and local regulations including the National Environmental Policy Act (NEPA) and the National Historic Preservation Act (NHPA). SLC specializes in Southeast Alaska history and archaeology and the unique laws and regulations relating to Alaska tribes. Services include archaeological and historic surveys, anthropological studies, and determination of eligibility and affect reports, cultural resource plans and agreements, monitoring, recovery excavation, and consultation with local tribes. SLC has also assisted and led Alaska communities through the processes of preservation planning, establishing historic districts, and developing heritage tourism industry strategies. All work complies with the Secretary of Interior's Standards and Guidelines and protocols set forth by the Alaska Office of History and Archaeology. Sea Level is a Disadvantaged Business Enterprise under certification number 9900594.

MISSION

Sea Level Consulting recognizes the value of preserving the past without compromising the economic opportunities of today. Through a variety of methods, SLC assists governmental agencies, developers, property owners, and tribal entities to achieve preservation and environmental compliance goals with sensitivity and efficiency. SLC's diverse and extensive historic preservation experience inspires creative and sustainable solutions for all stakeholders.

EDUCATION

Master of Arts: Cultural Resource Management and Humanities, Adams State University, Alamosa, Colorado (2018)

Graduate Certificate: Archaeology and Ancient History, Leicester University, Leicester, England (2012)

Bachelor of Arts: Anthropology and Archaeology, Washington State University, Pullman, Washington (1995)

Archaeological Field School: Washington State University, Pullman, Washington (1994)

EXPERTISE

- Local, state, and federal historic preservation laws – National Historic Preservation Act, National Environmental Policy Act (NEPA), Department of Transportation 4f, Alaska Historic Preservation Act (NHPA), local ordinances
- Determination of eligibility (DOE) reports
- Archaeological and historic field surveys and evaluations
- Creative mitigation efforts
- Conservation/preservation easement agreements
- Preservation and cultural resource management plans
- Anthropological studies and historic context reports

PROFESSIONAL EXPERIENCE

As Sea Level Consulting

2017

- **Historic Properties Survey and National Register Assessment for SEARHC M. Edgcombe Facilities** located on the Sitka Naval Air Station and Army Coastal Defenses NHL, Japonski Island, Sitka, AK. Contracted with Southeast Alaska Regional Health Consortium, Juneau, AK.

2016

- **Archaeological Investigations and Reporting for the City and Borough of Sitka's Nelson Logging Road Project, Sitka, Alaska**, contracted to LEI Engineering and Surveying, Salem, OR.
- **Archaeological Investigations and Reporting for the U.S. Forest Service's El Capitan to Neck Lake Road Project, Prince of Wales Island, Alaska**, contracted to LEI Engineering and Surveying, LLC.

2015

- **Archaeological Investigations and Reporting for the Alaska Department of Transportation's Gravina Island Road Project, Sitka, Alaska**, contracted to AMEC Corporation Vancouver, Canada.
- **Archaeological Investigations and Reporting for the U.S. Forest Service's El Capitan to Neck Lake Road Project, Prince of Wales Island, Alaska**, contracted to LEI Engineering and Surveying, LLC.
- **WWII Searchlights and Base End Stations of Sitka Sound, Sitka, AK.** Contracted with the Sitka Tribe to develop a WWII publication for the public per a MOA with the US Army Corps of Engineers for cultural resource mitigation.
- **Archaeological Monitoring for Petersburg Downtown Pavement Rehabilitation Drainage Improvements Petersburg, Alaska Sitka, AK**, contracted with Secon, Juneau, AK.

2014

- **Archaeological Assessment and Historic Survey Reporting for various mine sites throughout Southeast Alaska**, contracted with Waterman Mitigation Partners, Burley, Washington
- **Archaeological Investigations and Reporting for the Alaska Department of Transportation's Katlian Bay Road Project, Sitka, Alaska.** Contracted to AMEC Corporation Vancouver, Canada.
- **Archaeological Monitoring for Halibut Point Road Pavement Rehabilitation Drainage Improvement and Bridge Replacement in Sitka, Alaska (State Project No. 693511, Federal No. HPP-0993(19)).** Sitka, AK, contracted with ASRC-McGraw, Sitka, AK.
- **Cultural Resources Management Plan for Hecla-Greens Creek Mining Company**, contracted with Hecla-Greens Creek, Admiralty Island, Alaska
- **Archaeological Monitoring for during Environmental testing at the former Unocal Bulk Plant 0736 (per Sitka Tribe of Alaska request)**, contracted with Conestoga-Rovers & Associates, Inc. APE located adjacent to the Sitka Indian Village and Russian Cemetery.
- **Cultural Resources Assessment for the Trillium Mitigation Bank, El Capitan Passage, North Prince of Wales Island, SE Alaska** contracted with Waterman Mitigation Partners, Burley, WA

2013

- **Archaeological Monitoring for Halibut Point Road Pavement Rehabilitation Drainage Improvement and Bridge Replacement in Sitka, Alaska (State Project No. 693511, Federal No. HPP-0993(19)).** Sitka, AK, contracted with ASRC-McGraw, Sitka, AK.
- **Archaeological Monitoring for The City and Borough of Sitka (CBS) Phase II water and sewer improvements from Lincoln Street to Sawmill Creek Road of Baranof Street in Sitka, Alaska (CBS Project No. 90710)**, contracted with City and Borough of Sitka, Sitka, AK.
- **Archaeological Monitoring for The City and Borough of Sitka (CBS) Sitka Sea Walk from Crescent Harbor to National Historic Park along Lincoln Street and Sitka Harbor in Sitka, Alaska (CBS Project No. 90693, 90695)**, contracted with City and Borough of Sitka, Sitka, AK.

- **Archaeological Assessment, Historic Survey, and National Register Evaluation of the Nevada Creek/Alaska Treasure Mine Historic District, Douglas Island, Juneau, AK, contracted with Waterman Mitigation Partners, Burley, WA**
- **Cultural Resources Assessment of the Penn Alaska Prospect, Taku Inlet, Juneau, Alaska, contracted with Waterman Mitigation Partners, Burley, WA**
- **Cultural Resources Assessment for the Trillium Mitigation Bank, El Capitan Passage, North Prince of Wales Island, SE Alaska contracted with Waterman Mitigation Partners, Burley, WA**
- **Grant Writer/Manager Lincoln Street Historic District Project, for City and Borough of Sitka, Sitka, AK**
- **Conservation/Preservation Easement Agreement Draft for Holy Assumption Orthodox Church, Kenai, AK and Nevada Creek/Alaska Treasure Mine Historic District for the Alaska Association for Historic Preservation, Anchorage, AK**

2012

- **Archaeological Monitoring during Hyder Causeway Reconstruction and Trestle Replacement, Hyder, AK. Contracted with Orion Marine Contractor, Inc. Tacoma, WA.**
- **Cultural Resource Inventory of Halibut Point Road for the Pavement Rehabilitation and Drainage Improvements, Sitka, AK. Contracted with John Barnett, Project Environmental Coordinator, SE Preconstruction, DOT&PF, Southeast Region.**
- **Archaeological Monitoring during Environmental testing at the former Unocal Bulk Plant 0736 (per Sitka Tribe of Alaska request), contracted with Conestoga-Rovers & Associates, Inc. APE located adjacent to the Sitka Indian Village and Russian Cemetery.**

2011

- **Archaeological Monitoring for Rocky Gutierrez Airport Runway Safety Area Improvements, Sitka, AK contracted with Tutka, LLC, Wasilla, Alaska. APE and project located within the Sitka Naval Air Station National Historic Landmark (NHL)**
- **Archaeological Monitoring for Yakutat Area-Wide Paving Airport Runway 11-29 Pavement Repairs & CBY Utilities in Yakutat, AK, contracted with Secon Southeast Alaska. APE and project located adjacent to several cemeteries with unknown boundaries.**
- **Cultural Resource Inventory of North Tongass Highway Improvements: Ward Cove to Whipple Creek Pavement Rehabilitation, Phase 3, Wards Cove to Refuge Cove. Contracted with John Barnett, Project Environmental Coordinator, SE Preconstruction, DOT&PF, Southeast Region**

2010

- **Archaeological Monitoring for Sitka-Japonski Utility & Road Improvements, Sitka, AK, contracted with Southeast Earthmovers, Inc. APE and project was within the Sitka Naval Air Station & Air Defenses NHL**
- **City and Borough of Sitka Historic Preservation Plan, contracted with City and Borough of Sitka, Alaska. A city and borough wide public plan to manage the community's cultural resources.**
- **Archaeological Monitoring for during Environmental testing at the former Unocal Bulk Plant 0736 (per Sitka Tribe of Alaska request), contracted with Conestoga-Rovers & Associates, Inc. APE located adjacent to the Sitka Indian Village and Russian Cemetery.**
- **Alaska Native Brotherhood Hall Historic Building Survey, contracted with Alaska Native Brotherhood Camp #1. Successfully wrote and managed grant to hire architectural firm to conduct condition assessment of NHL ANB Hall.**
- **RFP for Centennial Totem Pole project, contracted with Southeast Cultural Center & Sitka National Historical Park**
- **Recommendation National Register of Historic Places Eligibility for the United States Geological Survey Magnetic Observatory, Sitka, AK, contracted with Rogers Environmental, NEPA compliance.**

2009

- **Recommendation of National Register of Historic Places Eligibility for Lot 50, Block 1, USS 2542, Sitka Indian Village, Sitka, AK**, contracted with Jessica Perkins, Tribal Attorney for Sitka Tribe of Alaska, Section 106, NHPA compliance
- **Archaeological monitoring for Indian River Road Improvements, Sitka, AK**, contracted with McGraw Custom Construction and Alaska DOT&PF, Southeast Region. Conducted tribal consultation, APE adjacent to native cemetery and unmarked burials
- **National Register Nomination of Ada Pears Cottage, Sitka, AK**, contracted with Dr. Trista Patterson, included federal rehabilitation tax credit documentation

2008

- **Determination of Eligibility Investigation for the No Name Creek Bridge (Bridge No. 327), Sitka, AK**. Contracted with Jane Gendron, Environmental Coordinator for Alaska DOT &PF, Southeast Region, Juneau, Alaska, Section 106 NHPA compliance
- **Ketchikan Airport Hazardous Tree Survey for Culturally Modified Trees, Ketchikan, Alaska**. Contracted with Jane Gendron, Environmental Coordinator for Alaska DOT &PF, Southeast Region, Juneau, Alaska, Section 106 NHPA compliance

Archaeologist

- **2007-08, Stephen Braund & Associates, Anchorage, AK**. Contracted with Dawson Construction to write and follow through on monitoring plan for cultural resources during construction.
- **2006, Sitka National Historical Park**, Completed shovel tests and test units, reconnaissance survey, GIS mapping, archival research, artifact collection and analysis while supervising a crew of two. Prepared final report per Section 106, NHPA.
- **2006, Sitka Trail Works, Sitka, AK, Deborah Lyons, Executive Director**. Field and archival research for Section 106 compliance report. Site is comprised of bunkers, gun emplacements, and artifacts from a World War II NHL located on and near Japonski Island, Sitka, AK.
- **2006, Midwest Archaeological Center, Lincoln, NE Supervisor: Dr. William Hunt, Project Director**. Created an archaeological inventory recording archaeological and geological data from shovel tests at the Sitka National Historical Park in Sitka, AK.
- **2004, Larson Anthropological Archaeological Services, LTD, Tse-whit-zen Archaeological Recovery at Port Angeles, WA Grave Docking Project**, Crew supervisor at an experimental mechanical screening machine, managing and instructing members of the Lower Elwa Kallam Tribe, in the identification of artifacts, faunal, and human remains and collection methods in a challenging climate that consisted of extra-long work days and repatriation efforts. This project was done in conjunction with the Washington DOT, Kiewit General Contractors, the Lower Elwa Kallam Tribe, and Western Shores Archaeological Services.

Archaeological Technician

- **2002-04, GS-07, US Forest Service, Sitka Ranger District, Sitka, AK, Supervisor: Patrick Bower**. Managed cultural resources in the Sitka Ranger District, Tongass Nat'l Forest, AK. Conducted field and archival investigations independently and as a supervisor for paid and volunteer expeditions in especially remote areas of SE Alaska. Performed resource surveys in rough terrain, identifying prehistoric and historic sites, flora, fauna, marine shell, fish, and mammal species, and human remains. Recording involved mapping sites to include features, topographic, and land form descriptions, soil, stratigraphic, site slopes and aspects. Lab and office duties included inventory and cataloging of artifacts and creating and maintaining databases using Excel, Access, ArcGIS, and ArcView. Composed site and eligibility reports in compliance with federal laws and regulations. Position required developing interpretative programs of cultural resources for educational public outreach projects. Became certified in boat/skiff operations and familiar with charts and navigation of waterways, aviation safety for frequent small aircraft flights, wilderness survival, bear safety, and training including familiarity with higher powered rifles. Publications include,

Exploring Port Althorp from the Chugach: Archaeology from the Port Althorp Investigations, Research and Survey PIT project (PIT Traveler 27: 3-5).

- **2003, TRC Environmental Consultants, Albuquerque, NM.** Excavation of archaic archaeological site requiring artifact and lithic and stratigraphic identification and data extraction and excavation.
- **1997-1999, Seasonal Interpreter, Mt. Baker/Snoqualmie National Forest, Glacier, WA.** Natural and cultural resource interpretation at the Glacier Visitor's Center.
- **1991-1996, Center for Northwest Anthropology, Pullman, WA Supervisor: Dr. William Andrefsky,** Projects included recataloging of archaeological collections per NAGPRA, and reconnaissance and transit survey of the Hanford Reach along the Columbia River commissioned by Battelle Northwest Laboratories. Position required site, artifact, flora, fauna identification, dating, photography, mapping using datum systems, and computer-aided analysis.

CEMETERY VISITED

The love of their un-lived life blossoms here in the silence.
Decades alone, spirits wandering around the living.
There are still those who remember those years.
Ancient ones still here with strong memories alive.
There are those who took care of them in their last moments.

TB working its death on young and old alike.
There is sadness of the survivors weeping at the end.
We are witnesses to the horror of people a long way from home.
They are cleaning the lonely quarters in its emptiness.
Deep regret that they could not be shipped to loved ones.

People of all Nations to the North and South are here.
Their eternal sleep nearly forgotten where they are.
The winds come and go with the seasons.
The Island busy with civilization progress.
The restless sea all around them run by the tides.

A spark of remembrance glows lightly in some minds.
Thought of justice of what happened so long ago.

It takes generations to get something going.
A man with a purpose sparked with ancestral thoughts.
Building with determination Bob Sam comes forward.

A word from Elders, here a fragment of history there.
Encouragement in respectful ways guides his path.
Collective knowledge builds a path towards the Truth.
Thought heavy with lamentation drives the search.
Tribal members gather and show what they know.

Fragments of hope reach the far-flung living loved ones.

Martin R. Strand Sr.

Something is being done to bring long-lost closure.
Our warrior of justice travels and sends the news.
Other Tribal members join in to help as they can.
Memorial moments build in their minds with strong remembrances.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

SITKA HISTORIC PRESERVATION COMMISSION

Special Meeting
Held at City Hall
100 Lincoln Street
June 27, 2017 12 pm
Minutes

VI. NEW BUSINESS

- a) CLG Grant Application – Sitka Tribe of Alaska and City and Borough of Sitka Cemetery Cataloging

Pollnow recused herself and said she could speak as the applicant.

M-Littlefield/S-Saline moved to approve the CLG grant application for a cemetery cataloging project.

Littlefield stated that Robert Sam's clan affiliation needs to be corrected in the application. Pollnow stated that the grant requires project completion by December 2018. Littlefield asked about tribal support. Pollnow stated that Sam is involved and they will be regularly updating STA's Cultural Customary Traditional Committee. This committee will hold the database and determine what will be available. Pollnow stated that they would eventually like to do a web application for tourists. Pollnow stated that Sam has compiled archival data over decades. Kitty Sopow will work with Sam to digitize the data. Pollnow stated some work will be volunteer and some paid. Pollnow stated that the Scarcelli volunteered city GPS equipment to be loaned to the project.

Motion passed 4-0.

Sitka Tribe of Alaska

Tribal Government for Sitka, Alaska



June 28, 2017

To Whom It May Concern,

I write on behalf of Sitka Tribe of Alaska (STA), tribal government in Sitka, Alaska for over 4,400 tribal citizens. As a tribal government, STA is responsible for the health, welfare, safety, and culture of its citizens. STA endorses the efforts of the City and Borough of Sitka and its Historic Preservation Commission to secure Certified Local Government program funding for mapping the cemeteries within our community.

The local cemeteries hold a great deal of history whose story is yet to be told. Those interred in Sitka cemeteries come from a diverse range of nationalities including Russian, Chinese, and most notably Tlingit. The information gleaned from this project will provide a more detailed history of Sitka and the people who lived here.

This project will not only open a door to the past but will add a layer of protection for these sites. In the past, municipal and personal property development has led to inadvertent discoveries and the destruction of unknown or unmarked graves. The documentation and mapping of these sites will help protect them in perpetuity.

If you have any questions regarding these comments contact STA Resource Protection Department Director Jeff Feldpausch at jeff.feldpausch@sitkatriben-sn.gov or call 907-747-7469.

Sincerely,

A handwritten signature in blue ink, appearing to read "KathyHope Erickson". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

KathyHope Erickson
Chairman



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

June 29, 2017

Historic Preservation Commission
City and Borough of Sitka
100 Lincoln Street
Sitka, AK 99835

Dear Commissioners:

Sitka has an incredible and significant history for Alaska and its people. Considering that history, it is important within our community to honor the dead, to commemorate our past, and to provide the connection of that history with the citizens of today and tomorrow. Much of Sitka's history is buried. And as with all buried things, often with the passing of time, that rich history is at risk of being lost or destroyed. Extensive work has been conducted to catalog and preserve the summaries of genealogies and cemetery surveys in analog form; however, that information is also at risk.

This project involves several important components that are very valuable to Sitka and all of Alaska. These aspects include:

- Consolidation and organization of all prior catalogs and inventories
- Converting previously gathered data from analog to GIS format
- Updating with missing data
- Separating and protecting sensitive information from information appropriate for public record
- Providing readily accessible public information to promote historical education, preservation, and heritage tourism
- Providing professional level consultation resources for Sitka Tribe of Alaska, City and Borough of Sitka, and other entities involved in the development of Sitka

I am thrilled that such a project is possible. This project would fulfill various goals, objectives and policies found in past and draft level Comprehensive Plans and Historic Preservation Plans at the local, tribal, and state levels.¹ Moreover, with the sesquicentennial commemoration approaching, I believe it is important that a project of this type occur to give honor where it is due.

¹ Current City and Borough of Sitka Comprehensive Plan, 2007; Proposed Draft Comprehensive Plan 2017; Proposed Draft Historic Preservation Plan 2017; Sitka Tribe of Alaska's Preservation Plan 1995; and Alaska's Historic Preservation Plan

Please join me in supporting this project and helping to do everything we can to make it successful.

Very truly yours,

A handwritten signature in blue ink that reads "Michael Scarcelli". The signature is fluid and cursive, with the first name "Michael" and last name "Scarcelli" clearly legible.

Michael J. Scarcelli, JD
Director, Planning and Community Development Department



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

June 29, 2017

Alaska Historical Commission
Department of Natural Resources
550 W. 7th Ave., Ste. 1260
Anchorage, AK 99501-3557

Dear Commissioners:

Sitka has an incredible and significant history for Alaska and its people. Considering that history, it is important within our community to honor the dead, to commemorate our past, and to provide the connection of that history with the citizens of today and tomorrow. Much of Sitka's history is buried. And as with all buried things, often with the passing of time, that rich history is at risk of being lost or destroyed. Extensive work has been conducted to catalog and preserve the summaries of genealogies and cemetery surveys in analog form; however, that information is also at risk.

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¹ Current City and Borough of Sitka Comprehensive Plan, 2007; Proposed Draft Comprehensive Plan 2017; Proposed Draft Historic Preservation Plan 2017; Sitka Tribe of Alaska's Preservation Plan 1995; and Alaska's Historic Preservation Plan

Providing for today...preparing for tomorrow

Please join me in supporting this project and helping to do everything we can to make it successful.

Very truly yours,

A handwritten signature in blue ink that reads "Michael J. Scarcelli". The signature is written in a cursive style with a large, stylized "S" at the end.

Michael J. Scarcelli, JD
Director, Planning and Community Development Department



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

June 30, 2017

Anne Pollnow
Sealevel Consulting
PO Box 6326
Sitka, AK 99835

Dear Ms. Pollnow:

The following is the path for this application to move forward after discussion with the Chief Finance and Administrative Officer and the Acting Administrator. As a prospective "*subrecipient*" of a *subaward* from the City and Borough of Sitka that would be the "pass-through entity," CBS will require a sub-grant agreement that binds the *subrecipient* to follow the "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards."¹

Due to timeline for submission of the grant, to move this forward there must be an explicit understanding of the nature of the agreement CBS will want as a condition of any *subaward*, should this grant be approved and awarded to a *subrecipient*.

Some of the topics the agreement will detail will include, but not limited to compliance with:

- all applicable federal laws
- all applicable state laws
- all applicable local laws
- applicable procurement, reporting, record keeping, internal controls, and audit requirements
- potential examination of the capabilities of the any sole proprietorship or *subrecipient*

To be clear and forthright, the above procurement requirements may require competitive bidding, or quotes, or demonstration of why there is an applicable exception to bid, such as permitted sole source exceptions. For your information, I have several resources that detail this information more.² In addition, you may speak with the Chief Finance and Administrative Officer, Jay Sweeney, for more information on this.

Currently, the grant is signed and ready to be scanned and submitted to the state. The application is conditioned upon the passage of resolution 2017-17 that will occur July 11, 2017. This has been coordinated with Jean Ayers and CBS staff will forward the resolution July 12th.

Prior to me submitting to the state, I need your acknowledgement of the above. I am in the office today until 2:45pm.

¹ Commonly known as the "Super Circular" – codified at 2 CFR Part 200.

² CAPLAW update and Super Circular

Providing for today...preparing for tomorrow

Please let me know if you have any questions.

Thank you,

A handwritten signature in blue ink that reads "Michael Scarcelli". The signature is fluid and cursive, with the first name "Michael" and last name "Scarcelli" clearly legible.

Michael Scarcelli, J.D.
Planning and Community Development Director
100 Lincoln Street, Room 109
Sitka, AK 99835
(907) 747-1815
michael.scarcelli@cityofsitka.org

Samantha Pierson

From: Anne Elise Pollnow <aepollnow@hotmail.com> on behalf of Anne Elise Pollnow <sealevelanne@gmail.com>
Sent: Friday, June 30, 2017 12:08 PM
To: Samantha Pierson
Cc: Michael Scarcelli
Subject: Re: CLG Application and Subrecipient Agreement
Attachments: Sitka Cemetery Project_HPF grant application 6.30.17_CBS_signature.pdf; Subrecipient agreement.pdf

Thank you Sam,

I do so acknowledge, as requested, Mr. Scarcelli's letter regarding a "sub-recipient".

I also appreciate the gracious letter of support for the project by Mr. Scarcelli.

Anne

Anne Elise Pollnow
Archaeologist
Sea Level Consulting
Sitka, Alaska

From: Samantha Pierson <samantha.pierson@cityofsitka.org>
Sent: Friday, June 30, 2017 11:41 AM
To: Anne Elise Pollnow
Cc: Michael Scarcelli
Subject: CLG Application and Subrecipient Agreement

Anne,

Please see the attached grant application and subrecipient agreement, and please note the small budget adjustments made by the Finance Department. If you agree to the terms of the application and the subrecipient agreement, please acknowledge this via email. Thanks!

Sam

Samantha Pierson

Planner I
City and Borough of Sitka
100 Lincoln Street
Sitka, AK 99835
(907) 747-1814

City and Borough of Sitka Finance Department

Memo

Thru: Phil Messina, Interim Municipal Administrator

To: Mayor Hunter and Assembly Members

From: Jay Sweeney, Chief Finance and Administrative Officer

Date: July 3, 2017

Re: Administrative and Audit Requirements Relative to Historic Preservation Pass-Through Grants

Mayor Hunter and Assembly Members,

When the City and Borough of Sitka (CBS) receives a Historic Preservation Grant through the State of Alaska Historic Preservation Office, Sitka becomes a sub-grantee of the State of Alaska, which in turn, is a grantee of the Federal government. As such, the CBS must adhere to all applicable Federal Government-wide, and, program specific policies set forth by the State of Alaska. Key among these are the requirements under the "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (commonly known as the Super Circular) which is codified at 2 CFR Part 200.

The CBS may opt to pass-through a historic preservation grant to an additional sub-recipient. That sub-recipient, however is still responsible for adhering to all applicable Federal Government-wide and program specific policies. Furthermore, as a sub-grantee, the CBS is responsible for ensuring that any and all sub-recipients are compliant with all requirements of the Super Circular, including procurement rules requiring competitive procurement, and, rules for valuing any required match.

In specific regards to the proposed cemetery grant, the CBS has two options were it to receive such a grant. It could (1) self-administer the grant, managing it and accomplishing all contracting and procurement related to the grant purpose. Or, the CBS could (2) pass the grant through to an additional sub-recipient which would manage the grant and accomplish all of the contracting and procurement.

The CBS must exercise a lot of diligence and care if it elects to pass through a grant to a sub-recipient, as the CBS would still be responsible for all of the actions of the sub-recipient relative to the grant, including procurement, reporting, record keeping, internal controls, and audit requirements. The grant is subject to audit under the annual Single Audit, and, the examination of the CBS internal control system would extend to sub-recipients.

The CBS staff has indicated that it does not have the resources necessary to adequately self-administer the proposed cemetery grant. This leaves one viable option open – passing the grant through to a sub-recipient. Were this to happen, I would strongly advocate for a formal sub-grant agreement to be executed, to bind the sub-grantee to perform required actions.

In my opinion, subcontracting with a sole proprietor as a formal sub-grantee should not be undertaken without (1) a careful examination of the capabilities of the sole proprietor to adhere to all applicable Federal Government-wide and program specific policies, and (2) a formal sub-grant agreement. If the Assembly approves application for the attached grant, staff intends to enter into a formal sub-grant agreement with any sub-grantee(s) before signing the formal grant agreement with the State of Alaska.

The attached document details grant requirements under 2 CFR Part 200 (the Super Circular) which both the City and Borough of Sitka and all sub-grantees must adhere. Material non-compliance with these requirements could potentially lead to disallowed costs and internal control findings in conjunction with the annual Single Audit.

Key Sections of Uniform Guidance Related to Subawards

Note: The following are sections of the Uniform Guidance which relate to subaward management. It is not the Uniform Guidance in its entirety, nor is it a complete list of sections related to subaward management.

2 CFR Part 200 Subpart A

§200.74 Pass-through entity.

Pass-through entity means a non-Federal entity that provides a subaward to a subrecipient to carry out part of a Federal program.

§200.92 Subaward.

Subaward means an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.

§200.93 Subrecipient.

Subrecipient means a non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program; but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.

2 CFR Part 200 Subpart C

§200.205 Federal awarding agency review of risk posed by applicants.

(a) Prior to making a Federal award, the Federal awarding agency is required by 31 U.S.C. 3321 and 41 U.S.C. 2313 note to review information available through any OMB-designated repositories of governmentwide eligibility qualification or financial integrity information, such as SAM Exclusions and "Do Not Pay". See also suspension and debarment requirements at 2 CFR part 180 as well as individual Federal agency suspension and debarment regulations in title 2 of the Code of Federal Regulations.

(b) In addition, for competitive grants or cooperative agreements, the Federal awarding agency must have in place a framework for evaluating the risks posed by applicants before they receive Federal awards. This evaluation may incorporate results of the evaluation of the applicant's eligibility or the quality of its application. If the Federal awarding agency determines that a Federal award will be made, special conditions that correspond to the degree of risk assessed may be applied to the Federal award. Criteria to be evaluated must be described in the announcement of funding opportunity described in §200.203 Notices of funding opportunities.

(c) In evaluating risks posed by applicants, the Federal awarding agency may use a risk-based approach and may consider any items such as the following:

- (1) Financial stability;
- (2) Quality of management systems and ability to meet the management standards prescribed in this part;

(3) History of performance. The applicant's record in managing Federal awards, if it is a prior recipient of Federal awards, including timeliness of compliance with applicable reporting requirements, conformance to the terms and conditions of previous Federal awards, and if applicable, the extent to which any previously awarded amounts will be expended prior to future awards;

(4) Reports and findings from audits performed under Subpart F—Audit Requirements of this part or the reports and findings of any other available audits; and

(5) The applicant's ability to effectively implement statutory, regulatory, or other requirements imposed on non-Federal entities.

(d) In addition to this review, the Federal awarding agency must comply with the guidelines on governmentwide suspension and debarment in 2 CFR part 180, and must require non-Federal entities to comply with these provisions. These provisions restrict Federal awards, subawards and contracts with certain parties that are debarred, suspended or otherwise excluded from or ineligible for participation in Federal programs or activities.

§200.207 Specific conditions.

(a) The Federal awarding agency or pass-through entity may impose additional specific award conditions as needed, in accordance with paragraphs (b) and (c) of this section, under the following circumstances:

(1) Based on the criteria set forth in §200.205 Federal awarding agency review of risk posed by applicants;

(2) When an applicant or recipient has a history of failure to comply with the general or specific terms and conditions of a Federal award;

(3) When an applicant or recipient fails to meet expected performance goals as described in §200.210 Information contained in a Federal award; or

(4) When an applicant or recipient is not otherwise responsible.

(b) These additional Federal award conditions may include items such as the following:

(1) Requiring payments as reimbursements rather than advance payments;

(2) Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given period of performance;

(3) Requiring additional, more detailed financial reports;

(4) Requiring additional project monitoring;

(5) Requiring the non-Federal entity to obtain technical or management assistance; or

(6) Establishing additional prior approvals.

(c) The Federal awarding agency or pass-through entity must notify the applicant or non-Federal entity as to:

(1) The nature of the additional requirements;

(2) The reason why the additional requirements are being imposed;

(3) The nature of the action needed to remove the additional requirement, if applicable;

(4) The time allowed for completing the actions if applicable, and

(5) The method for requesting reconsideration of the additional requirements imposed.

(d) Any specific conditions must be promptly removed once the conditions that prompted them have been corrected.

2 CFR Part 200 Subpart D

SUBRECIPIENT MONITORING AND MANAGEMENT

§200.330 Subrecipient and contractor determinations.

The non-Federal entity may concurrently receive Federal awards as a recipient, a subrecipient, and a contractor, depending on the substance of its agreements with Federal awarding agencies and pass-through entities. Therefore, a pass-through entity must make case-by-case determinations whether each agreement it makes for the disbursement of Federal program funds casts the party receiving the funds in the role of a subrecipient or a contractor. The Federal awarding agency may supply and require recipients to comply with additional guidance to support these determinations provided such guidance does not conflict with this section.

(a) *Subrecipients.* A subaward is for the purpose of carrying out a portion of a Federal award and creates a Federal assistance relationship with the subrecipient. See §200.92 Subaward. Characteristics which support the classification of the non-Federal entity as a subrecipient include when the non-Federal entity:

- (1) Determines who is eligible to receive what Federal assistance;
- (2) Has its performance measured in relation to whether objectives of a Federal program were met;
- (3) Has responsibility for programmatic decision making;
- (4) Is responsible for adherence to applicable Federal program requirements specified in the Federal award; and
- (5) In accordance with its agreement, uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity.

(b) *Contractors.* A contract is for the purpose of obtaining goods and services for the non-Federal entity's own use and creates a procurement relationship with the contractor. See §200.22 Contract. Characteristics indicative of a procurement relationship between the non-Federal entity and a contractor are when the non-Federal entity receiving the Federal funds:

- (1) Provides the goods and services within normal business operations;
- (2) Provides similar goods or services to many different purchasers;
- (3) Normally operates in a competitive environment;
- (4) Provides goods or services that are ancillary to the operation of the Federal program; and
- (5) Is not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons.

(c) *Use of judgment in making determination.* In determining whether an agreement between a pass-through entity and another non-Federal entity casts the latter as a subrecipient or a contractor, the substance of the relationship is more important than the form of the agreement. All of the

characteristics listed above may not be present in all cases, and the pass-through entity must use judgment in classifying each agreement as a subaward or a procurement contract.

§200.331 Requirements for pass-through entities.

All pass-through entities must:

(a) Ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the following information at the time of the subaward and if any of these data elements change, include the changes in subsequent subaward modification. When some of this information is not available, the pass-through entity must provide the best information available to describe the Federal award and subaward. Required information includes:

(1) Federal Award Identification.

(i) Subrecipient name (which must match the name associated with its unique entity identifier);

(ii) Subrecipient's unique entity identifier;

(iii) Federal Award Identification Number (FAIN);

(iv) Federal Award Date (see §200.39 Federal award date);

(v) Subaward Period of Performance Start and End Date;

(vi) Amount of Federal Funds Obligated by this action;

(vii) Total Amount of Federal Funds Obligated to the subrecipient;

(viii) Total Amount of the Federal Award;

(ix) Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA);

(x) Name of Federal awarding agency, pass-through entity, and contact information for awarding official,

(xi) CFDA Number and Name; the pass-through entity must identify the dollar amount made available under each Federal award and the CFDA number at time of disbursement;

(xii) Identification of whether the award is R&D; and

(xiii) Indirect cost rate for the Federal award (including if the de minimis rate is charged per §200.414 Indirect (F&A) costs).

(2) All requirements imposed by the pass-through entity on the subrecipient so that the Federal award is used in accordance with Federal statutes, regulations and the terms and conditions of the Federal award.

(3) Any additional requirements that the pass-through entity imposes on the subrecipient in order for the pass-through entity to meet its own responsibility to the Federal awarding agency including identification of any required financial and performance reports;

(4) An approved federally recognized indirect cost rate negotiated between the subrecipient and the Federal Government or, if no such rate exists, either a rate negotiated between the pass-through entity and the subrecipient (in compliance with this part), or a de minimis indirect cost rate as defined in §200.414 Indirect (F&A) costs, paragraph (f) of this part.

(5) A requirement that the subrecipient permit the pass-through entity and auditors to have access to the subrecipient's records and financial statements as necessary for the pass-through entity to meet the requirements of this part; and

(6) Appropriate terms and conditions concerning closeout of the subaward.

(b) Evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring described in paragraphs (d) and (e) of this section, which may include consideration of such factors as:

(1) The subrecipient's prior experience with the same or similar subawards;

(2) The results of previous audits including whether or not the subrecipient receives a Single Audit in accordance with Subpart F—Audit Requirements of this part, and the extent to which the same or similar subaward has been audited as a major program;

(3) Whether the subrecipient has new personnel or new or substantially changed systems; and

(4) The extent and results of Federal awarding agency monitoring (e.g., if the subrecipient also receives Federal awards directly from a Federal awarding agency).

(c) Consider imposing specific subaward conditions upon a subrecipient if appropriate as described in §200.207 Specific conditions.

(d) Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. Pass-through entity monitoring of the subrecipient must include:

(1) Reviewing financial and performance reports required by the pass-through entity.

(2) Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and other means.

(3) Issuing a management decision for audit findings pertaining to the Federal award provided to the subrecipient from the pass-through entity as required by §200.521 Management decision.

(e) Depending upon the pass-through entity's assessment of risk posed by the subrecipient (as described in paragraph (b) of this section), the following monitoring tools may be useful for the pass-through entity to ensure proper accountability and compliance with program requirements and achievement of performance goals:

(1) Providing subrecipients with training and technical assistance on program-related matters; and

(2) Performing on-site reviews of the subrecipient's program operations;

(3) Arranging for agreed-upon-procedures engagements as described in §200.425 Audit services.

(f) Verify that every subrecipient is audited as required by Subpart F—Audit Requirements of this part when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in §200.501 Audit requirements.

(g) Consider whether the results of the subrecipient's audits, on-site reviews, or other monitoring indicate conditions that necessitate adjustments to the pass-through entity's own records.

(h) Consider taking enforcement action against noncompliant subrecipients as described in §200.338 Remedies for noncompliance of this part and in program regulations.

§200.332 Fixed amount subawards.

With prior written approval from the Federal awarding agency, a pass-through entity may provide subawards based on fixed amounts up to the Simplified Acquisition Threshold, provided that the subawards meet the requirements for fixed amount awards in §200.201 Use of grant agreements (including fixed amount awards), cooperative agreements, and contracts.

§200.338 Remedies for noncompliance.

If a non-Federal entity fails to comply with Federal statutes, regulations or the terms and conditions of a Federal award, the Federal awarding agency or pass-through entity may impose additional conditions, as described in §200.207 Specific conditions. If the Federal awarding agency or pass-through entity determines that noncompliance cannot be remedied by imposing additional conditions, the Federal awarding agency or pass-through entity may take one or more of the following actions, as appropriate in the circumstances:

- (a) Temporarily withhold cash payments pending correction of the deficiency by the non-Federal entity or more severe enforcement action by the Federal awarding agency or pass-through entity.
- (b) Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance.
- (c) Wholly or partly suspend or terminate the Federal award.
- (d) Initiate suspension or debarment proceedings as authorized under 2 CFR part 180 and Federal awarding agency regulations (or in the case of a pass-through entity, recommend such a proceeding be initiated by a Federal awarding agency).
- (e) Withhold further Federal awards for the project or program.
- (f) Take other remedies that may be legally available.

2 CFR Part 200 Subpart E

200.425 Audit services.

(a) A reasonably proportionate share of the costs of audits required by, and performed in accordance with, the Single Audit Act Amendments of 1996 (31 U.S.C. 7501-7507), as implemented by requirements of this part, are allowable. However, the following audit costs are unallowable:

- (1) Any costs when audits required by the Single Audit Act and Subpart F—Audit Requirements of this part have not been conducted or have been conducted but not in accordance therewith; and
- (2) Any costs of auditing a non-Federal entity that is exempted from having an audit conducted under the Single Audit Act and Subpart F—Audit Requirements of this part because its expenditures under Federal awards are less than \$750,000 during the non-Federal entity's fiscal year.

(b) The costs of a financial statement audit of a non-Federal entity that does not currently have a Federal award may be included in the indirect cost pool for a cost allocation plan or indirect cost proposal.

(c) Pass-through entities may charge Federal awards for the cost of agreed-upon-procedures engagements to monitor subrecipients (in accordance with Subpart D—Post Federal Award Requirements of this part, §§200.330 Subrecipient and contractor determinations through 200.332 Fixed Amount Subawards) who are exempted from the requirements of the Single Audit Act and Subpart

F—Audit Requirements of this part. This cost is allowable only if the agreed-upon-procedures engagements are:

- (1) Conducted in accordance with GAGAS attestation standards;
- (2) Paid for and arranged by the pass-through entity; and
- (3) Limited in scope to one or more of the following types of compliance requirements: activities allowed or unallowed; allowable costs/cost principles; eligibility; and reporting.

2 CFR Part 200 Subpart F

§200.501 Audit requirements.

(a) *Audit required.* A non-Federal entity that expends \$750,000 or more during the non-Federal entity's fiscal year in Federal awards must have a single or program-specific audit conducted for that year in accordance with the provisions of this part.

(b) *Single audit.* A non-Federal entity that expends \$750,000 or more during the non-Federal entity's fiscal year in Federal awards must have a single audit conducted in accordance with §200.514 Scope of audit except when it elects to have a program-specific audit conducted in accordance with paragraph (c) of this section.

(c) *Program-specific audit election.* When an auditee expends Federal awards under only one Federal program (excluding R&D) and the Federal program's statutes, regulations, or the terms and conditions of the Federal award do not require a financial statement audit of the auditee, the auditee may elect to have a program-specific audit conducted in accordance with §200.507 Program-specific audits. A program-specific audit may not be elected for R&D unless all of the Federal awards expended were received from the same Federal agency, or the same Federal agency and the same pass-through entity, and that Federal agency, or pass-through entity in the case of a subrecipient, approves in advance a program-specific audit.

(d) *Exemption when Federal awards expended are less than \$750,000.* A non-Federal entity that expends less than \$750,000 during the non-Federal entity's fiscal year in Federal awards is exempt from Federal audit requirements for that year, except as noted in §200.503 Relation to other audit requirements, but records must be available for review or audit by appropriate officials of the Federal agency, pass-through entity, and Government Accountability Office (GAO).

(e) *Federally Funded Research and Development Centers (FFRDC).* Management of an auditee that owns or operates a FFRDC may elect to treat the FFRDC as a separate entity for purposes of this part.

(f) *Subrecipients and Contractors.* An auditee may simultaneously be a recipient, a subrecipient, and a contractor. Federal awards expended as a recipient or a subrecipient are subject to audit under this part. The payments received for goods or services provided as a contractor are not Federal awards. Section §200.330 Subrecipient and contractor determinations sets forth the considerations in determining whether payments constitute a Federal award or a payment for goods or services provided as a contractor.

(g) *Compliance responsibility for contractors.* In most cases, the auditee's compliance responsibility for contractors is only to ensure that the procurement, receipt, and payment for goods and services comply with Federal statutes, regulations, and the terms and conditions of Federal awards. Federal award compliance requirements normally do not pass through to contractors. However, the auditee is responsible for ensuring compliance for procurement transactions which are structured such that the contractor is responsible for program compliance or the contractor's records must be reviewed to

determine program compliance. Also, when these procurement transactions relate to a major program, the scope of the audit must include determining whether these transactions are in compliance with Federal statutes, regulations, and the terms and conditions of Federal awards.

(h) *For-profit subrecipient.* Since this part does not apply to for-profit subrecipients, the pass-through entity is responsible for establishing requirements, as necessary, to ensure compliance by for-profit subrecipients. The agreement with the for-profit subrecipient must describe applicable compliance requirements and the for-profit subrecipient's compliance responsibility. Methods to ensure compliance for Federal awards made to for-profit subrecipients may include pre-award audits, monitoring during the agreement, and post-award audits. See also §200.331 Requirements for pass-through entities.



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 17-122 Version: 1 Name:
Type: Item Status: AGENDA READY
File created: 7/3/2017 In control: City and Borough Assembly
On agenda: 7/11/2017 Final action:
Title: Appoint Taylor Colvin to an unexpired term on the Planning Commission
Sponsors:
Indexes:
Code sections:
Attachments: [Motion and application.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO appoint Taylor Colvin to an unexpired term on the Planning Commission.



**Application for Appointment to Boards, Committees, and Commissions
City and Borough of Sitka**

Board/Commission/Committee: Planning Commission

Name: Taylor Colvin Daytime Phone: (970) 485-4891

Address: 1308 SMC, Sitka, AK 99835 Evening Phone: _____

Email Address: taycolvin@gmail.com Fax Number: _____

Length of Residence in Sitka: 3 years Registered to vote in Sitka? Yes No

Employer: NSRAA

Organizations you belong to or participate in:

Explain your main reason for applying:

I believe in a democratic government, in which citizens have a voice in public decisions. I think that I can help the Planning Commission make thoughtful and fair decisions without being biased or unreasonable. Since moving to Sitka, I have been very fortunate to have met so many people that give back to the community and I think that I can give back through this position. Sitka has such a unique character and I want to keep it that way for others to enjoy.

What background, experience or credentials will you bring to the board, commission, or committee membership?

During 2016, I built a small, new house, doing all of the work myself. It is on Molly Lane, a newer subdivision. I had the experience of working with all of the departments and used the Planning Commission to get a variance approved. I also dealt with the Planning Department when I disapproved of a conditional use permit requested in the neighborhood. Previously, I worked for a local appraisal/assessment company and was able to see first hand how real estate and zoning play a crucial role in the community.

Please disclose any potential conflicts of interest that may arise from your appointment. These may include but are not limited to:

- A substantial financial interest of \$1000 annually that could be influenced by your appointment.
- An immediate family member employed within the scope of this appointment.

In the future, I would like to build another house in Sitka, and at that time, there may be a potential conflict of interest if I need to go in front of the Planning Commission. As of now, I have no current projects that I am working on.

Please attach a letter of interest, outline, or resume which includes your education, work, and volunteer experience that will enhance your membership.

→ (To be considered, your application must be complete AND be accompanied by one of the above supporting documents.)

Date: 7/2/2017 Signature: Taylor Colvin

Your complete application and resume should be returned to the Municipal Clerk's Office by noon on the Wednesday prior to an advertised Assembly meeting.

Please note: all information submitted will be made public and published online. Appointments are normally made during open session of an Assembly meeting, however, Assembly members may vote to discuss applicant(s) in closed executive session. In this case, do you wish to be present when your application is discussed? Yes No

Return to:

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

Taylor A. Colvin

1308 Sawmill Creek • Sitka AK 99835 • cell: (970) 485-4891 • email: taycolvin@gmail.com

WORK EXPERIENCE

Maintenance Engineer

2017-Current

NSRAA (Northern Southeast Regional Aquaculture Association)

Sitka, AK

- Maintain and support the Medvejie and Sawmill Creek hatcheries where close to 80 million salmon fry are released annually to help support the wild salmon fishing industry in SE Alaska.
- Build, rework, design, and maintain all the facilities, equipment, waterways, and production, as well as living on-site to provide security and quick response to emergencies.

Builder and Designer

2015-2016

Self-Employed

Sitka, AK

- Designed and built my own house, 1,344 sq ft, 3 bedrooms and 2 bathrooms.
- Performed almost all of the labor including framing, roofing, siding, electrical, plumbing, and finishes while staying within budget and time frame.

Administrative Support and Assistant Contract Assessor

2014-2015

Horan and Company LLC

Sitka, AK

- Documented and developed the 2015 assessment role for Craig, AK that has over 600+ taxable parcels and valued at more than \$100 million.
- Analyzed real estate sales and relevant market data to develop a statistically accurate value graph that represented the value/square foot of a building based on different variables such as quality, type, size, and age.
- Helped create and implemented a custom assessment software that allows the assessor to take a mobile tablet into the field, and to also give the user an organized and transparent description of the property.

Process Improvement Internship

Spring 2014

Recreation Equipment Incorporated (REI)

Sumner, WA

- Developed a useable value stream map of the beginning to end flow of the REI distribution center that helped illustrate issues and bottlenecks within the current process.
- Conducted time studies and analyzed relevant data that will help drive accountability of future improvement projects and set a benchmark of the current state within the process.
- Created a flow map of the conveyor belt system that is over six miles long and moves millions of dollars of product every year to better illustrate the physical flow of products.

Buyer/Planner Internship

Summer 2013

Fluke Corporation

Everett, WA

- Participated in multiple Kaizen events in which the material handling time decreased by 57% within the assembly cell causing productivity to increase and better on-time-delivery.
- Worked on a project involving over \$2,000,000 worth of late PO's and was able to mitigate Fluke's inventory and revenue risk by tracking down and reducing the late PO's to under \$25,000.
- Implemented standard work for a stocking agreement process allowing for all documents and procedures to be standardized, which reduced liability risk and improved productivity among 40+ employees.

EDUCATION

Bachelor of Science, Manufacturing & Supply Chain Management

Graduated 2014

Western Washington University

Bellingham, WA

Coursework:

- Project Management
- Inventory Management
- Management Info. Systems
- Negotiation
- Quality Control
- Entrepreneurship
- Teambuilding/ Leadership
- Production Forecasting
- Value Stream Mapping

Related School Projects and Skills:

- Evaluated and analyzed Kulshan Brewery and gave recommendations for their capacity planning which allowed them to better predict when to start each batch due to the demand and season.
- Learned skills in Microsoft Office Word, Excel, PowerPoint, SharePoint, Access and Project as well as the drafting programs CATIA, AutoCAD, and Sketchup.



PLANNING COMMISSION

NAME	CONTACT NUMBERS	TERM STARTS	EXPIRES	CATEGORY
CHRIS SPIVEY 109 Lillian Drive	747-6636 w 738-2524 c spi3050@yahoo.com	12/11/12	2/8/14 1/28/17 1/24/20	CHAIR
DARRELL WINDSOR PO Box 1973	738-4046 c dwindsor@gci.net	6/28/11 6/24/14	6/28/14 6/24/17	VICE CHAIR
DEBRA POWELL 205 N. 3rd Street	747-1811 w dpowell@cityofsitka.org	6/28/11 6/24/14	6/28/14 6/24/17	
RANDY HUGHEY 220 Lakeview Drive	738-2999 c randywhughey@gmail.com	2/24/15 10/13/15	10/23/15 10/13/18	
RICHARD PARMELEE 405 Hemlock Street	738-0606 c rjparmelee@hotmail.com	9/27/16	4/26/19	<i>Parker Song's term</i>
Michael Scarcelli Planning Director	747-1815 michael.scarcelli@cityofsitka.org			Staff Liaison
Samantha Pierson Planner I	747-1814 samantha.pierson@cityofsitka.org			Secretary
Kevin Knox PO Box 6415	738-4664 assemblyknox@cityofsitka.org			Assembly Liaison

5 members from public, 3-year terms
 Established by Ordinance 74-118/SGC2.18 & Charter Article VIII
 Must be registered to vote
 First and Third Tuesdays 7:00 p.m. – Harrigan Centennial Hall, 330 Harbor Drive

**CONFLICT OF INTEREST FORMS
 OATHS OF OFFICE**

Revised: May 17, 2017



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 17-21 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 6/21/2017 In control: City and Borough Assembly

On agenda: 7/11/2017 Final action:

Title: Amending Sitka General Code Title 15 to increase rates at Chapter 15.04 "Sewer System" Sections 15.04.100 entitled "Service Connection Charge", 15.04.320 entitled "Rates and Fees"; and Chapter 15.05 "Water System" Sections 15.05.240A entitled "Service Connection Charge", 15.05.620 entitled "Rates and Fees"; and Chapter 15.06 "Solid Waste System and Refuse Collection" Sections 15.06.020 entitled "Solid Waste Disposal Policy and Rates", 15.06.030 entitled "Receptacles Available", 15.06.035 entitled "Rates for Treatment and Collection", 15.06.045 entitled "Special Refuse and Treatment Charges"

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and Ord 2017-21.pdf](#)

Date	Ver.	Action By	Action	Result
6/27/2017	1	City and Borough Assembly		

POSSIBLE MOTION

I MOVE TO approve Ordinance 2017-21 on second and final reading.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2017-21

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING TITLE 15 OF THE SITKA GENERAL CODE TO INCREASE RATES AT CHAPTER 15.04 "SEWER SYSTEM" SECTIONS 15.04.100 ENTITLED "SERVICE CONNECTION CHARGE", 15.04.320 ENTITLED "RATES AND FEES"; AND CHAPTER 15.05 "WATER SYSTEM" SECTIONS 15.05.240A ENTITLED "SERVICE CONNECTION CHARGE", 15.05.620 ENTITLED "RATES AND FEES"; AND CHAPTER 15.06 "SOLID WASTE SYSTEM AND REFUSE COLLECTION" SECTIONS 15.06.020 ENTITLED "SOLID WASTE DISPOSAL POLICY AND RATES", 15.06.030 ENTITLED "RECEPTACLES AVAILABLE", 15.06.035 ENTITLED "RATES FOR TREATMENT AND COLLECTION", 15.06.045 ENTITLED "SPECIAL REFUSE AND TREATMENT CHARGES"

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 to any person or circumstance is held invalid, the remainder of this ordinance and application to any person or circumstance shall not be affected.

3. PURPOSE. The purpose of this ordinance is to increase user fees for water service, wastewater service, and solid waste collection and disposal service; and, to increase the connection charges for connecting a structure to the Municipal water and wastewater systems.

4. ENACTMENT, NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that SGC Sections: 15.04.100A, 15.04.320, 15.05.240A, 15.05.620, 15.06.020, 15.06.030, 15.06.035, and 15.06.045 are amended to read as follows (new language underlined; deleted language stricken):

* * *

Chapter 15.04
SEWER SYSTEM

15.04.100 Service Connection Charge.

A. At the time the applicant files for a connection permit where no service previously existed; or, if the applicant is filing for a change in service connection, or size, or to serve a new structure, the applicant shall submit with the application the service connection charge of seven hundred ~~thirty~~ forty dollars. This charge is to cover the costs to the CBS of locating the stub-out from the sewer main (if available), inspection of the sewer service line, administrative costs, and permit fees. Upon approval of the connection, the property owner may proceed in accordance with the provisions in Section 15.04.130.

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15.04.320 Rates and Fees.

- A. Base rate: ~~fifty three~~ six dollars and ~~sixty one~~ cents per unit per month.
- B. Sewer Service in Conjunction with Metered Water.
 - 1. General Sewer Service in Conjunction with Metered Water. Minimum charge: One times the unmetered sewer base plus ~~two~~ three dollars ~~eighty nine~~ two cents per one thousand metered gallons.
 - 2. Gary Paxton Industrial Park. Treated wastewater, metered: minimum charge of one hundred ~~five~~ ten dollars and ~~ninety five~~ seventy two cents per month.
 - a. Treated wastewater, metered: three dollars and ~~seventeen~~ thirty one cents per one thousand gallons water use.
- C. Connection Fee. Seven hundred ~~thirty~~ forty dollars per connection.

* * *

**Chapter 15.05
WATER SYSTEM**

15.05.240. Service Connection Charge.

- A. At the time the applicant files for a connection permit where no service previously existed; or, if the applicant is filing for a change in service location, or size, or to serve a new structure, the applicant shall submit with this application the service connection charge of seven hundred ~~thirty~~ forty dollars. This charge is to cover permit fees, inspection, and administrative costs.

* * *

15.05.620 Rates and fees.

- A. Unmetered Water. Base rate: ~~thirty nine~~ forty dollars and ~~thirty five~~ fifty three cents per unit.
- B. Metered Water Service.
 - 1. General Metered Water Service

Meter Size	Allowance (GAL)	Minimum Charge
Up to 1"	15,000	\$56.11 <u>\$57.79</u>
2"	50,000	\$123.05 <u>\$126.74</u>
3"	100,000	\$184.56 <u>\$190.10</u>
4"	250,000	\$369.11 <u>\$380.18</u>

6" and above	500,000	\$738.23 <u>\$760.38</u>
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81 All over allowance charged at minimum charge plus one dollar ~~twenty-two~~ six cents per one
82 thousand gallons. The over allowance charged at minimum charge plus ~~fifty-seven~~ fifty-nine
83 cents per one thousand gallons will apply to major fish processing plants (Seafood Producers
84 Cooperative, Sitka Sound Seafoods, Inc., aka North Pacific Seafoods, and Stikine Holdings, LLC,
85 aka Silver Bay Seafoods).

86 2. Gary Paxton Industrial Park.

87 a. Metered water: ~~one hundred twenty three dollars and five cents~~ one hundred twenty
88 six dollars and seventy four cents per month minimum.

89 i. Treated water: ~~two dollars and forty six cents~~ two dollars and fifty three cents
90 per one thousand gallons.

91 ii. Treated water, fish processing use: ~~one dollar and eighty six cents~~ one dollar
92 and ninety two cents per one thousand gallons.

93 iii. Raw water for heating: ~~Seventy-eight~~ eighty cents per one thousand gallons.

94 iv. Raw water for industrial processing: One dollar and ~~eleven~~ fourteen cents
95 per one thousand gallons.

96 v. Raw water for water bottling at Gary Paxton industrial park: in container
97 sizes of five gallons or less: ~~One dollar and ninety six~~ two dollars and two cents
98 per one thousand gallons.

99 C. Curb Stop/Service Valve Operation Fee. Except for the initial turn-on that occurs when
100 property is first connected to the municipal water system, each customer or applicant for
101 service shall pay a fee of fifty ~~five~~ eight dollars and ~~fifty~~ five cents for turning on or turning off
102 the water service to the property. The fee shall be paid for each turn-on and turn-off whether
103 at the customer's or applicant's request or due to nonpayment for water services. The water
104 service to a property may not be turned on unless all water system fees associated with the
105 property have been paid in full.

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107 E. Connection Fee. ~~Seven hundred thirty dollars~~ Seven hundred forty dollars per
108 connection.

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15.06.020 Solid waste disposal policy and rates.

A. In order to promote public health and reduce littering and illegal dumping, every residential unit, business, and live aboard vessel within one mile of the Sitka road system shall be required to pay a waste disposal fee as set by the assembly. There are no exceptions to paying a waste fee under these classifications regardless of the amount of waste generated and/or disposed. Failure to pay any amount of user and/or utility fees owed to the city and borough shall be grounds for disconnection of any or all services and utilities such as electrical service as provided for in Section 15.01.030.

B. Customers shall be permitted to dispose of acceptable waste in collection contractor-provided receptacles. "Acceptable waste" means all putrescible and nonputrescible waste including, but not limited to: garbage; refuse; ashes; paper and cardboard; and approved special waste. "Special waste" means any waste material which, because of its physical characteristics, chemical make-up, or biological nature, requires either special handling procedures and permitting, or poses an unusual threat to human health, equipment, property, or the environment. Customers shall not be permitted to dispose of unacceptable and/or special waste in collection contractor-provided receptacles. "Unacceptable waste" means waste that may not be disposed of at the disposal site under federal, state or local law, regulation, rule, code, permit or permit condition. Special waste shall be disposed of according to subsection (C)(10) of this section or at bi-annual city-sponsored collection events.

C. Fees and Policies Applicable to Specific Solid Waste Categories.

1. Junk automobiles and small trucks (three-quarter ton or smaller) may be delivered to Gary Paxton industrial park (GPIP) scrap yard at a rate of three cents per pound.

2. Trucks larger than three-quarter ton, larger vehicles, heavy equipment, and old trailers shall be billed at a rate of six cents per pound.

3. Scrap metals shall be billed at a rate of ~~six~~ eight cents per pound.

4. Fuel tanks must be cleaned and cut into pieces less than five feet by twelve feet (if over five hundred gallons) prior to delivery to the GPIP scrap yard.

5. Freezers, refrigerators, and air conditioning units shall be billed at a rate of twenty dollars each.

- 143 6. All other appliances or white goods besides freezers, refrigerators, and air conditioning
144 units shall be billed at a rate of six cents per pound.
- 145 7. Recyclables including mixed paper, cardboard, and newsprint that are delivered to the GPIIP
146 scrap yard shall be billed at a rate of four cents per pound.
- 147 8. Tires off of large trucks and heavy equipment may be delivered to the transfer station or
148 GPIIP scrap yard and shall be billed at a rate of twenty-five ~~five~~ six dollars each.
- 149 9. No construction and demolition debris shall be disposed of at any Sitka landfill unless
150 otherwise authorized by the director of public works.
- 151 10. Household hazardous or special waste may be disposed of during normal business hours
152 at the GPIIP scrap yard. Commercially generated household hazardous waste will not be
153 accepted at any time.
- 154 11. Concrete and asphalt disposal shall be billed at a rate of twelve dollars per cubic yard.
- 155 12. Concrete and asphalt disposal is by appointment only with the public works
156 superintendent.
- 157 13. Asbestos disposal shall be billed at a rate of fifty-five dollars per cubic yard.
- 158 14. Asbestos disposal is by appointment only with the public works superintendent.

159
160 **15.06.030 Receptacles Available.** The refuse collection contractor will provide three sizes for
161 refuse collection:
162

- 163 A. A ~~thirty-two~~ forty-eight gallon container;
164 B. A ninety-~~six~~ gallon container; and,
165 C. A three-hundred-fifty gallon container.
166

167 **15.06.035 Rates for treatment and collection.**
168

- 169 A. The following rates are effective on the day after the day a solid waste user fee
170 ordinance containing such fees is passed:
171

32 <u>48</u> -gallon container	\$30.32 <u>\$ 30.95</u> per month
90 <u>96</u> -gallon container	\$50.94 <u>\$51.99</u> per month
350-gallon container	\$206.18 <u>\$210.45</u> per month

172
173 B. These rates are for one container that the refuse collection contractor picks up once a
174 week. For customers that fall into one of the following three categories, the rates for treatment
175 and collection will be:

For those customers in apartment complexes or other unique situations identified on the list maintained by the finance director	\$46.09 <u>\$47.04</u> per month
For those customers living within the harbor system	\$46.09 <u>\$47.04</u> per month
For those customers living on an island other than Baranof or connected by bridge to Baranof who do not receive any service from the refuse collection contractor	\$23.04 <u>\$23.52</u> per month

176
177
178 **15.06.045 Special refuse and treatment charges.**

179
180 Customers requesting special refuse collection which is over and above the normal quantity and
181 which cannot be collected during the normal schedule may call the collection contractor for a
182 special collection. The collection contractor shall be obligated to collect this refuse as
183 requested. It shall be the responsibility of the collection contractor to notify the customer of all
184 charges prior to collection. All billing and collection for this service shall be administered by the
185 ~~refuse collection contractor~~ CBS from documentation provided by the contractor.

186
187 The customer is not obligated to utilize the refuse collection contractor for special request
188 refuse collection. The customer may elect to haul the material to the transfer station.
189 Customers may take up to two hundred pounds per month to the transfer station. All
190 quantities shall be billed at a rate equivalent to the current disposal contract rate of eight cents
191 per pound.

192
193 **5. EFFECTIVE DATE.** This ordinance shall become effective on the day after the
194 date of its passage.

195
196 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka,
197 Alaska this 11th day of July 2017.

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ATTEST:

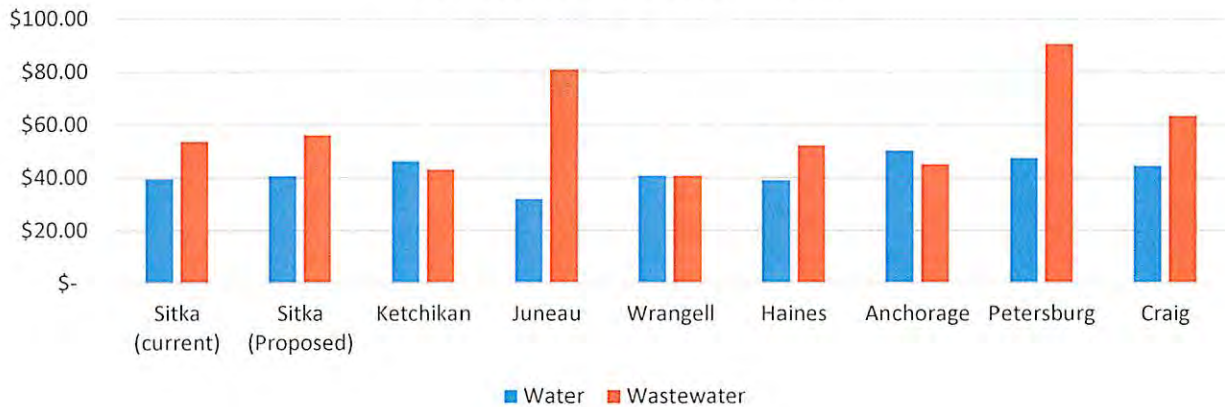
Matthew Hunter, Mayor

Sara Peterson, CMC
Municipal Clerk

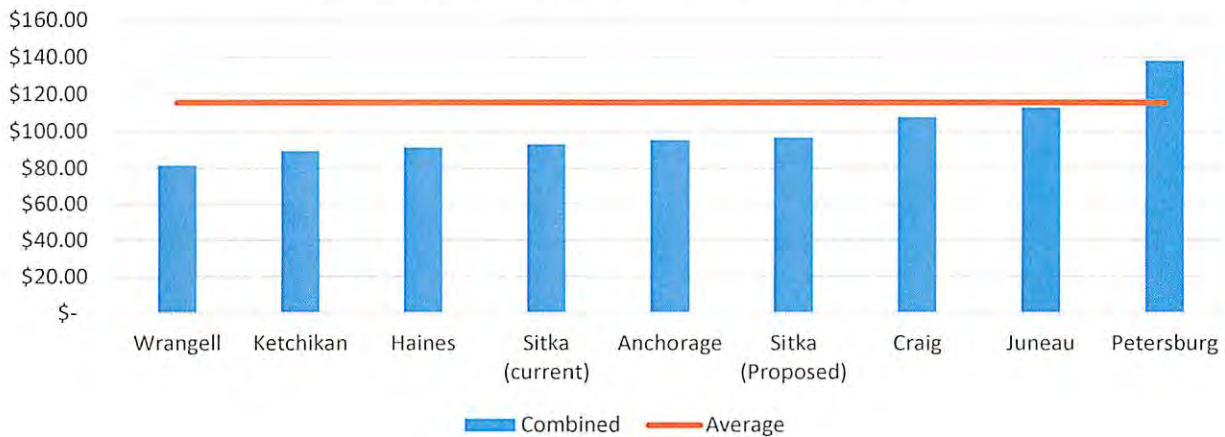
1st reading 6/27
2nd reading 7/11

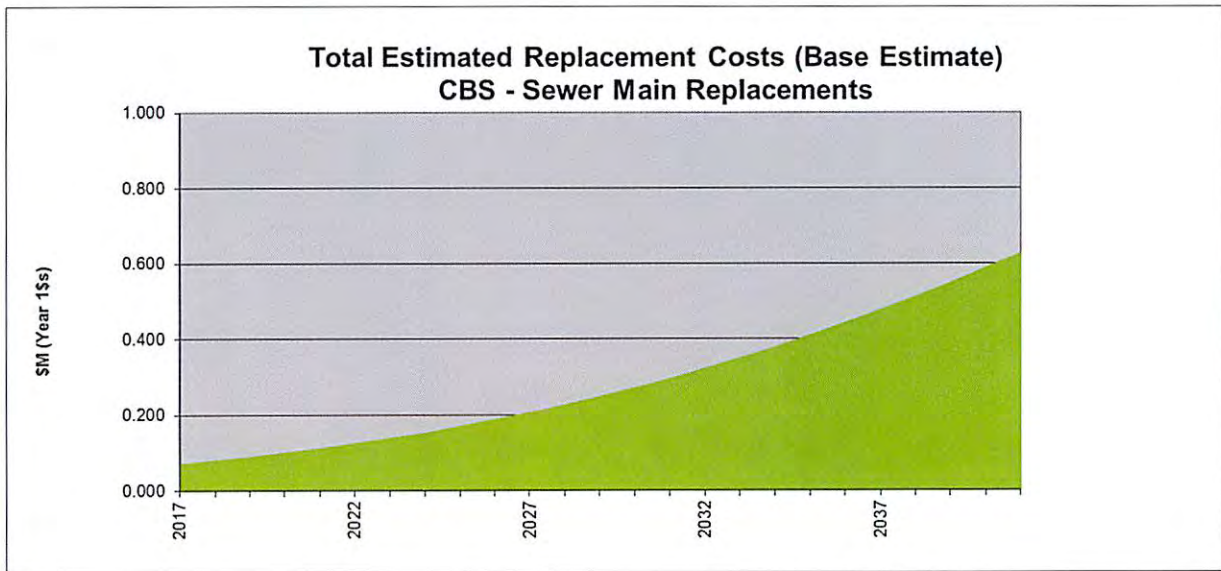
	Water	Wastewater	Combined		Combined	Average
Sitka (current)	\$ 39.35	\$ 53.60	\$ 92.95	Wrangell	\$ 81.49	\$ 115.44
Sitka (Proposed)	\$ 40.53	\$ 56.01	\$ 96.54	Ketchikan	\$ 89.20	\$ 115.44
Ketchikan	\$ 46.20	\$ 43.00	\$ 89.20	Haines	\$ 91.20	\$ 115.44
Juneau	\$ 31.89	\$ 80.79	\$ 112.68	Sitka (current)	\$ 92.95	\$ 115.44
Wrangell	\$ 40.75	\$ 40.74	\$ 81.49	Anchorage	\$ 95.10	\$ 115.44
Haines	\$ 39.05	\$ 52.15	\$ 91.20	Sitka (Proposed)	\$ 96.54	\$ 115.44
Anchorage	\$ 50.13	\$ 44.97	\$ 95.10	Craig	\$ 107.53	\$ 115.44
Petersburg	\$ 47.39	\$ 90.51	\$ 137.90	Juneau	\$ 112.68	\$ 115.44
Craig	\$ 44.28	\$ 63.25	\$ 107.53	Petersburg	\$ 137.90	\$ 115.44

2017 Water and Sewer Rates

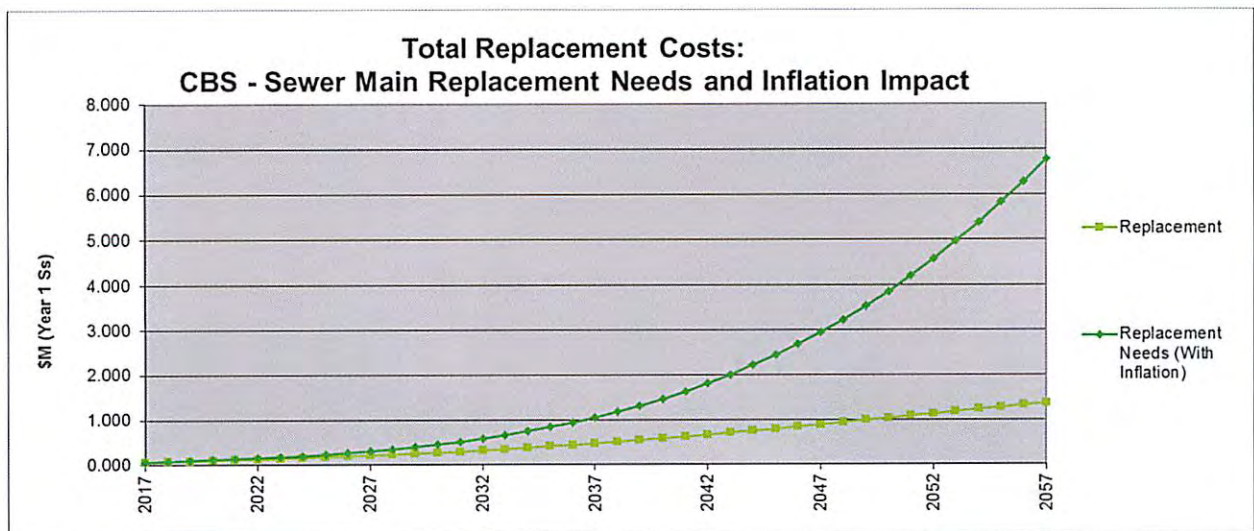


2017 Combined Water and Sewer Rates

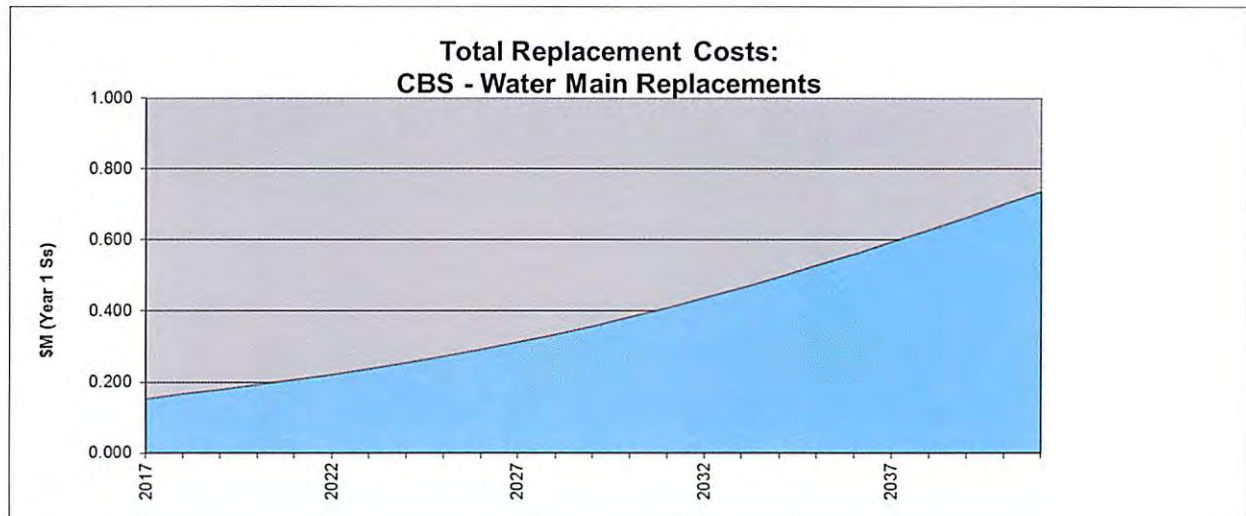




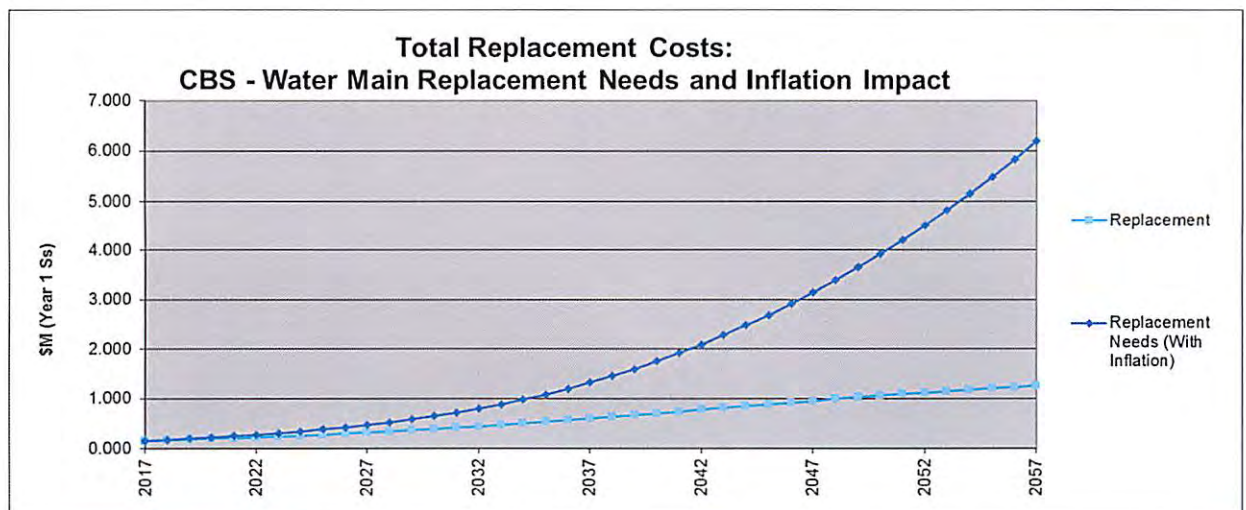
With inflation factored in, the estimate changes as noted below. The light green curve is the same curve as above, the dark green represents costs factoring in inflation at 4.07%/yr. over time.



Buried No Longer is a modeling software tool that the Environmental Superintendent used to provide a strategic outlook of replacement needs for water and wastewater mains. The graphs below represent Sitka's replacement needs over the next several decades.



The effect of inflation on this projection is illustrated below. The light blue curve is the same curve illustrated above; the dark blue curve illustrates actual reinvestment expense each year factoring in a long-term inflationary effect of 4.07%. For example, the amount of re-investment need in real terms (today's dollars) increases from about \$175,000/yr. in 2017 to \$1 Million/yr. in 2048; however, because of inflation, we estimate that the same amount of reconstruction would cost Sitka \$3.4 Million that year. Instead, Sitka would have to be budgeting \$1 Million for reinvestment in 2034.





CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 17-22 Version: 1 Name:
Type: Ordinance Status: AGENDA READY
File created: 6/21/2017 In control: City and Borough Assembly
On agenda: 7/11/2017 Final action:
Title: Adjusting the FY17 Budget (PERS)
Sponsors:
Indexes:
Code sections:
Attachments: [Motion and Memo Ord 2017-22.pdf](#)
[Ord 2017-22.pdf](#)

Date	Ver.	Action By	Action	Result
6/27/2017	1	City and Borough Assembly		

POSSIBLE MOTION

I MOVE TO approve Ordinance 2017-22 on second and final reading.

Memo

Thru: Phil Messina, Interim Municipal Administrator
To: Mayor Hunter and Assembly Members
From: Jay Sweeney, Chief Finance and Administrative Officer
Date: July 3, 2017
Re: FY2017 Supplemental Budget Ordinance 2017-22

Mayor Hunter and Assembly Members,

The purpose of, and background behind, FY2017 Supplemental Budget Ordinance 2017-22 is to adjust the FY2017 operating budget and adjust appropriations for on-behalf payments made by the State of Alaska into the Alaska Public Employees Retirement System (PERS) for Sitka.

As you have heard, PERS is significantly underfunded; not enough assets are in the System to pay for the estimated future cost of retirement benefits to governmental employees. The State of Alaska has made a continued effort to reduce this underfunding by making payments into PERS on behalf of the various Municipal governmental entities that participate in PERS along with the State itself. These payment are made directly by the State into PERS; the actual funds do not pass through Sitka's bank account.

Governmental accounting and reporting rules require that expenditures made by one entity on behalf of another be recorded as offsetting revenue and expenditures, even if the funds expended never pass through the supported entity's bank account. Thus, on-behalf payments benefit Sitka but do not have any effect on profit or loss; as revenues recorded equal expenditures recorded, such payments wash through the income statements. The expenditure portion of on-behalf payments does, however, have a budgetary effect, as on-behalf expenditures are measured against appropriations. Thus, if an on-behalf payment is large enough, it could cause a Department to exceed its PERS appropriation, even though there is revenue recorded to match the expenditure.

For these reasons, Sitka has traditionally adjusted its operating budget at the end of the fiscal year to account for on-behalf PERS payments and to ensure that appropriations are not exceeded. Why the end of the year? We have traditionally chosen the end of the year because the full amount of on-behalf payments is not known until year's end. These payments are made by the State all year long, not in one lump sum, so it seems prudent to wait and see the sum total received before recording a budget adjustment. The attached schedule from the State shows payments received in FY2017.

The total operating hours for a trolley and the total port call hours are all easily discernable and auditable, so partial reimbursement from CPET funds would meet the auditability criteria set forth by the Division of Legislative Audit.



THE STATE
of ALASKA
GOVERNOR BILL WALKER

Department of
Administration

DIVISION OF RETIREMENT AND BENEFITS

4th Floor State Office Building
333 Willoughby Avenue
P.O. Box 110203
Juneau, AK 99811-0203
FAX: (907) 465-3086
Phone: (907) 465-4460
Toll-Free: (800) 821-2251

June 01, 2017

JOHN P SWEENEY, FINANCE DIRECTOR
CITY AND BOROUGH OF SITKA
100 LINCOLN ST
SITKA AK 99835

Sent via email to: JAY.SWEENEY@CITYOFSITKA.ORG

RE: FY17 Employer On-Behalf Funding - PERS ER 120

During the 2016 legislative session, House Bill 256 (HB256) passed providing on-behalf funding for PERS employer contributions for Fiscal Year 2017 (FY17). HB256, Section 28 (a) reads as follows:

(a) The following amounts are appropriated to the Department of Administration from the specified sources for deposit in the defined benefit plan account in the public employees' retirement system as an additional state contribution under AS 39.35.280 for the fiscal year ending June 30, 2017:

- (1) the sum of \$34,718,076 from the general fund;*
- (2) the sum of \$64,448,500 from the Alaska higher education investment fund (AS 37.14.750).*

HB256 at <http://www.akleg.gov/PDF/29/Bills/HB0256Z.PDF>

(Section 28, page 91).

The Alaska Retirement Management Board approved the actuarially determined rate of 26.14% or FY17, with HB256 providing an on-behalf rate of 4.14% for each FY17 employer payroll. On-behalf funding is applied with the processing of each employer payroll with payroll end dates between July 1, 2016 and June 30, 2017, and received by the Division by July 15, 2017. Once all such payrolls have been processed we will true-up your account and make an adjusting entry, then send a final statement via email in early August 2017.

Included is a report detailing the Employer On-Behalf Funding allocated for fiscal year 2017 payrolls. Please work with your accountant or auditor to determine where to show this funding on your financial statements. Feel free to contact me via telephone at (907)465-2279 or email at tamara.criddle@alaska.gov if you have any questions or need additional information regarding HB256.

Sincerely,

A handwritten signature in blue ink that reads "Tamara Criddle".

Tamara Criddle, Accountant

State of Alaska, Division of Retirement & Benefits
FY2017 - HB256 Employer On-Behalf Detail as of 5/31/2017
CITY AND BOROUGH OF SITKA - ER 120

Payroll Ending Date	On-Behalf		Total
	Pension	Other Post-employment Healthcare	
07/03/2016 B	16,621.76	0.00	16,621.76
07/17/2016 B	16,928.06	0.00	16,928.06
07/31/2016 B	16,555.56	0.00	16,555.56
08/14/2016 B	16,864.05	0.00	16,864.05
08/28/2016 B	16,613.55	0.00	16,613.55
09/11/2016 B	17,363.10	0.00	17,363.10
09/25/2016 B	17,191.14	0.00	17,191.14
10/09/2016 B	16,802.78	0.00	16,802.78
10/23/2016 B	18,200.82	0.00	18,200.82
11/06/2016 B	17,133.09	0.00	17,133.09
11/20/2016 B	17,590.40	0.00	17,590.40
12/04/2016 B	17,962.59	0.00	17,962.59
12/18/2016 B	18,996.78	0.00	18,996.78
01/01/2017 B	18,760.78	0.00	18,760.78
01/15/2017 B	17,855.71	0.00	17,855.71
01/29/2017 B	17,548.26	0.00	17,548.26
02/12/2017 B	17,290.64	0.00	17,290.64
02/26/2017 B	17,835.51	0.00	17,835.51
03/12/2017 B	17,040.32	0.00	17,040.32
03/26/2017 B	17,328.64	0.00	17,328.64
04/09/2017 B	17,305.67	0.00	17,305.67
04/23/2017 B	17,510.59	0.00	17,510.59
05/07/2017 B	17,597.94	0.00	17,597.94
TOTALS FOR CITY AND BOROUGH OF SITKA	\$400,897.74	\$0.00	\$400,897.74

DISCLAIMER: The information contained in this letter is based on the specific facts and circumstances presented and cannot be applied to other facts and circumstances. This letter may contain a summary description of benefits, costs, rates, valuations, other calculations, policies or procedures for one or more pension or benefit plans administered by the Division of Retirement and Benefits, including but not limited to, the Public Employees' Retirement System, the Teachers' Retirement System, the Judicial Retirement System, the Supplemental Annuity Plan, the Deferred Compensation Plan, the AlaskaCare Employee Health Plan, or the AlaskaCare Retiree Benefit Plan. The Division of Retirement and Benefits has made every effort to ensure, but does not guarantee, that the information provided is accurate and up to date. Where this letter conflicts with the relevant Plan Document, the Plan Document controls.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2017-22
AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA
ADJUSTING THE FY17 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 FY17 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, 2016 and ending June 30, 2017 is hereby adjusted as follows:

Table with 1 column and 4 rows. Row 1: FISCAL YEAR 2017 EXPENDITURE BUDGETS. Row 2: GENERAL, ENTERPRISE AND INTERNAL SERVICE FUNDS. Row 3: Overall Funds - Personnel: This entry will increase appropriations in each Fund for the Employer On-Behalf Funding - PERS ER120. General Fund - \$246,972; Justice Assistance Grant - \$839; Electric Fund - \$98,105; Water Fund - \$8,081; Wastewater Fund - \$26,604; Harbor Fund - \$17,261; Management Information Systems Fund - \$10,163; Central Garage Fund - \$3,777; Building Maintenance Fund - \$6,698. Row 4: (Empty)

EXPLANATION

Necessary revisions in the FY 2017 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 11th Day of July, 2017.

ATTEST:

Matthew Hunter, Mayor

Sara Peterson, CMC
Municipal Clerk

1st reading 6/27/17

2nd reading 7/11/17



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 17-24 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 7/5/2017 In control: City and Borough Assembly

On agenda: 7/11/2017 Final action:

Title: Adjusting the FY18 budget (downtown shuttle pilot project) first reading

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and Memo Ord 2017-24.pdf](#)
[Ord 2017-24.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve Ordinance 2017-24 on
first reading.

City and Borough of Sitka Finance Department

Memo

Thru: Phil Messina, Interim Municipal Administrator

To: Mayor Hunter and Assembly Members

From: Jay Sweeney, Chief Finance and Administrative Officer

Date: July 3, 2017

Re: Funding Source For The Proposed Downtown Visitor Shuttle – Ordinance 2017-24

Mayor Hunter and Assembly Members,

Several possible funding sources exist in order to finance the cost of the downtown visitor shuttle pilot project, which was approved in concept by the Assembly at its June 27th meeting. Of the possible sources, staff recommends the Visitor Enhancement Fund as the most appropriate, and, accordingly has prepared the accompanying budget adjustment ordinance to appropriate funding.

Other possible funding sources include the General Fund, the Commercial Passenger Excise Tax (CPET) Fund, and the Southeast Alaska Economic Development Fund. Each of these three additional funding sources has complicating factors, however, that make its use less than ideal. Use of the General fund would divert resources away from potentially being transferred to the Public Infrastructure Sinking Fund. Use of the CPET Fund would either require restricting operation of the shuttle to hours when cruise ship visitors are in town, or, pro rata partial funding by an additional funding source for the portion of time the shuttle operates when cruise ship passengers are not visiting. Furthermore, every dollar in the CPET fund has already been formally or informally earmarked for another use. Finally, the Southeast Alaska Economic Development Fund could be used, but its primary purpose is to serve as a revolving loan fund and use of the corpus would diminish the amount available for loaning.

The Visitor Enhancement Fund was created as a dedicated funding source for visitor-related expenditures for all visitors, not just cruise ship passengers. Its revenue streams are bed taxes. All bed taxes collected are deposited into the Fund, and, 92% of collected bed taxes are earmarked to pay for the contractual costs of the Convention and Visitors Bureau (retroactively trueed up on an annual basis). The remaining 8% is available for appropriation for any visitor-related purpose. As the shuttle will serve all visitors, not just cruise ship passengers, and be available to residents as well, staff feels that use of the Visitor Enhancement Fund is most appropriate.

As of June 30, 2017, the balance in the Visitor Enhancement Fund was \$83,656.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2017-24
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 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:

Table with 1 column and 5 rows. Row 1: FISCAL YEAR 2018 EXPENDITURE BUDGETS. Row 2: SPECIAL REVENUE FUNDS. Row 3: Fund 195 - Visitor Enhancement Fund - Operations: This will appropriate \$10,000 from the Visitor Enhancement Fund for the purpose of a downtown shuttle pilot project.

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 25th Day of July, 2017.

ATTEST:

Matthew Hunter, Mayor

Sara Peterson, CMC
Municipal Clerk

1st reading 7/11/17
2nd reading 7/25/17



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 17-126 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 7/5/2017 In control: City and Borough Assembly

On agenda: 7/11/2017 Final action:

Title: Approve 1) a lease agreement, with amended terms, between Northline Seafoods, LLC and the City and Borough of Sitka for Block 4, Lot 4 of the Gary Paxton Industrial Park, and, 2) a lease agreement between Northline Seafoods, LLC and the City and Borough of Sitka for a portion of Block 4, Lot 9A of the Gary Paxton Industrial Park

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and Memo GPIP Leases.pdf](#)
[Lease Northline Seafoods Block 4 Lot 4.pdf](#)
[Lease Northline Seafoods Portion of Block 4 Lot 9A.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO:

1) approve, as recommended by the Gary Paxton Industrial Park Board, a lease agreement, with amended terms, between Northline Seafoods, LLC and the City and Borough of Sitka for Block 4, Lot 4 of the Gary Paxton Industrial Park, and,

2) approve, as recommended by the Gary Paxton Industrial Park Board, a lease agreement between Northline Seafoods, LLC and the City and Borough of Sitka for a portion of Block 4, Lot 9A of the Gary Paxton Industrial Park and authorize the Interim Municipal Administrator to execute these documents.



Thursday, June 15, 2017

MEMORANDUM

To: Phillip Messina – CBS Administrator
From: Garry White, Director
Subject: Northline Seafoods LLC Lease Requests

Introduction

Northline Seafoods LLC (Northline) is requesting to lease two separate parcels of property at the Gary Paxton Industrial Park (GPIP).

Northline requests to lease a 43,637 SF portion of Lot 9A. Northline wishes to modify the waterfront of the lot to allow its barge to be hauled out of the water to conduct marine repair on lot 9a.

G. Pat Glaab is a principal owner of both Northline and Alaska & Pacific Packing (APP), which currently leases property at the GPIP. APP is currently leasing Lot 4 at the GPIP. Mr. Glaab wishes to amend terms of the existing lease and change the leasing entity from APP to Northline.

The GPIP Board met on June 8th, 2017 and recommended both leases be approved by the Assembly as presented below.

Background

G. Pat Glaab, principal of both Northline and APP, is a commercial fisherman who is also involved in the seafood processing industry. Mr. Glaab has been involved in numerous seafood processing plant design and construction projects.

Currently Northline/APP employs 7 people at the GPIP, retrofitting a floating barge into a floating processing plant. Northline wishes to continue to complete its project at the GPIP. Northline plans to haul out its barge and needs additional space at the GPIP to complete the work.

APP is currently leasing the following parcels at the GPIP.

1. Lot 8 Lease – 29,421 SF of raw land:
 - a. 10 - year term with five (5) five-year renewal options;
 - b. Rent is \$1,147/month;
 - c. Executed November 10, 2015; and that
 - d. Within 24 months from the execution of the lease, APP must have constructed a 4,000 square foot building on the lot and have certified payroll for two full-time employees at \$36k per year or the CBS can terminate the lease; and that

- e. Within 48 months of execution of the lease, APP must have installed industrial freezing equipment or the CBS can terminate the lease.

NOTE: Mr. Glaab has stated to the GPIIP Board that the lease between the CBS and Northline/APP on lot 4 has met his needs. The GPIIP Board will consider recommending termination of the Lot 8 lease in November 2017.

2. A 20,000 SF portion of tidelands directly in front of Lot 2
 - a. At a rate of \$1,800 per year;
 - b. Terms concurrent with the lease of Lot 8; and that
 - c. Within 48 months from lease execution an access ramp and floating dock must be constructed and located in the tidelands following CBS building permit process or CBS can terminate the lease; and that

3. Guaranteed access to the waterfront and tidelands via the access and utility easement located between Lots 2 and 4;
 - a. Payment of an annual \$3,000 user fee; and that
 - b. The term of the access and utility easement agreement shall be concurrent with and incorporated into the Lot 8 lease; and that
 - c. Guaranteed access is non-exclusive, meaning that APP shall not prevent others from crossing the access and utility easement.

4. Lot 4 Lease - 26,031 SF waterfront parcel containing a 6,900 SF building located near the northern portion of the waterfront.
 - a. 12-month term;
 - b. Rent is \$4,155/month;
 - c. Executed 12/12/2016.

New Proposed Lease

Northline proposed and the GPIIP Board approved recommending the following lease terms for a 43,637 SF portion of lot 9a. Please see attached map.

Purpose: Lease area to conduct marine fabrication and repair of floating barges.

Terms of the lease are the following:

- Term of 24 month, starting 07/01/2017
- The CBS will be allowed to access the property to stage and conduct shoreline stabilization in the 30’ access and utility easement between Lot 4 and the tidelands.
- Due to CBS use of the lease property and the start up nature of the use of lot 4, a ramped up rental schedule is being recommended.

○ Months 0-12 = \$0/month	\$0 total
○ Months 13-15 \$0.01/SF = \$436.37/month	\$1,309.11 total
○ Months 16-18 \$0.02/SF = \$872.74/month	\$2,618.22 total
○ Months 19-21 \$0.03/SF = \$1,309.11	\$3,927.33 total
○ Months 22-24 \$0.06/SF = \$2,618.22	\$7854.66 total
- Northline will be responsible for rock on the lot currently and will return property in a flat and level condition.
- Northline has CBS permission to modify waterfront topography to accommodate the haul out of the barge, including obtaining any required permits.

- All other standard lease terms will apply

The GPIIP Board approved the following motion:

MOTION: M/S Finkenbinder/Bevan moved to accept lease for Lot 9A as presented.

ACTION: Yeas: Jones, Horan, Wagner, Finkenbinder, Bevan

Nays:

Motion Passed 5/0 on roll call vote

Lease Amendment

Northline proposed and the GPIIP Board approved recommending the following terms for a lease between the CBS and Northline.

Purpose: Lease of a building for design and fabrication of various marine service industry projects. Mr. Glaab is requesting a purchase option of the building to allow for continued improvements to the building and property by Northline.

Lot 4 lease;

- a. Lessee name changed from APP to Northline;
- b. Term is for 5 years, starting 07/01/2017;
- c. \$10,000 employee lease credit for each employee making over \$36,000 annually at the GPIIP site;
 - i. Lease credits not to exceed \$20,000 annually;
 - ii. Lease credits expire after 3 years.
- d. After 5 years, Northline can purchase the property at today's value of \$554,000 (2014 appraised value for building and footprint of 26,031 SF), contingent on the following:
 - i. Northline has 4 FTE making over \$36,000 annually at the time of sale.
 - ii. CBS retains first right of refusal to purchase property in the event Northline wishes to sell the property.
- e. All other lease terms remain the same.

Note: The CBS retains a 30' Access and Utility Easement between Lot 4 and the tidelands.

The GPIIP Board approved the following motion:

MOTION: M/S Finkenbinder/Bevan Approve Lot 4 lease as stated (*above*):

ACTION: Yeas: Jones, Horan, Wagner, Finkenbinder, Bevan

Nays:

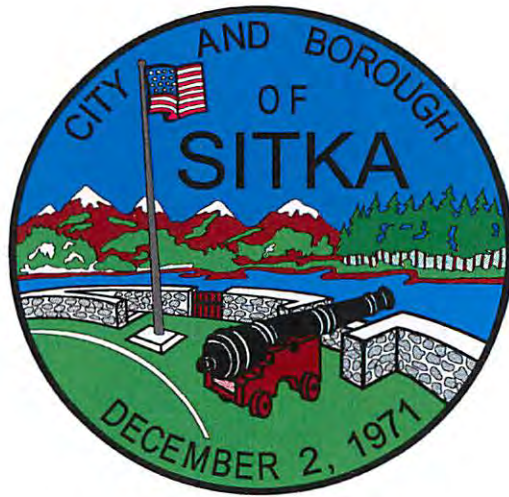
Motion Passed 5/0 on roll call vote

Additional Information

The GPIIP Board plans to address the Tidelands Lease and Guaranteed Access to the waterfront and tidelands via the access and utility easement located between Lots 2 and 4 that are tied to the Lot 8 lease at a future date.

Action

- Assembly approval of the GPIIP Board recommendation of a lease for 43,637 SF portion of Lot 9a.
- Assembly approval of the GPIIP Board recommendation of the amended terms of the Lot 4 lease.



LEASE AGREEMENT

BETWEEN

**THE
CITY AND BOROUGH OF SITKA**

AND

**NORTHLINE SEAFOODS, LLC
Block 4, Lot 4, GPIIP**

**LEASE AGREEMENT BETWEEN
CITY AND BOROUGH OF SITKA AND
NORTHLINE SEAFOODS LLC**

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EXHIBITS:

- Exhibit A – Diagram of Subject Property
- Exhibit B – Management Requirements at Gary Paxton Industrial Park, Sitka, Alaska

**LEASE AGREEMENT BETWEEN
CITY AND BOROUGH OF SITKA AND
NORTHLINE SEAFOODS LLC**

PREAMBLE

This Lease Agreement (“Lease Agreement”) between City and Borough of Sitka and Northline Seafoods LLC is effective upon execution of the Lease Agreement by both Parties, City and Borough of Sitka, 100 Lincoln Street, Sitka, Alaska 99835 (“Sitka” “or “Lessor”) and Northline Seafoods LLC, 4690 Sawmill Creek Road, Sitka, Alaska 99835 (“Lessee”). This Lease Agreement consists of the Special Provisions, the General Provisions, and the attached Exhibits A and B. Exhibit A is a pictorial representation of the area leased, consisting of Block 4, Lot 4, including the building at 4690 Sawmill Creek Road, of the Gary Paxton Industrial Park (“GPIP”). Exhibit B is the “Management Requirements at GPIP, Sitka, Alaska,” which summarizes the Prospective Purchasers Agreement, the Management Plan and the Conveyance Agreement regarding GPIP. The Parties agree that this Lease Agreement substitutes for and replaces the Lease Agreement between Sitka and Alaska & Pacific Packing dated December 12, 2016, which is null and void effective July 15, 2017. This Lease Agreement was recommended for approval by GPIP Board of Directors on June 8, 2017, and approved by the Assembly on July 11, 2017.

SPECIAL PROVISIONS

ARTICLE I: LEASE, TERM OF LEASE, AND TERMINATION OF LEASE

Section 1.1 Conveyance of Estate in Lease

Lessor, for and in consideration of the covenants and agreements made by Lessee, does lease to Lessee, and Lessee leases from Lessor, the “Subject Property” or “Premises” as shown on Exhibit A. The “Subject Property” is Block 4, Lot 4, of the GPIP, consisting of 26,031 square feet of land and a 6,900 square foot building. The “Term” is for 5 (five) years, effective July 15, 2017, or such modified date as the parties may agree in writing.

Section 1.2 Option to Purchase

Lessee is hereby granted an option to purchase the Subject Property at the end of the Term at the 2014 appraised value of \$554,000 so long as Lessee: (1) is not in continuing material default under this Lease, and (2) Lessee is employing 4 (four) positions at the Gary Paxton Industrial Park Facility for which gross wages are paid that are equal to or greater than \$36,000 per calendar year for each employee, as shown by Lessee’s employment tax records.

Lessee shall exercise its purchase option by giving written notice to Lessor no later than four (4) months before the end of the Term. Within thirty (30) days of written notice being given by Lessee

of its intent to exercise its purchase option, the parties shall execute a purchase agreement and proceed to closing within sixty days of notice.

As part of Lessee's purchase of the Subject Property, Lessor shall grant a permanent, non-exclusive easement to the Lessor for access to the adjacent waterfront and tidelands. Lessee shall prepare said easement, at its expense, in standard form and deliver to Lessor before closing.

Section 1.3 Lessors Option to Repurchase

In the event Lessee exercises its option to purchase the Subject Property and subsequently desires to sell or otherwise alienate the Subject Property the Lessor is hereby granted a first option to repurchase the Subject Property for fair market value at the time of repurchase, as determined by a qualified professional appraiser selected by Lessor. Lessee shall notify Lessor in writing of its intent to sell or alienate the Subject Property. Lessor shall have 120 days after receiving notice to obtain the appraisal, prepare and present closing documents to Lessee, all at Lessor's expense. Lessee shall cooperate in all respects with repurchase.

Section 1.4 Disposition of Improvements and Lessee's Personal Property Following Term of Lease Agreement.

Lessee shall remove from the Subject Property any personal property or Improvements constructed, installed, or deposited on the Subject Property at the termination of this Lease Agreement, or any extension, unless Lessee makes a separate written agreement with Sitka to do otherwise. Any Improvements or personal property not removed after thirty (30) days have passed after termination of this Lease Agreement shall be deemed abandoned and at Lessor's option shall become the property of Lessor, and Lessee shall repay to Sitka any costs of removing such improvements or personal property from the Subject Property if Sitka does not exercise such option. Subject to Sitka's obligations under Subsection 3.1(a) below, Lessee agrees to leave Subject Property in a neat and clean condition at the end of the Term of the Lease Agreement.

Section 1.5 Covenants to Perform.

This Lease Agreement is made upon the above and the following terms and conditions, each of which the Party bound by such covenants and conditions agrees to perform, irrespective of whether the particular provision is in the form of a covenant, an agreement, a condition, a direction, or otherwise, and each Party agrees to provide the other Party with documents or further assurances as may be required to carry out the expressed intentions.

ARTICLE II: RENT AND OTHER OBLIGATIONS OF LESSEE

Section 2.1 Calculation and Method of Payment of Rent.

Notwithstanding any other provision of this Lease Agreement, on the Term start date set out in Article I, Lessee shall pay the full month rent payment owed under this Lease Agreement, which

shall be prorated if the date this Lease is executed is not the first day of the month. Subject to the provision in the previous sentence, Lessee shall pay the lease payments in advance for the Term of the Lease Agreement without the necessity of any billing by Lessor. Lessee will lease the space as shown in Exhibit A at the market rate of \$4,155/month (\$18,810/year for raw land and \$31,050/year for building). City and Borough of Sitka sales tax is to be paid in addition to the stated Rent.

Section 2.2 Property Tax Responsibility.

Beginning on the Term start date, Lessee will be responsible to pay any property taxes to City and Borough of Sitka for its possessory interest in the building, land, and equipment to the extent taxable as determined by the Assessor, which is assessed as of January 1 of each calendar year.

Section 2.3 Rent Adjustment

Lessor shall grant Lessee a \$10,000 credit against lease payments per calendar year for each Lessee employee position at the Gary Paxton Industrial Park Facility for which gross wages are paid that are equal to or greater than \$36,000 per calendar year as shown by Lessee's employment tax records. The total amount of employment credits claimed by Lessee shall not exceed \$20,000 per calendar year.

The employment credits shall not be transferable to future years. The employment credits shall cease to apply after calendar year 2019.

ARTICLE III: RESTRICTIONS UPON USE OF SUBJECT PROPERTY

Section 3.1 Lessee's Obligations as to Improvement, Construction, Maintenance, Repair and Safety.

(a) Except as provided in this Lease Agreement, Lessee acknowledges the leasehold is in an "as is" condition. The Lessee shall not make any alterations, additions, or improvements to the Premise unless it first receives Lessor's written consent. Such consent shall not be unreasonably withheld. All such alterations, additions, and improvements consented to shall be made by qualified and licensed professionals in accordance with local, state, and federal laws and regulations.

Lessor reserves the right to expand or modify the Subject Property. In that event, Lessor and Lessee will work together to complete such expansion or modification in a manner that minimizes disruption to Lessee's use of the Subject Property. Some anticipated disruptions could be operational disturbances from noise, dust and other construction activities.

(b) Lessee acknowledges that Lessor has made no representation or warranty with respect to Lessee's ability to obtain any permit, license, or approval.

(c) Lessee shall also use the Subject Property and any Improvements placed thereon only for lawful uses.

(d) Lessee shall confine its operation on the Subject Property.

(e) Lessee shall not permit the accumulation of waste or refuse matter on the Subject Property, and Lessee shall not obstruct or permit the obstruction of the streets, sidewalks, access ways, or alleys adjoining the Subject Property except as may be permitted by Lessor or other municipal authorities having jurisdiction. Lessee shall do all things necessary during the Term of this Lease Agreement to remove any dangerous condition from time to time existing on the Subject Property as the result of the use by Lessee.

(f) Lessee may erect outdoor signage, at its expense, with the written permission of the City and Borough of Sitka Building Official, the Planning Director, and the Public Works Director. The style, size and physical placement location of the sign will be approved on a case-by-case basis.

Section 3.2 Rights of Access to Property.

(a) Lessor reserves for itself and any public utility company the right to access the Subject Property at all reasonable times in a reasonable manner for the purposes of opening, inspecting, repairing, replacing, reconstructing, maintaining, or servicing the public utilities, if any, located on the Subject Property, as well as for the purposes of constructing or installing new public utilities. Lessor also reserves for itself and the Alaska Department of Environmental Conservation the right to access the Subject Property at all reasonable times in a reasonable manner for the purposes of regulation and enforcement of this Lease Agreement. Sitka also reserves for itself the right to access the Subject Property at all reasonable times in a reasonable manner for the purposes of (1) inspection of all work being performed in connection with the construction of Improvements; (2) showing Subject Property for exhibiting Subject Property in connection with renting or leasing Subject Property in a matter that will not unreasonably interfere with Lessee's business; and (3) placing "For Sale" or "For Rent" signs on Subject Property. Lessee shall not charge for any of the access allowed in the situations described in this subsection.

(b) Lessee shall not construct any permanent Improvements over or within the boundary lines of any easement for public utilities without receiving the written prior consent of Lessor and any applicable utility company.

(c) Lessee acknowledges that the Subject Property is or shall be subject to agreements for ingress and egress, utilities, parking, and maintenance of common areas as described on attached Exhibit A. Lessee agrees that it shall comply with the terms of such cooperative agreements, in accordance with the terms of such agreements, those portions of such maintenance expenses that are attributable to the Subject Property, as more fully set forth therein.

Section 3.3 Additional Conditions of Leasing.

Lessee recognizes and shall cause all beneficiaries of Lessee and all permitted successors in interest in or to any part of the Subject Property to recognize that:

- (a) Lessee will cooperate with the City and Borough of Sitka Public Works Department and will notify this Department of any maintenance deficiencies or of any equipment failures that require maintenance or repair. Lessee will be provided a 24 hour telephone number to notify Lessor of any event that requires immediate response by Lessor.
- (b) Lease payments will be made in monthly installments in advance in cash or by check, bank draft or money order made available to the City and Borough of Sitka. Installments to be delivered or mailed to 100 Lincoln Street, Sitka, Alaska 99835, by or on the first day of each calendar month.
- (c) Lease payments shall become delinquent if not paid within ten (10) days after the due date. Delinquent payments are subject to a late charge of \$25 and interest accrued from the due date at 12% per annum.
- (d) The charges and fees paid by Lessee to Lessor must be separated according to the City and Borough of Sitka accounting standards.
- (e) Lessor will invoice if lease payments are delinquent. Lessor may also invoice if Lessee fails to make lease payment within 30 days of due date. Lessor at its option can terminate the Lease Agreement for Lessee's failure to make payment.
- (f) Lessee covenants and agrees that, as it relates to use of the Premises, it will not, on the grounds of race, color or national origin, discriminate or permit discrimination against any person or group of persons in any manner prohibited by Federal or State laws or regulations promulgated thereunder, and Lessee further grants the Lessor the right to take such action to enforce such covenant as it deems necessary or as it is directed pursuant to any Federal or State law or regulation.
- (g) Lessor may sell the Subject Property in the future and all agreements regarding the Subject Property, including this Lease Agreement, between Lessor and Lessee shall be completely transferable to the new owner. A transfer of the Subject Property to any such entity shall not create any restrictions upon use of the Subject Property in addition to those set forth in this Lease Agreement.
- (h) Lessor may, upon at least 10 days prior notice to Lessee, temporarily suspend the supply, if provided on the Subject Property, of water, wastewater service, electric power to perform routine maintenance and, in all events, subject to unavoidable delays. Such interruptions shall be of as short duration as necessary to perform such maintenance, and Lessor shall not be responsible for any such costs or expenses as a result of suspending such utilities.
- (i) Lessee will pay any applicable City and Borough of Sitka Fire Marshal fees and other building permit fees and property taxes and assessments when due.
- (j) Lessee is responsible for taking any measures that Lessee deems necessary to provide security for its property. Sitka is not responsible for theft or vandalism.

(k) City and Borough of Sitka sales tax will apply to lease payments. Sales taxes will also apply to any utility services and will be calculated into each monthly billing from the City and Borough of Sitka. Sales tax rates, limits, exemptions, and exclusions are subject to change by the Assembly of the City and Borough of Sitka.

(l) In accord with commercially reasonable standards and the Rules set forth in Exhibit B, Lessee shall not store hazardous or explosive materials on the Subject Property or on any property of GPIIP.

Section 3.4 Control of Rodents and Other Creatures on Subject Property.

Lessee shall take reasonable affirmative measures to ensure that its operations do not attract to the Subject Property or any portion of the GPIIP property any of the following creatures: rodents, vermin, insects, eagles, crows, ravens, seagulls, or bears.

ARTICLE IV: POSSESSION AND CONSTRUCTION OF IMPROVEMENTS.

Section 4.1 Lessee's Construction Obligations.

At the sole cost and expense of Lessee and pursuant to building permits and in compliance with all legal requirements, Lessee shall purchase, construct and/or develop the appropriate improvements, personal property, fixtures or buildings, including but not limited to any structures referred to in Section 1.1 of this Lease Agreement, and other items on Subject Property in a first class manner, of good quality and all work shall be performed diligently. The items to be purchased, constructed and/or developed shall be those reasonably necessary to conduct Lessee's intended business operations on Subject Property.

(a) In addition to Section 3.1(b) of this Lease Agreement, Lessor, in its proprietary capacity only, agrees to cooperate reasonably with Lessee in its efforts to secure the requisite permits, licenses and approvals to allow the purchase, construction, and/or development of any project by Lessee. Notwithstanding the foregoing, Lessee acknowledges that Lessor has made no representation or warranty with respect to Lessee's ability to obtain any permit, license or approval (including a building permit) or to meet any other requirements for development of any project. Nothing in this Lease Agreement is intended or shall be construed to require that Lessor exercise its discretionary authority under its regulatory ordinances to further any project nor binds the Lessor to do so. The Lessor will process applications for permits, licenses and approvals as if such application were made without any Lessor participation in such project and shall act in good faith with respect thereto.

(b) Approval by Lessor of any item shall not constitute a representation or warranty by Lessor that such item complies with any legal requirements and Lessor assumes no liability. Lessor has no obligation or duty to design, supervise the design, construct or supervise the construction of the improvements. Lessor's approval of the construction plans, as provided below, is for the sole purpose of protecting its rights as the owner of the land on which the leasehold sits and shall not constitute any representation or warranty, express or implied, as to the adequacy of the design, or any obligation on Lessor to insure that work or materials are in compliance with the construction plans or any building requirements imposed by a governmental agency. Lessor is under no obligation or duty, and disclaims any responsibility, to pay for the cost of construction of the

improvements or any other items, the cost of which shall at all times remain the sole liability of Lessee.

(c) For all acts other than the acts of Lessor, its officers, agents, and employees, unless Lessee violates the prospective Purchaser Agreement, Management Agreement and related documents or otherwise exacerbates or aggravates existing conditions, Lessee covenants to indemnify, defend and hold harmless Lessor and its agents and employees from and against all claims and demands whatsoever for loss or damage including property damage, personal injury and wrongful death arising out of construction of the improvements, any development or repairs made at any time on the Subject Property, the performance of this Lease Agreement by Lessee, its agents, employees, contractors, subcontractors or invitees, any incident, fire or other casualty in respect of the Subject Property, any failure by Lessee to keep the Subject Property, or any improvements on it, in a safe condition, and all other activities occurring on or at the Subject Property.

ARTICLE V: UTILITY SERVICES & RATES

Section 5.1 Provision of Utility Services

Lessee shall pay the cost for use of any utility services on the Subject Property, with monthly payments due upon billing by the City and Borough of Sitka.

Section 5.2 Reserved.

Section 5.3 Lessor Not Limited Liability and Non-Liability.

Lessor shall not be liable for any failure of utility services, or for any injury or damages to person or property caused by or resulting from any natural disaster, natural condition, earthquake, hurricane, tornado, flood, wind or similar storms or disturbances, or water, rain, or snows which may leak or flow from the street, sewer, or from any part of Subject Property, or leakage of sewer, or plumbing works therein, or from any other place. Lessor shall not be held responsible or liable for any claim or action due to or arising from any suspension of operation, breakage, unavoidable accident or injury of any kind occurring to, or caused by the sewer mains through any force majeure.

Section 5.4. Requirement Regarding Potable Water Services.

All potable water services will be metered and protected by approved backflow prevention in accordance with the Sitka General Code at Section 15.05.400.

ARTICLE VI: LIABILITY AND INDEMNIFICATION

Section 6.1 Liability of Lessee and Indemnification of Lessor.

Lessee agrees to indemnify, defend, and hold harmless Lessor against and from any and all claims by or on behalf of any person, firm, or corporation arising, other than due to acts or omissions of Lessor or pre-existing conditions, from the conduct or management of or from any work or thing whatsoever done in or about the Subject Property and structures and Improvements, including liability arising from products produced on the property. Lessee also agrees to indemnify, defend, and hold Lessor harmless against and from any and all claims and damages arising, other than due to acts or omissions of Lessor, during the Term of this Lease Agreement from: (a) any condition of the Subject Property or Improvements placed on it by lessee; (b) any breach or default on the part of Lessee regarding any act or duty to be performed by Lessee pursuant to the terms of this Lease Agreement; (c) any act or negligence of Lessee or any of its agents, contractors, servants, employees or licensees; and (d) any accident, injury, death or damage caused to any person occurring during the Term of this Lease Agreement in or on the Subject Property. Lessee agrees to indemnify, defend, and hold harmless Lessor from and against all costs, counsel and legal fees, expenses, and liabilities incurred, other than due to acts or omissions of Lessor, in any claim or action or proceeding brought asserting claims of or asserting damages for any alleged act, negligence, omission, conduct, management, work, thing, breach, default, accident, injury, or damage described in the previous two sentences. The above agreements of indemnity are in addition to and not by way of limitation of any other covenants in this Lease Agreement to indemnify Lessor. The agreements of indemnity by Lessee do not apply to any claims of damage arising out of the failure of Lessor to perform acts or render services in its municipal capacity.

Section 6.2 Liability of Lessor and Indemnification of Lessee.

Except to the extent of liabilities arising from Lessee's acts or omissions, Lessor indemnifies, defends, and holds Lessee harmless for liabilities to the extent that they were incurred by reason of conditions existing on the site as of the date of execution of this Lease Agreement or by reasons of Lessor's acts or omissions. Lessor also agrees to indemnify, defend, and hold Lessee harmless against and from any and all claims and damages arising, other than due to acts or omissions of Lessee, during the Term of this Lease Agreement from (a) any condition of the Subject Property or Improvements placed on it by Lessor; (b) any breach or default on the part of the Lessor regarding any act or duty to be performed by Lessor pursuant to the terms of the Lease Agreement; (c) any act of negligence of Lessor or any of its agents, contractors, servants, employees, or licensees; and (d) any accident, injury, death, or damage caused to any person occurring during the Term of this Lease Agreement in or on the Subject Property. Lessor agrees to indemnify, defend, and hold harmless Lessee from and against all costs, counsel and legal fees, expenses, and liabilities incurred, other than due to acts or omissions of Lessee, in any claim or action or proceeding brought asserting claims of or asserting damages for any alleged act, negligence, omission, conduct, management, work, thing, breach, default, accident, injury, or damage described in the previous two sentences. The above agreements of indemnity are in addition to and not by way of limitation of any other covenants in this Lease Agreement to indemnify Lessee.

Section 6.3 Reimbursement of Costs of Obtaining Possession.

Each Party agrees to pay and to indemnify the other Party prevailing in any dispute under this Lease Agreement for all costs and charges, including but not limited to, full reasonable attorney and legal fees lawfully incurred in enforcing any provision of this Lease Agreement including obtaining possession of the Subject Property and establishing the Lessor's title free and clear of this Lease Agreement upon expiration or earlier termination of this Lease Agreement.

GENERAL PROVISIONS

ARTICLE VII: DEFINITIONS

Section 7.1 Defined Terms.

For the purposes of this Lease Agreement, the following words shall have the meanings attributed to them in this Section:

- (a) "Event of Default" means the occurrence of any action specified in Section 15.1.
- (b) "Imposition" means all of the taxes, assessments, utility rates or charges, levies and other governmental charges, levied or assessed against the Subject Property, any part thereof, any right or interest therein or any rent and income received therefrom as well as sales taxes on rent.
- (c) "Improvements" or "improvements" means all improvements of any nature now or hereafter located upon the Land, as well as all apparatus and equipment necessary for the complete and comfortable use, occupancy, enjoyment and operation of the Subject Property, including any construction fencing or signage, excepting only in each case articles of personal property appurtenances and fixtures (including trade fixtures) owned by Lessee, Sublessees, or others, which can be removed without defacing or materially injuring the Improvements remaining on the Subject Property, from the Subject Property with the portion of the Subject Property from which such items are removed being returned to a condition at least as good as that existing on the date of this Lease Agreement. "Improvements" also includes fill, grading, asphalt, and other non-building land improvements.
- (d) "Personal Property" means tangible personal property owned or leased and used by the Lessee or any sublessee of the Lessee, in connection with and located upon the Subject Property.
- (e) "Premises" means the "Subject Property."
- (f) "Rent" means the lease rate, which is the amount Lessee periodically owes and is obligated to pay Lessor as lease payments under this Lease Agreement for the use of the demise.
- (g) "Subject Property" is the area leased as shown on Exhibit A or elsewhere in the document.

(h) "Sublessee" and "Sublease" -- any reference to "Sublessee" shall mean any subtenant, concessionaire, licensee, or occupant of space in or on the Subject Property holding by or through the Lessee; the term "Sublease" shall mean any lease, license, concession or other agreement for the use and occupancy of any part of the Subject Property made by any Person holding by or through the Lessee.

(i) "Term" means the period of time Lessee rents or leases the Subject Property from Lessor.

ARTICLE VIII: INSURANCE

Section 8.1 Insurance.

Lessee shall maintain property damage and comprehensive general liability insurance in the amount of One Million dollars (\$1,000,000), on the Subject Property including Improvements. Lessor shall be named as an additional insured.

Section 8.2 Notification of Claim, Loss, or Adjustment.

Lessee shall advise Lessor of any claim, loss, adjustment, or negotiations and settlements involving any loss under all policies of the character described in Section 8.1.

Section 8.3 Waiver of Subrogation.

The Party insured (or so required) releases the other Party from any liability the other Party may have on account of the loss, cost, damage or expense to the extent of any amount recoverable by reason of insurance whenever: (i) any loss, cost, damage or expense resulting from fire, explosion or any other casualty or occurrence is incurred by either of the Parties to this Lease Agreement, or anyone claiming under it in connection with the Subject Property or Improvements; and (ii) the Party is then covered in whole or in part by insurance with respect to loss, cost, damage or expense or is required under this Lease Agreement to be so insured.

In such coverage the Parties hold on or waives any right of subrogation which might otherwise exist in or accrue to any person on account of it, provided that the release of liability and waiver of the right of subrogation shall not be operative in any case where the effect is to invalidate the insurance coverage or increase its cost. In the case of increased cost, the other Party shall have the right, within thirty (30) days following written notice, to pay the increased cost keeping the release and waiver in full force and effect.

ARTICLE IX: RESTRICTIONS REGARDING ASSIGNMENT, SUBLEASES, AND TRANSFERS OF SUBJECT PROPERTY

Section 9.1 Lessee Without Power to Assign Lease or Transfer or Encumber Subject Property.

Lessee has no power under this Lease Agreement to assign the Lease Agreement or transfer the Subject Property, except with the approval of the GPIIP Board of Directors and the Sitka Assembly, which approval shall not be unreasonably withheld. Lessee has no power to encumber Subject Property or pledge its interest in Subject Property as collateral for a loan, mortgage, debt or liability.

Section 9.2 Limitations on Subleases.

Lessee shall not sublease the Subject Property or any portion of it except with the approval of the GPIIP Board of Directors and the Sitka Assembly, which approval shall not be unreasonably withheld. All subleases entered into demising all or any part of the Improvements or the Subject Property shall be expressly subject and subordinate to this Lease Agreement, including Exhibits A and B. Lessor's consent to a sublease of the Subject Property shall not release Lessee from its obligations under the Lease Agreement. Lessor's consent to a sublease shall not be deemed to give any consent to any subsequent subletting.

ARTICLE X: USE AND PROTECTION OF THE SUBJECT PROPERTY

Section 10.1 Property As Is - Repairs.

Lessee acknowledges that it has examined the Subject Property and the present improvements including any public improvements presently located there and knows the condition of them and accepts them in their present condition and without any representations or warranties of any kind or nature whatsoever by Lessor as to their condition or as to the use or occupancy which may be made of them. Lessee assumes the sole responsibility for the condition of the Improvements located on the Subject Property. The foregoing shall not be deemed to relieve Lessor of its general municipal obligations, or of its obligations under Section 3.1.

Notwithstanding the foregoing, the Parties acknowledge that the Subject Property is currently covered with rock placed on the Subject Property during the recent Blue Lake hydroelectric project, which Lessor shall cause to be removed prior to the commencement of this Lease Agreement.

Section 10.2 Compliance with Laws.

Lessee shall throughout the Term of this Lease Agreement and any extension, at Lessee's sole expense, promptly comply with all the laws and ordinances and the orders, rules, regulations, and requirements of all federal, state, and municipal governments and appropriate departments, commissions, boards, and officers (whether or not the same require structural repairs or alterations) and all other legal requirements that may be applicable to the use of the Subject Property. Nothing in the foregoing sentence shall be deemed to relieve Lessor of its general obligations in its municipal capacity.

Section 10.3 Notification of City and Borough of Sitka's Public Works Director of Discovery of Contamination.

Lessee shall promptly notify the Public Works Director of the City and Borough of Sitka within 24 hours if any contaminated soils or other media that require special handling are encountered on the Subject Property.

Lessee shall be responsible for all clean-up costs associated with contamination of soils, of the Subject Property, adjoining property, and/or buildings, caused by or attributed to Lessee though its operations on the Subject Property. In the event of Lessee's failure to clean-up to applicable regulatory standards or to the satisfaction of the Public Works Director, Lessor may perform clean-up or contract for clean-up and all charges for such work shall be paid by Lessee.

Section 10.4 Permits and Approvals for Activities.

Lessee shall be responsible for obtaining all necessary permits and approvals for its activities unless otherwise specifically allowed by Lessor. Contemporaneously with making any application for permits to any public entity other than the City and Borough of Sitka, Lessee shall provide copies of all permit applications and associated plans and specifications to the Director of Public Works of the City and Borough of Sitka to facilitate review by departments of the City and Borough of Sitka. The City and Borough of Sitka is not obligated to comment on the permit applications and plans, and the result of any review by the City and Borough of Sitka does not affect Lessee's obligation to comply with any applicable laws.

ARTICLE XI: LESSOR'S RIGHT TO PERFORM LESSEE'S COVENANTS; REIMBURSEMENT OF LESSOR FOR AMOUNTS SO EXPENDED

Section 11.1 Performance of Lessee's Covenants To Pay Money.

Lessee covenants that if it shall at any time default or shall fail to make any other payment (other than rent) due and the failure shall continue for ten (10) days after written notice to Lessee, then Lessor may, but shall not be obligated so to do, and without further notice to or demand upon the Lessee and without releasing Lessee from any obligations of Lessee under this Lease Agreement, make any other payment in a manner and extent that Lessor may deem desirable.

Section 11.2 Lessor's Right To Cure Lessee's Default.

If there is a default involving the failure of Lessee to keep the Subject Property in good condition in accordance with the provisions of this Lease Agreement, to make any necessary renewals or replacements or to remove any dangerous condition in accordance with the requirements of this Lease Agreement or to take any other action required by the terms of this Lease Agreement, then Lessor shall have the right, but shall not be required, to make good any default of Lessee. Lessor shall not in any event be liable for inconvenience, annoyance, disturbance, loss of business, or other damage of or to Lessee by reason of bringing materials, supplies and equipment on the Subject Property during the course of the work required to be done to make good such default, and the obligations of Lessee under this Lease Agreement shall remain unaffected by such work, provided that Lessor uses reasonable care under the circumstances prevailing to avoid unnecessary inconvenience, annoyance, disturbance, loss of business, or other damage to Lessee.

Section 11.3 Reimbursement of Lessor and Lessee.

All sums advanced by Lessor pursuant to this Article and all necessary and incidental costs, expenses and attorney fees in connection with the performance of any acts, together with interest at the highest rate of interest allowed by law from the date of the making of advancements, shall be promptly payable by Lessee, in the respective amounts so advanced, to Lessor. This reimbursement shall be made on demand, or, at the option of Lessor, may be added to any rent then due or becoming due under this Lease Agreement and Lessee covenants to pay the sum or sums with interest, and Lessor shall have (in addition to any other right or remedy) the same rights and remedies in the event of the nonpayment by Lessee as in the case of default by Lessee in the payment of any installment of rent. Conversely, Lessee shall be entitled to receive from Lessor prompt payment or reimbursement on any sums due and owing from Lessor to Lessee, together with interest at the highest rate allowed by law. However, nothing contained in this Lease Agreement shall entitle Lessee to withhold any rent due to Lessor or to offset or credit any sums against rent, except with respect to unpaid rental due from Lessor to Lessee under any sublease of building space to Lessor.

Article XII: Damage Or Destruction

Section 12.1 Repair and Replacement of Structures and Improvements Following Damage.

(a) If the Premises, other than those improvements made by Lessee, shall be destroyed or so injured by any cause as to be unfit, in whole or in part, for occupancy and such destruction or injury could reasonably be repaired within ninety (90) days from the date of such damage or destruction, then Lessee shall not be entitled to surrender possession of the Premises, nor shall Lessee's liability to pay rent under this Lease Agreement cease, without the mutual consent of the Parties; in case of any such destruction or injury, Lessor shall repair the same with all reasonable speed and shall complete such repairs within ninety (90) days from the date of such damage or destruction. If during such period Lessee shall be unable to use all or any portion of the Premises,

a proportionate allowance shall be made to Lessee from the Rent corresponding to the time during which and to the portion of the Premises of which Lessee shall be so deprived of the use.

(b) If such destruction or injury cannot reasonably be repaired within ninety (90) days from the date of such damage or destruction, Lessor shall notify Lessee within fifteen (15) days after the determination that restoration cannot be made in 90 days. If Lessor elects not to repair or rebuild, this Lease Agreement shall be terminated. If Lessor elects to repair or rebuild, Lessor shall specify the time within which such repairs or reconstruction will be complete, and Lessee shall have the option, to be exercised within thirty (30) days after the receipt of such notice, to elect either to terminate this Lease Agreement and further liability hereunder, or to extend the Term of this Lease Agreement by a period of time equivalent to the time from the happening of such destruction or injury until the Premises are restored to their former condition. In the event Lessee elects to extend the Term of this Lease Agreement, Lessor shall restore the Premises to their former condition within the time specified in the notice, and Lessee shall not be liable to pay Rent for the period from the time of such destruction or injury until the Premises are so restored to their former condition.

(c) The timeframes in this article may be modified by mutual agreement of the Parties.

ARTICLE XIII: MECHANIC'S LIENS

Section 13.1 Discharge of Mechanics' Liens.

Lessee shall neither suffer nor permit any mechanics' liens to be filed against the title to the Subject Property, nor against Lessee's interest in the property, nor against the Improvements by reason of work, labor, services or materials supplied or claimed to have been supplied to Lessee or anyone having a right to possession of the Subject Property or Improvements as a result of an agreement with or the assent of Lessee. If any mechanics' lien shall be filed against the Subject Property, including the Improvements, Lessee shall cause it to be discharged of record within thirty (30) days after the date that Lessee has knowledge of its filing.

ARTICLE XIV: LIEN FOR RENT AND OTHER CHARGES

Section 14.1 Lien for Rent.

The whole amount of the Rent and each and every installment, and the amount of all taxes, assessments, water rates, insurance premiums and other charges and impositions paid by Lessor under the provisions of this Lease Agreement, and all costs, attorney's fees and other expenses which may be incurred by Lessor in enforcing the provisions of this Lease Agreement or on account of any delinquency of Lessee in carrying out any of the provisions of this Lease Agreement, shall be and they are declared to constitute a valid and prior lien upon Lessee and Lessee's Improvements to the Subject Property, and upon Lessee's leasehold estate, and may be enforced by equitable remedies including the appointment of a receiver.

ARTICLE XV: DEFAULT PROVISIONS

Section 15.1 Events of Default.

Each of the following events is defined as an "Event of Default":

(a) The failure of the Lessee to pay any installment of Rent, or any other payments or deposits of money, or furnish receipts for deposits as required, when due and the continuance of the failure for a period of ten (10) days after notice in writing from Lessor to Lessee.

(b) The failure of Lessee to perform any of the other covenants, conditions and agreements of this Lease Agreement including payment of taxes on the part of Lessee to be performed, and the continuance of the failure for a period of thirty (30) days after notice in writing (which notice shall specify the respects in which Lessor contends that Lessee has failed to perform any of the covenants, conditions and agreements) from Lessor to Lessee unless, with respect to any default which cannot be cured within thirty (30) days, Lessee, or any person holding by, through or under Lessee, in good faith, promptly after receipt of written notice, shall have commenced and shall continue diligently and reasonably to prosecute all action necessary to cure the default within an additional sixty (60) days.

(c) The filing of an application by Lessee (the term, for this purpose, to include any approved transferee other than a sublessee of Lessee's interest in this Lease Agreement): (i) for a consent to the appointment of a receiver, trustee or liquidator of itself or all its assets; (ii) of a voluntary petition in bankruptcy or the filing of a pleading in any court of record admitting in writing of its inability to pay its debts as they come due; (iii) of a general assignment for the benefit of creditors; (iv) of an answer admitting the material allegations of, or its consenting to, or defaulting in answering, a petition filed against it in any bankruptcy proceeding.

(d) The entry of an order, judgment or decree by any court of competent jurisdiction, adjudicating Lessee a bankrupt, or appointing a receiver, trustee or liquidator of it or of its assets, and this order, judgment or decree continuing unstayed and in effect for any period of sixty (60) consecutive days, or if this Lease Agreement is taken under a writ of execution.

Section 15.2 Assumption or Assignment of Lease to Bankruptcy Trustee.

In the event that this Lease Agreement is assumed by or assigned to a trustee pursuant to the provisions of the bankruptcy reform Act of 1978 (referred to as "Bankruptcy Code") (11 U.S.C. § 101 *et seq.*), the trustee shall cure any default under this Lease Agreement and shall provide adequate assurances of future performance of this Lease Agreement as are required by the Bankruptcy Code (including but not limited to, the requirement of Code § 365(b)(1)) (referred to as "Adequate Assurances"), and if the trustee does not cure such defaults and provide such adequate assurances under the Bankruptcy Code within the applicable time periods provided by

the Bankruptcy Code, then this Lease Agreement shall be deemed rejected automatically and Lessor shall have the right immediately to possession of the Subject Property immediately and shall be entitled to all remedies provided by the Bankruptcy Code for damages for breach or termination of this Lease Agreement.

Section 15.3 Remedies in Event of Default.

Lessor may treat any one or more of the Events of Default as a breach of this Lease Agreement and at its option, by serving written notice on Lessee and each Secured Party and Leasehold Mortgagee of whom Lessor has notice (such notice not to be effective unless served on each such person) of the Event of Default of which Lessor shall have received notice in writing, Lessor shall have, in addition to other remedies provided by law, one or more of the following remedies:

(a) Lessor may terminate this Lease Agreement and the Term created, in which event Lessor may repossess the entire Subject Property and Improvements, and be entitled to recover as damages a sum of money equal to the value, as of the date of termination of this Lease Agreement, of the Rent provided to be paid by Lessee for the balance of the stated term of this Lease Agreement less the fair rental value as of the date of termination of this Lease Agreement of the fee interest in the Subject Property and Improvements for the period, and any other sum of money and damages due under the terms of this Lease Agreement to Lessor and Lessee. Any personal property not removed after such termination shall be addressed as provided for in Section 1.4 above.

(b) Lessor may terminate Lessee's right of possession and may repossess the entire Subject Property and Improvements by forcible entry and detainer suit or otherwise, without demand or notice of any kind to Lessee (except as above expressly provided for) and without terminating this Lease Agreement, in which event Lessor may, but shall be under no obligation to do so, relet all or any part of the Subject Property for rent and upon terms as shall be satisfactory in the judgment reasonably exercised by Lessor (including the right to relet the Subject Property for a term greater or lesser than that remaining under the stated Term of this Lease Agreement and the right to relet the Subject Property as a part of a larger area and the right to change the use made of the Subject Property). For the purpose of reletting, Lessor may make any repairs, changes, alterations or additions in or to the Subject Property and Improvements that may be reasonably necessary or convenient in Lessor's judgment reasonably exercised; and if Lessor shall be unable, after a reasonable effort to do so, to relet the Subject Property, or if the Subject Property is relet and a sufficient sum shall not be realized from reletting after paying all of the costs and expenses of repairs, change, alterations and additions and the expense of reletting and the collection of the Rent accruing from it, to satisfy the rent above provided to be paid, then Lessee shall pay to Lessor as damages a sum equal to the amount of the Rent reserved in this Lease Agreement for the period or periods as and when payable pursuant to this Lease Agreement, or, if the Subject Property or any part of it has been relet, Lessee shall satisfy and pay any deficiency upon demand from time to time; and Lessee acknowledges that Lessor may file suit to recover any sums falling due under the terms of this Section from time to time and that any suit or recovery of any portion due Lessee shall be no defense to any subsequent action brought for any amount not reduced to judgment in favor of Lessor. Any personal property not removed after such termination shall be addressed as provided for in Section 1.4 above.

(c) In the event of any breach or threatened breach by Lessee of any of the terms, covenants, agreements, provisions or conditions in this Lease Agreement, Lessor shall have the right to invoke any right and remedy allowed at law or in equity or by statute or otherwise as through reentry, summary proceedings, and other remedies were not provided for in this Lease Agreement.

(d) Upon the termination of this Lease Agreement and the Term created, or upon the termination of Lessee's right of possession, whether by lapse of time or at the option of Lessor, Lessee will at once surrender possession of the Subject Property and dispose of personal property and Improvements as described in Section 1.4. If possession is not immediately surrendered, Lessor may reenter the Subject Property and Improvements and repossess itself of it as of its former estate and remove all persons and their personal property, if such can be done without using force. Lessor may at its option seek expedited consideration to obtain possession if Lessor determines that the Lease Agreement has terminated as described in the first sentence of this paragraph, and Lessee agrees not to oppose such expedited consideration.

(e) In the event that Lessee shall fail to make any payment required to be made provided for in this Lease Agreement or defaults in the performance of any other covenant or agreement which Lessee is required to perform under this Lease Agreement during the period when work provided for in this Lease Agreement shall be in process or shall be required by the terms of this Lease Agreement to commence, Lessor may treat the default as a breach of this Lease Agreement and, in addition to the rights and remedies provided in this Article, but subject to the requirements of service of notice pursuant to this Lease Agreement, Lessor shall have the right to carry out or complete the work on behalf of Lessee without terminating this Lease Agreement.

Section 15.4 Waivers and Surrenders To Be In Writing.

No covenant or condition of this Lease Agreement shall be deemed to have been waived by Lessor unless the waiver be in writing, signed by Lessor or Lessor's agent duly authorized in writing and shall apply only with respect to the particular act or matter to which the consent is given and shall not relieve Lessee from the obligation, wherever required under this Lease Agreement, to obtain the consent of Lessor to any other act or matter.

ARTICLE XVI: LESSOR'S TITLE AND LIEN

Section 16.1 Lessor's Title and Lien Paramount.

Lessor has title to the Land, and Lessor's lien for Rent and other charges shall be paramount to all other liens.

Section 16.2 Lessee Not To Encumber Lessor's Interest.

Lessee shall have no right or power to and shall not in any way encumber the title of Lessor in and to the Subject Property. The fee-simple estate of Lessor in the Subject Property shall not be in any way subject to any claim by way of lien or otherwise, whether claimed by operation of law or by virtue of any express or implied lease or contract or other instrument made by Lessee, and any claim to the lien or otherwise upon the Subject Property arising from any act or omission of Lessee shall accrue only against the leasehold estate of Lessee in the Subject Property and Lessee's interest in the Improvements, and shall in all respects be subject to the paramount rights of Lessor in the Subject Property.

ARTICLE XVII: REMEDIES CUMULATIVE

Section 17.1 Remedies Cumulative.

No remedy conferred upon or reserved to Lessor shall be considered exclusive of any other remedy, but shall be cumulative and shall be in addition to every other remedy given under this Lease Agreement or existing at law or in equity or by statute. Every power and remedy given by this Lease Agreement to Lessor may be exercised from time to time and as often as occasion may arise or as may be deemed expedient by Lessor. No delay or omission of Lessor to exercise any right or power arising from any default shall impair any right or power, nor shall it be construed to be a waiver of any default or any acquiescence in it.

Section 17.2 Waiver of Remedies Not To Be Inferred.

No waiver of any breach of any of the covenants or conditions of this Lease Agreement shall be construed to be a waiver of any other breach or to be a waiver of, acquiescence in, or consent to any further or succeeding breach of it or similar covenant or condition.

Section 17.3 Right to Terminate Not Waived.

Neither the rights given to receive, sue for or distrain from any rent, moneys or other payments, or to enforce any of the terms of this Lease Agreement, or to prevent the breach or nonobservance of it, nor the exercise of any right or of any other right or remedy shall in any way impair or toll the right or power of Lessor to declare ended the Term granted and to terminate this Lease Agreement because of any event of default.

ARTICLE XVIII: SURRENDER AND HOLDING OVER

Section 18.1 Surrender at End of Term.

Lessee shall peaceably and quietly leave, surrender and deliver the entire Subject Property to Lessor at the termination of the Lease Agreement, subject to the provisions of Section 1.4, in good repair, order, and condition, environmentally clean and free of contaminants, reasonable use, wear and tear excepted, free and clear of any and all mortgages, liens, encumbrances, and claims. At the time of the surrender, Lessee shall also surrender any and all security deposits and rent advances of Sublessees to the extent of any amounts owing from Lessee to Lessor. If the Subject Property is not so surrendered, Lessee shall repay Lessor for all expenses which Lessor shall incur by reason of it, and in addition, Lessee shall indemnify, defend and hold harmless Lessor from and against all claims made by any succeeding Lessee against Lessor, founded upon delay occasioned by the failure of Lessee to surrender the Subject Property.

Section 18.2 Rights Upon Holding Over.

At the termination of this Lease Agreement, by lapse of time or otherwise, Lessee shall yield up immediately possession of the Land to Lessor and, failing to do so, agrees, at the option of Lessor, to pay to Lessor for the whole time such possession is withheld, a sum per day equal to one hundred and fifty percent (150%) times 1/30th of the aggregate of the Rent paid or payable to Lessor during the last month of the Term of the Lease Agreement the day before the termination of the Lease Agreement. The provisions of this Article shall not be held to be a waiver by Lessor of any right or reentry as set forth in this Lease Agreement, nor shall the receipt of a sum, or any other act in apparent affirmance of the tenancy, operate as a waiver of the right to terminate this Lease Agreement and the Term granted for the period still unexpired for any breach of Lessee under this Lease Agreement.

ARTICLE XIX: MODIFICATION

Section 19.1 Modification.

None of the covenants, terms or conditions of this Lease Agreement to be kept and performed by either Party to this Lease Agreement shall in any manner be waived, modified, changed or abandoned except by a written instrument duly signed, acknowledged, and delivered by both Lessor and Lessee.

ARTICLE XX: INVALIDITY OF PARTICULAR PROVISIONS

Section 20.1 Invalidity of Provisions.

If any provision of this Lease Agreement or the application of it to any person or circumstances shall to any extent be invalid or unenforceable, the remainder of this Lease Agreement, or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected, and each provision of this Lease Agreement shall be valid and be enforced to the fullest extent permitted by law.

ARTICLE XXI: APPLICABLE LAW AND VENUE

Section 21.1 Applicable Law.

This Lease Agreement shall be construed and enforced in accordance with the laws of the State of Alaska. The forum and venue for any action seeking to interpret, construe, or enforce this Lease Agreement shall be only in the Superior Court for the State of Alaska, First Judicial District, at Sitka, Alaska.

ARTICLE XXII: NOTICES

Section 22.1 Manner of Mailing Notices.

In every case where under any of the provisions of this Lease Agreement or otherwise it shall or may become necessary or desirable to make or give any declaration or notice of any kind to Lessor or Lessee, it shall be sufficient if a copy of any declaration or notice is sent by United States Post Office registered or certified mail, postage prepaid, return receipt requested, addressed: If to Lessor at: Municipal Administrator, City and Borough of Sitka, of 100 Lincoln Street, Sitka, Alaska 99835, with a copy to: Municipal Clerk at address listed above; and if to Lessee, at: the address set out in the Preamble. Each Party from time to time may change its address for purposes of receiving declarations or notices by giving notice of the changed address, to become effective seven (7) days following the giving of notice.

Section 22.2 Notice to Leasehold Mortgagee and Secured Parties.

Lessor shall provide each Leasehold Mortgagee and Secured Party, who has so requested, copies of all notices from Lessor to Lessee relating to existing or potential default under, or other noncompliance with the terms of this Lease Agreement. All notices, demands or requests which may be required to be given by Lessor or Lessee to any Leasehold Mortgagee and Secured Parties shall be sent in writing, by United States Post Office registered or certified mail or express mail, postage prepaid, return receipt requested, addressed to the Leasehold Mortgagee at a place as the Leasehold Mortgagee may from time to time designate in a written notice to Lessor and Lessee.

Copies of all notices shall simultaneously be sent to the other of Lessor or Lessee, as the case may be.

Section 22.3 Sufficiency of Service.

Service of any demand or notice as in this Article provided shall be sufficient for all purposes.

Section 22.4 When Notice Deemed Given or Received.

Whenever a notice is required by this Lease Agreement to be given by any Party to the other Party or by any Party to a Leasehold Mortgagee, the notice shall be considered as having been given when a registered or certified notice is placed in the United States Post Office mail as provided by this Article and shall be deemed received on the third business day thereafter and for all purposes under this Lease Agreement of starting any time period after notice, the time period shall be conclusively deemed to have commenced three business days after the giving of notice and whether or not it is provided that a time period commences after notice is given or after notice is received.

ARTICLE XXIII: MISCELLANEOUS PROVISIONS

Section 23.1 Captions.

The captions of this Lease Agreement and the index preceding it are for convenience and reference only and in no way define, limit or describe the scope or intent of this Lease Agreement, nor in any way affect this Lease Agreement.

Section 23.2 Conditions and Covenants.

All the provisions of this Lease Agreement shall be deemed and construed to be "conditions" as well as "covenants," as though the words specifically expressing or importing covenants and conditions were used in each separate provision.

Section 23.3 Entire Agreement.

This Lease Agreement, together with the Tidelands Lease Agreement between the same Parties, contains the entire agreement between the Parties and shall not be modified in any manner except by an instrument in writing executed by the Parties or their respective successors or assigns in interest.

Section 23.4 Time of Essence as to Covenants of Lease Agreement.

Time is of the essence as to the covenants in this Lease Agreement.

ARTICLE XXIV: COVENANTS TO BIND AND BENEFIT RESPECTIVE PARTIES AND TO RUN WITH THE SUBJECT PROPERTY

Section 24.1 Covenants to Run with the Subject Property.

All covenants, agreements, conditions and undertakings in this Lease Agreement shall extend and inure to the benefit of and be binding upon the successors and assigns of each of the Parties, the same as if they were in every case named and expressed, and they shall be construed as covenants running with the Subject Property. Wherever in this Lease Agreement reference is made to any of the Parties, it shall be held to include and apply to, wherever applicable, also the officers, directors, successors and assigns of each Party, the same as if in each and every case so expressed.

Section 24.2 Interest in Deposits Automatically Transferred.

The sale, conveyance or assignment of the interest of Lessee (pursuant to the terms of this Lease Agreement) or of Lessor in and to this Lease Agreement shall act automatically as a transfer to the assignee of Lessor or of Lessee, as the case may be, of its respective interest in any funds on deposit with and held by any Construction Lender and Lessor, and every subsequent sale, conveyance or assignment by any assignee of Lessor or of Lessee also shall act automatically as a transfer of their respective rights to the deposits with such Construction Lender and Lessor to the subsequent assignee.

ARTICLE XXV: ADDITIONAL GENERAL PROVISIONS

Section 25.1 Absence of Personal Liability.

No member, official, or employee of Lessor shall be personally liable to Lessee, its successors and assigns, or anyone claiming by, through or under Lessee or any successor in interest to the Subject Property, in the event of any default or breach by Lessor or for any amount which may become due to Lessee, its successors and assigns, or any successor in interest to the Subject Property, or on any obligation under the terms of this Lease Agreement.

No member, official, or employee of Lessee shall be personally liable to Lessor, its successors and assigns, or anyone claiming by, through, or under Lessor or any successor in interest to the Subject Property, except as stated herein, in the event of any default or breach by Lessee or for any amount which become due to Lessor, its successors and assigns, or any successor in interest to the Subject Property, or on any obligation under the terms of this Lease Agreement.

Section 25.2 Lease Agreement Only Effective As Against Lessor Upon Approval.

This Lease Agreement is effective as against Lessor only upon the approval of this Lease Agreement by the GPIIP Board of Directors, in accordance with the Sitka General Code at Chapter 2.38, and the Sitka Assembly and signed by the Municipal Administrator.

Section 25.3 Binding Effects and Attorney's Fees.

This Lease Agreement shall be binding up and inure to the benefit of the respective successors and assigns of the Parties. In the event of litigation over this Lease Agreement, the Parties agree that the prevailing Party shall receive full reasonable attorneys' fees.

Section 25.4 Duplicate Originals.

This Lease Agreement may be executed in any number of copies, each of which shall constitute an original of this Lease Agreement. The warranties, representations, agreements and undertakings shall not be deemed to have been made for the benefit of any person or entity, other than the Parties.

Section 25.5 Declaration of Termination.

With respect to Lessor's rights to obtain possession of the Subject Property or to revest title in itself with respect to the leasehold estate of the Lessee in the Subject Property, Lessor shall have the right to institute such actions or proceedings as it may deem desirable to effectuate its rights including, without limitation, the right to execute and record or file with the Recorder of Sitka Recording District, a written declaration of the termination of all rights and title of Lessee in the Subject Property, and the revesting of any title in Lessor as specifically provided in this Lease Agreement.

Section 25.6 Authority

Lessor and Lessee represent to each other that each has, and has exercised, the required corporate power and authority and has complied with all applicable legal requirements necessary to adopt, execute and deliver this Lease Agreement and perform its obligations. Both Parties also represent that this Lease Agreement has been duly executed and delivered by each and constitutes a valid and binding obligation of each enforceable in accordance with its terms, conditions, and provisions.

NORTHLINE SEAFOODS LLC

CITY AND BOROUGH OF SITKA, ALASKA

Gene Glaab, Member

Phillip Messina, Interim Municipal Administrator

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

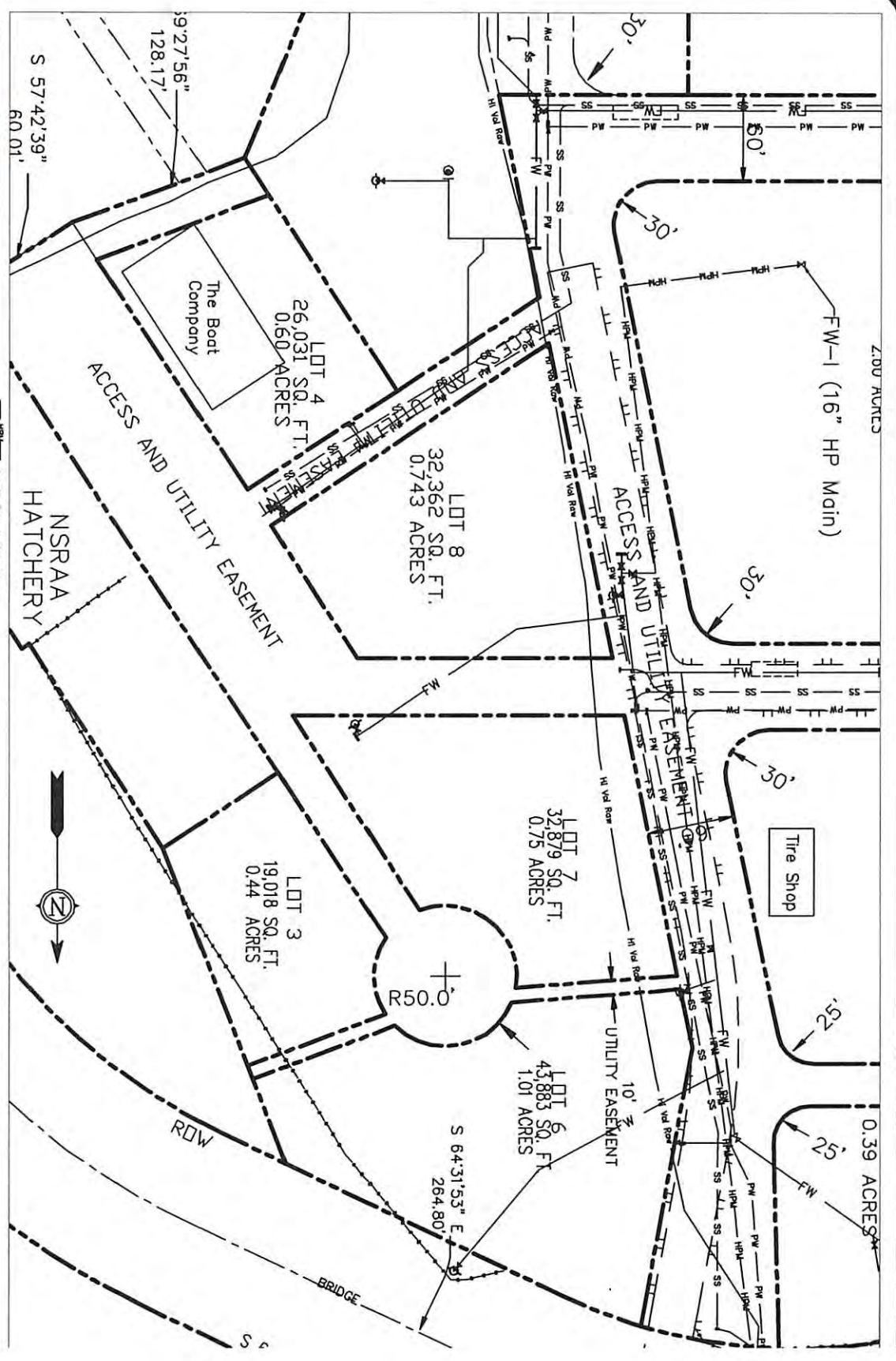
On this ____ day of _____, 2017, Gene Glaab, whose identity is personally known to me or proved to me on the basis of satisfactory evidence, signs this Lease Agreement on behalf of Northline Seafoods LLC, and affirms by signing this document to be authorized to sign on behalf of Northline Seafoods LLC, and does so freely and voluntarily.

Notary Public in and for the State of 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 in and for the State of Alaska
My commission expires: _____



- HPN Old High Pressure Water Main
- HPW New Potable Standard Pressure Potable Water Main
- HPN New High Pressure Potable Water Main
- SS Sanitary Sewer
- W Water
- WWS Water Wastewater
- HPN Fire Hydrant on Fire Suppression System
- HPN Fire Hydrant on New Potable System
- HPN Fire Hydrant on New Potable System

Utility Layout
Lots 3-4 & 6-8 Block 4
Sawmill Cove Industrial Park

DRAWN: TAD	SCALE: 1"=100'
CHECKED: N/A	DATE: AUG 2008
DRAWING NAME: Sawmill Cove Industrial Park	
SHEET NO. 1 / 5	

REVISED Memorandum of Understanding
Between the State of Alaska and the City and Borough of Sitka
Management Plan for Sawmill Cove Industrial Park
(Former APC Mill Site)
May 28, 2014

This revised Memorandum of Understanding (MOU) "Management Plan" is made between the State of Alaska (State) and the City and Borough of Sitka (CBS) to set forth measures for implementing recorded institutional controls and other long-term responsibilities for management of the former Alaska Pulp Corporation property located at what is now known as the Sawmill Cove Industrial Park. This revised MOU supersedes the April 28, 1999 MOU signed by Commissioner Michele Brown and Sitka Mayor Stan Filler.

This Management Plan describes how CBS and the State will work together to implement the recorded institutional controls and site management activities for the uplands area and navigation and dredging.

Introduction

From approximately 1995-1999, the State required intensive studies of the environmental conditions of the property and the larger areas affected by the operation of the former APC pulp mill (the Upland and Bay Operable Unit study areas) in consultation with the Sitka Tribe of Alaska, other agencies, and the public. This revised Management Plan specifies the remaining work to be done under a 1999 prospective purchaser agreement between the State and CBS for the former APC pulp mill property. The PPA limits CBS liability for existing contamination associated with the property in exchange for this work.

Uplands – Land Use, Future Construction Activities, and Management of Contaminated Soils or Other Contaminated Media

Restrictive Covenants – Two of the four restrictive covenants recorded by APC in 1997 were rescinded in 2005 to allow for unrestricted land use at the former developed mill site (AK Tidelands Patent No. 20 and U.S. Survey No. 2797). Two covenants remain in effect. Restrictive Covenant Sitka Plat 81-40 comprises 12.522 acres at Herring Cove. Restrictive Covenant U.S. Patent No. 1213671 comprises 143.87 acres adjacent to the former developed mill site. The remaining two restrictive covenants are effective until July 11, 2097, or until dioxins and furans are shown not to be present in concentrations exceeding site-specific, risk-based residential cleanup levels. The restrictive covenants disallow human habitation, schooling of children, hospital care, child care or any purpose necessitating around-the-clock residency by humans. Of its own accord or if requested by CBS, DEC will review information showing that these restrictions may be modified or lifted.

Reporting – If contaminated soils or other media that require special handling are encountered during construction activities, CBS or its tenants or contractors working on the Sawmill Cove Industrial Park property will promptly notify DEC's Contaminated Sites Program, Juneau office, and the CBS Public Works Director. These obligations exist in addition to any other notifications required by law. The Public Works Director or designee, who may be a qualified contractor, shall serve as the project manager for managing the material or taking any remedial actions.

REVISED Memorandum of Understanding
Between the State of Alaska and the City and Borough of Sitka
Management Plan for Sawmill Cove Industrial Park
(Former APC Mill Site)

May 28, 2014

Site Management – The Public Works Director or designee will require the testing and proper treatment or disposal in accordance with applicable law and DEC regulations and guidance on the management of contaminated soils or other contaminated media. The Public Works Director or designee will promptly report the actions to be taken to DEC as required by applicable law.

DEC Approvals – DEC will process any approvals necessary for addressing existing contamination as part of the implementation of the amended Record of Decision and its institutional controls under applicable regulations and not as enforcement actions.

Sawmill Cove – Future Construction Activities and Vessel Management

Definitions:

1. Area of Concern - The Area of Concern (AOC) is an area in west Sawmill Cove approximately 100 acres in size. The boundary of the AOC begins approximately 2000 lineal feet southwest of outfall 001, extends 500 feet offshore along a southeast line, and follows a rough arc through western Sawmill Cove back to the shoreline approximately 1200 lineal feet north of outfall 001
2. No Disturbance Zone - A No Disturbance Zone (NDZ) has been established within the AOC. The purposes of the NDZ are to minimize re-suspension of pulp residue and to ensure that no activity occurs that may compromise the ability of the area to achieve the natural recovery ecological management goals within the stated time frame. The NDZ is an area of tidal and submerged lands and overlying seas within the Area of Concern where toxicity is greatest and pulp residue thickest. The area encompasses approximately 6 acres of tidal and submerged lands extending to the southwest immediately offshore of outfall 001. The area is bounded by a perimeter that begins at a shoreward point 50' from the south end of the former pulp dock; extends approximately 425' into Sawmill Cove along a southeast line to the intersection of the - 100 foot contour; turns southwest for approximately 375' to the intersection of the - 120 foot contour; and turns due west for approximately 375' to a point shoreward
3. Navigational Corridor – The Navigational Corridor is an area of tidal and submerged lands and overlying seas in the AOC bounded by a perimeter that begins at a shoreward point fifty feet (50') from the south end of the former pulp dock; parallels the end of the dock out to the minus sixty foot (-60') contour interval; follows the minus sixty foot (-60') contour to the north end of the Area of Concern boundary, and swings shoreward along the AOC boundary line.

Navigational Dredging - Navigational dredging on the west side of Sawmill Cove in the AOC should be limited to the Navigational Corridor unless extenuating circumstances prevail. Navigational dredging within the AOC does not include blasting of the outcrop of native rocky material in front of the former pulp dock that follows the depth contours to the southeast.

REVISED Memorandum of Understanding
Between the State of Alaska and the City and Borough of Sitka
Management Plan for Sawmill Cove Industrial Park
(Former APC Mill Site)

May 28, 2014

Dredging actions that occur outside of the Navigation Corridor should be limited in scope and ancillary to in-water construction.

Dock Use and Future Expansion – Existing docks can be used as-is without any further regulatory action, subject only to berthing and dock expansion alternatives identified in the *Decision Framework for Managing Navigation in Sawmill Cove* (Exhibit 7, 1999 MOU). These alternatives are consistent with the remedy (natural recovery) and may be implemented through the normal permit process. Other berthing options are not necessarily precluded, but if proposed, they would have to be evaluated in the future for consistency with the remedy.

In-Water Construction - In-water construction in the AOC is allowed with appropriate precautions and best management practices, incorporated through the permitting process, to minimize disturbance or re-suspension of sediments. In-water construction in the AOC may include pilings, dolphins, docks, bulkheads, moorage and navigation aids, and other structures

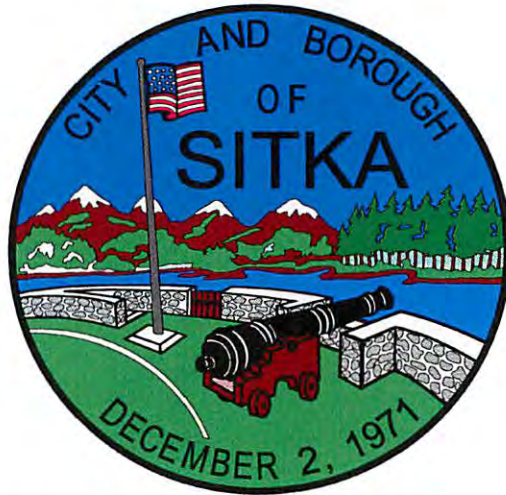
Vessel Management – Vessels are permitted to drop anchor in the AOC, excluding the NDZ and a 100' corridor designed to protect the wastewater discharge pipe that extends beyond the AOC. New single point mooring systems and navigation aids may be established, as needed. The NDZ boundaries and the pipeline corridor are depicted on the CBS Geographic Information System, viewable on-line at <http://www.cityofsitka.com/government/departments/planning/index.html>, and on NOAA charts.

Approaching or departing vessels may traverse the NDZ as long as precautionary measures are taken to minimize disturbance of bottom sediments. To the extent that it is safe and practicable, the following standard operating procedures should be followed by personnel maneuvering approaching or departing vessels in the vicinity of the No Disturbance Zone:

- Approach the dock at as high an angle as possible.
- Minimize the use of the main propulsion system, thrusters, and tugs when over or near the NDZ or buffer zone.
- Use as low a “bell” (such as “dead slow” or the slowest revolutions per minute ordered) when berthing.

Dredging, expansion of moorage, and in-water construction are prohibited in the NDZ, except that CBS may repair, maintain, or remove existing facilities using best management practices to minimize disturbances with approval by DEC prior to the work.

The Sawmill Cove Industrial Park manager will provide each landowner and tenant with a signed copy of the revised Management Plan. The plan must be filed with the Sitka Recorder's Office for each affected parcel. DEC's Institutional Controls Unit, at DEC.ICUNIT@alaska.gov must be notified of each filing and furnished with a copy of the Notice of Restricted Area in Sawmill Cove.



LEASE AGREEMENT

BETWEEN

**THE
CITY AND BOROUGH OF SITKA**

AND

**NORTHLINE SEAFOODS, LLC
PORTION OF
BLOCK 4, LOT 9A, GPIIP**

**LEASE AGREEMENT BETWEEN
CITY AND BOROUGH OF SITKA AND
NORTHLINE SEAFOODS LLC.**

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EXHIBITS:

- Exhibit A – Diagram of Subject Property
- Exhibit B – Management Requirements at Gary Paxton Industrial Park, Sitka, Alaska

**LEASE AGREEMENT BETWEEN
CITY AND BOROUGH OF SITKA AND
NORTHLINE SEAFOODS LLC.**

PREAMBLE

This Lease Agreement (“Lease Agreement”) between City and Borough of Sitka and Northline Seafoods LLC is effective upon execution of the Lease Agreement by both Parties, City and Borough of Sitka, 100 Lincoln Street, Sitka, Alaska 99835 (“Sitka” “or “Lessor”) and Northline Seafoods LLC, 4690 Sawmill Creek Road, Sitka, Alaska 99835 (“Lessee”). This Lease Agreement consists of the Special Provisions, the General Provisions, and the attached Exhibits A and B. Exhibit A is a pictorial representation of the area leased, consisting of a 43,637 SF portion of Lot 9A, of the Gary Paxton Industrial Park (“GPIP”). Exhibit B is the “Management Requirements at GPIP, Sitka, Alaska,” which summarizes the Prospective Purchasers Agreement, the Management Plan and the Conveyance Agreement regarding GPIP. This Lease Agreement was recommended for approval by the GPIP Board of Directors on June 8, 2017, and approved by the Assembly on July 11, 2017.

SPECIAL PROVISIONS

ARTICLE I: LEASE, TERM OF LEASE, AND TERMINATION OF LEASE

Section 1.1 Conveyance of Estate in Lease

Lessor, for and in consideration of the covenants and agreements made by Lessee, does lease to Lessee, and Lessee leases from Lessor, the “Subject Property” or “Premises” as shown on Exhibit A. The “Subject Property” is a 43,637 SF portion of Block 4, Lot 9A, of the GPIP. The “Term” is for 24 months, effective July 15, 2017, or such modified date as the parties may agree in writing.

Section 1.2 Reserved

Section 1.3 Disposition of Improvements and Lessee's Personal Property Following Term of Lease Agreement.

Lessee shall remove from the Subject Property any personal property or Improvements constructed, installed, or deposited on the Subject Property at the termination of this Lease Agreement, or any extension, unless Lessee makes a separate written agreement with Sitka to do otherwise. Any Improvements or personal property not removed after thirty (30) days have passed after termination of this Lease Agreement shall be deemed abandoned and at Lessor's option shall become the property of Lessor, and Lessee shall repay to Sitka any costs of removing such improvements or personal property from the Subject Property if Sitka does not exercise such option. Subject to Sitka’s obligations under Subsection 3.1(a) below, Lessee agrees to leave Subject Property in a neat and clean condition at the end of the Term of the Lease Agreement.

Section 1.4 Covenants to Perform.

This Lease Agreement is made upon the above and the following terms and conditions, each of which the Party bound by such covenants and conditions agrees to perform, irrespective of whether the particular provision is in the form of a covenant, an agreement, a condition, a direction, or otherwise, and each Party agrees to provide the other Party with documents or further assurances as may be required to carry out the expressed intentions.

ARTICLE II: RENT AND OTHER OBLIGATIONS OF LESSEE

Section 2.1 Calculation and Method of Payment of Rent.

Notwithstanding any other provision of this Lease Agreement, on the Term start date set out in Article I, Lessee shall pay the full month rent payment owed under this Lease Agreement, which shall be prorated if the date this Lease is executed is not the first day of the month. Subject to the provision in the previous sentence, Lessee shall pay the lease payments in advance for the Term of the Lease Agreement without the necessity of any billing by Lessor. Lessee will lease the Subject Property as shown in Exhibit A at a rate outlined in the table below. City and Borough of Sitka sales tax is to be paid in addition to the stated Rent.

43,637 SF portion of Lot 9A				
Month	Rate/Sq. Ft./Mo	Space	Total/Month	Total
1 st through 12 th	\$0.00	43,637 sq. ft.	\$0.00	\$0.00
13 th – 15 th	\$0.01	43,637 sq. ft.	\$436.73	\$1,309.11
16 th – 18 th	\$0.02	43,637 sq. ft.	\$872.74	\$2,618.22
19 th - 21 st	\$0.03	43,637 sq. ft.	\$1,309.11	\$3,927.33
21 st – 24 th	\$0.06	43,637 sq. ft.	\$2,618.22	\$7,854.66

Section 2.2 Property Tax Responsibility.

Beginning on the Term start date, Lessee will be responsible to pay any property taxes to City and Borough of Sitka for its possessory interest in the building, land, and equipment to the extent taxable as determined by the Assessor, which is assessed as of January 1 of each calendar year.

ARTICLE III: RESTRICTIONS UPON USE OF SUBJECT PROPERTY

Section 3.1 Lessee's Obligations as to Improvements, Construction, Maintenance, Repair and Safety.

(a) Except as provided in this Lease Agreement, Lessee acknowledges the leasehold is in an “as is” condition. At the sole cost and expense of Lessee and in compliance with all legal requirements, Lessee may modify the waterfront topography of the Subject Property to accommodate the haul out the Lessee barge. Otherwise, Lessee shall not make any alterations, additions, or improvements to the Subject Property unless it first receives Lessor’s written consent.

Lessor reserves the right to expand or modify the Subject Property. In that event, Lessor and Lessee will work together to complete such expansion or modification in a manner that minimizes

disruption to Lessee's use of the Subject Property. Some anticipated disruptions could be operational disturbances from noise, dust and other construction activities.

(b) Lessee acknowledges that Lessor has made no representation or warranty with respect to Lessee's ability to obtain any permit, license, or approval.

(c) Lessee shall also use the Subject Property and any Improvements placed thereon only for lawful uses.

(d) Lessee shall confine its operation on the Subject Property.

(e) Lessee shall not permit the accumulation of waste or refuse matter on the Subject Property, and Lessee shall not obstruct or permit the obstruction of the streets, sidewalks, access ways, or alleys adjoining the Subject Property except as may be permitted by Lessor or other municipal authorities having jurisdiction. Lessee shall do all things necessary during the Term of this Lease Agreement to remove any dangerous condition from time to time existing on the Subject Property as the result of the use by Lessee.

(f) Lessee may erect outdoor signage, at its expense, with the written permission of the City and Borough of Sitka Building Official, the Planning Director, and the Public Works Director. The style, size and physical placement location of the sign will be approved on a case-by-case basis.

Section 3.2 Rights of Access to Property.

(a) Lessor reserves for itself and any public utility company the right to access the Subject Property at all reasonable times in a reasonable manner for the purposes of opening, inspecting, repairing, replacing, reconstructing, maintaining, or servicing the public utilities, if any, located on the Subject Property, as well as for the purposes of constructing or installing new public utilities. Lessor also reserves for itself and the Alaska Department of Environmental Conservation the right to access the Subject Property at all reasonable times in a reasonable manner for the purposes of regulation and enforcement of this Lease Agreement. Sitka also reserves for itself the right to access the Subject Property at all reasonable times in a reasonable manner for the purposes of (1) inspection of all work being performed in connection with the construction of Improvements; (2) showing Subject Property for exhibiting Subject Property in connection with renting or leasing Subject Property in a matter that will not unreasonably interfere with Lessee's business; and (3) placing "For Sale" or "For Rent" signs on Subject Property. Lessee shall not charge for any of the access allowed in the situations described in this subsection.

(b) Lessee shall not construct any permanent Improvements over or within the boundary lines of any easement for public utilities without receiving the written prior consent of Lessor and any applicable utility company.

(c) Lessee acknowledges that the Subject Property is or shall be subject to agreements for ingress and egress, utilities, parking, and maintenance of common areas as described on attached Exhibit A. Lessee agrees that it shall comply with the terms of such cooperative agreements, in accordance

with the terms of such agreements, those portions of such maintenance expenses that are attributable to the Subject Property, as more fully set forth therein.

Section 3.3 Additional Conditions of Leasing.

Lessee recognizes and shall cause all beneficiaries of Lessee and all permitted successors in interest in or to any part of the Subject Property to recognize that:

(a) Lessee will cooperate with the City and Borough of Sitka Public Works Department and will notify this Department of any maintenance deficiencies or of any equipment failures that require maintenance or repair. Lessee will be provided a 24 hour telephone number to notify Lessor of any event that requires immediate response by Lessor.

(b) Lease payments will be made in monthly installments in advance in cash or by check, bank draft or money order made available to the City and Borough of Sitka. Installments to be delivered or mailed to 100 Lincoln Street, Sitka, Alaska 99835, by or on the first day of each calendar month.

(c) Lease payments shall become delinquent if not paid within ten (10) days after the due date. Delinquent payments are subject to a late charge of \$25 and interest accrued from the due date at 12% per annum.

(d) The charges and fees paid by Lessee to Lessor must be separated according to the City and Borough of Sitka accounting standards.

(e) Lessor will invoice if lease payments are delinquent. Lessor may also invoice if Lessee fails to make lease payment within 30 days of due date. Lessor at its option can terminate the Lease Agreement for Lessee's failure to make payment.

(f) Lessee covenants and agrees that, as it relates to use of the Premises, it will not, on the grounds of race, color or national origin, discriminate or permit discrimination against any person or group of persons in any manner prohibited by Federal or State laws or regulations promulgated thereunder, and Lessee further grants the Lessor the right to take such action to enforce such covenant as it deems necessary or as it is directed pursuant to any Federal or State law or regulation.

(g) Lessor may sell the Subject Property in the future and all agreements regarding the Subject Property, including this Lease Agreement, between Lessor and Lessee shall be completely transferable to the new owner. A transfer of the Subject Property to any such entity shall not create any restrictions upon use of the Subject Property in addition to those set forth in this Lease Agreement.

(h) Lessor may, upon at least 10 days prior notice to Lessee, temporarily suspend the supply, if provided on the Subject Property, of water, wastewater service, electric power to perform routine maintenance and, in all events, subject to unavoidable delays. Such interruptions shall be of as

short duration as necessary to perform such maintenance, and Lessor shall not be responsible for any such costs or expenses as a result of suspending such utilities.

(i) Lessee will pay any applicable City and Borough of Sitka Fire Marshal fees and other building permit fees and property taxes and assessments when due.

(j) Lessee is responsible for taking any measures that Lessee deems necessary to provide security for its property. Sitka is not responsible for theft or vandalism.

(k) City and Borough of Sitka sales tax will apply to lease payments. Sales taxes will also apply to any utility services and will be calculated into each monthly billing from the City and Borough of Sitka. Sales tax rates, limits, exemptions, and exclusions are subject to change by the Assembly of the City and Borough of Sitka.

(l) In accord with commercially reasonable standards and the Rules set forth in Exhibit B, Lessee shall not store hazardous or explosive materials on the Subject Property or on any property of GPIIP.

(m) Lessee will grant access to Lessor on the Subject Property to stage and conduct shoreline stabilization in the 30' access and utility easement between Lot 4 and the tidelands.

(n) Lessee will be responsible for removing the stored rock and materials currently on the Subject Property and will return the Subject Property to a reasonably flat and level condition by the end of the Term of this Lease or within thirty (30) days of earlier termination.

Section 3.4 Control of Rodents and Other Creatures on Subject Property.

Lessee shall take reasonable affirmative measures to ensure that its operations do not attract to the Subject Property or any portion of the GPIIP property any of the following creatures: rodents, vermin, insects, eagles, crows, ravens, seagulls, or bears.

ARTICLE IV: POSSESSION AND CONSTRUCTION OF IMPROVEMENTS.

Section 4.1 Lessee's Construction Obligations.

At the sole cost and expense of Lessee and pursuant to building permits and in compliance with all legal requirements, Lessee shall purchase, construct and/or develop the appropriate improvements, personal property, fixtures or buildings, including but not limited to any structures referred to in Section 1.1 of this Lease Agreement, and other items on Subject Property in a first class manner, of good quality and all work shall be performed diligently. The items to be purchased, constructed and/or developed shall be those reasonably necessary to conduct Lessee's intended business operations on Subject Property.

(a) In addition to Section 3.1(b) of this Lease Agreement, Lessor, in its proprietary capacity only, agrees to cooperate reasonably with Lessee in its efforts to secure the requisite

permits, licenses and approvals to allow the purchase, construction, and/or development of any project by Lessee. Notwithstanding the foregoing, Lessee acknowledges that Lessor has made no representation or warranty with respect to Lessee's ability to obtain any permit, license or approval (including a building permit) or to meet any other requirements for development of any project. Nothing in this Lease Agreement is intended or shall be construed to require that Lessor exercise its discretionary authority under its regulatory ordinances to further any project nor binds the Lessor to do so. The Lessor will process applications for permits, licenses and approvals as if such application were made without any Lessor participation in such project and shall act in good faith with respect thereto.

- (b) Approval by Lessor of any item shall not constitute a representation or warranty by Lessor that such item complies with any legal requirements and Lessor assumes no liability. Lessor has no obligation or duty to design, supervise the design, construct or supervise the construction of the improvements. Lessor's approval of the construction plans, as provided below, is for the sole purpose of protecting its rights as the owner of the land on which the leasehold sits and shall not constitute any representation or warranty, express or implied, as to the adequacy of the design, or any obligation on Lessor to insure that work or materials are in compliance with the construction plans or any building requirements imposed by a governmental agency. Lessor is under no obligation or duty, and disclaims any responsibility, to pay for the cost of construction of the improvements or any other items, the cost of which shall at all times remain the sole liability of Lessee.

(c) For all acts other than the acts of Lessor, its officers, agents, and employees, unless Lessee violates the prospective Purchaser Agreement, Management Agreement and related documents or otherwise exacerbates or aggravates existing conditions, Lessee covenants to indemnify, defend and hold harmless Lessor and its agents and employees from and against all claims and demands whatsoever for loss or damage including property damage, personal injury and wrongful death arising out of construction of the improvements, any development or repairs made at any time on the Subject Property, the performance of this Lease Agreement by Lessee, its agents, employees, contractors, subcontractors or invitees, any incident, fire or other casualty in respect of the Subject Property, any failure by Lessee to keep the Subject Property, or any improvements on it, in a safe condition, and all other activities occurring on or at the Subject Property.

ARTICLE V: UTILITY SERVICES & RATES

Section 5.1 Provision of Utility Services

Lessee shall pay the cost for use of any utility services on the Subject Property, with monthly payments due upon billing by the City and Borough of Sitka.

Section 5.2 Reserved.

Section 5.3 Lessor Not Limited Liability and Non-Liability.

Lessor shall not be liable for any failure of utility services, or for any injury or damages to person or property caused by or resulting from any natural disaster, natural condition, earthquake, hurricane, tornado, flood, wind or similar storms or disturbances, or water, rain, or snows which may leak or flow from the street, sewer, or from any part of Subject Property, or leakage of sewer, or plumbing works therein, or from any other place. Lessor shall not be held responsible or liable for any claim or action due to or arising from any suspension of operation, breakage, unavoidable accident or injury of any kind occurring to, or caused by the sewer mains through any force majeure.

Section 5.4. Requirement Regarding Potable Water Services.

All potable water services will be metered and protected by approved backflow prevention in accordance with the Sitka General Code at Section 15.05.400.

ARTICLE VI: LIABILITY AND INDEMNIFICATION

Section 6.1 Liability of Lessee and Indemnification of Lessor.

Lessee agrees to indemnify, defend, and hold harmless Lessor against and from any and all claims by or on behalf of any person, firm, or corporation arising, other than due to acts or omissions of Lessor or pre-existing conditions, from the conduct or management of or from any work or thing whatsoever done in or about the Subject Property and structures and Improvements, including liability arising from products produced on the property. Lessee also agrees to indemnify, defend, and hold Lessor harmless against and from any and all claims and damages arising, other than due to acts or omissions of Lessor, during the Term of this Lease Agreement from: (a) any condition of the Subject Property or Improvements placed on it by lessee; (b) any breach or default on the part of Lessee regarding any act or duty to be performed by Lessee pursuant to the terms of this Lease Agreement; (c) any act or negligence of Lessee or any of its agents, contractors, servants, employees or licensees; and (d) any accident, injury, death or damage caused to any person occurring during the Term of this Lease Agreement in or on the Subject Property. Lessee agrees to indemnify, defend, and hold harmless Lessor from and against all costs, counsel and legal fees, expenses, and liabilities incurred, other than due to acts or omissions of Lessor, in any claim or action or proceeding brought asserting claims of or asserting damages for any alleged act, negligence, omission, conduct, management, work, thing, breach, default, accident, injury, or damage described in the previous two sentences. The above agreements of indemnity are in addition to and not by way of limitation of any other covenants in this Lease Agreement to indemnify Lessor. The agreements of indemnity by Lessee do not apply to any claims of damage arising out of the failure of Lessor to perform acts or render services in its municipal capacity.

Section 6.2 Liability of Lessor and Indemnification of Lessee.

Except to the extent of liabilities arising from Lessee's acts or omissions, Lessor indemnifies, defends, and holds Lessee harmless for liabilities to the extent that they were incurred by reason of conditions existing on the site as of the date of execution of this Lease Agreement or by reasons of Lessor's acts or omissions. Lessor also agrees to indemnify, defend, and hold Lessee harmless against and from any and all claims and damages arising, other than due to acts or omissions of Lessee, during the Term of this Lease Agreement from (a) any condition of the Subject Property or Improvements placed on it by Lessor; (b) any breach or default on the part of the Lessor regarding any act or duty to be performed by Lessor pursuant to the terms of the Lease Agreement; (c) any act of negligence of Lessor or any of its agents, contractors, servants, employees, or licensees; and (d) any accident, injury, death, or damage caused to any person occurring during the Term of this Lease Agreement in or on the Subject Property. Lessor agrees to indemnify, defend, and hold harmless Lessee from and against all costs, counsel and legal fees, expenses, and liabilities incurred, other than due to acts or omissions of Lessee, in any claim or action or proceeding brought asserting claims of or asserting damages for any alleged act, negligence, omission, conduct, management, work, thing, breach, default, accident, injury, or damage described in the previous two sentences. The above agreements of indemnity are in addition to and not by way of limitation of any other covenants in this Lease Agreement to indemnify Lessee.

Section 6.3 Reimbursement of Costs of Obtaining Possession.

Each Party agrees to pay and to indemnify the other Party prevailing in any dispute under this Lease Agreement for all costs and charges, including but not limited to, full reasonable attorney and legal fees lawfully incurred in enforcing any provision of this Lease Agreement including obtaining possession of the Subject Property and establishing the Lessor's title free and clear of this Lease Agreement upon expiration or earlier termination of this Lease Agreement.

GENERAL PROVISIONS

ARTICLE VII: DEFINITIONS

Section 7.1 Defined Terms.

For the purposes of this Lease Agreement, the following words shall have the meanings attributed to them in this Section:

- (a) "Event of Default" means the occurrence of any action specified in Section 15.1.
- (b) "Imposition" means all of the taxes, assessments, utility rates or charges, levies and other governmental charges, levied or assessed against the Subject Property, any part thereof, any right or interest therein or any rent and income received therefrom as well as sales taxes on rent.

(c) "Improvements" or "improvements" means all improvements of any nature now or hereafter located upon the Land, as well as all apparatus and equipment necessary for the complete and comfortable use, occupancy, enjoyment and operation of the Subject Property, including any construction fencing or signage, excepting only in each case articles of personal property appurtenances and fixtures (including trade fixtures) owned by Lessee, Sublessees, or others, which can be removed without defacing or materially injuring the Improvements remaining on the Subject Property, from the Subject Property with the portion of the Subject Property from which such items are removed being returned to a condition at least as good as that existing on the date of this Lease Agreement. "Improvements" also includes fill, grading, asphalt, and other non-building land improvements.

(d) "Personal Property" means tangible personal property owned or leased and used by the Lessee or any sublessee of the Lessee, in connection with and located upon the Subject Property.

(e) "Premises" means the "Subject Property."

(f) "Rent" means the lease rate, which is the amount Lessee periodically owes and is obligated to pay Lessor as lease payments under this Lease Agreement for the use of the demise.

(g) "Subject Property" is the area leased as shown on Exhibit A or elsewhere in the document.

(h) "Sublessee" and "Sublease" -- any reference to "Sublessee" shall mean any subtenant, concessionaire, licensee, or occupant of space in or on the Subject Property holding by or through the Lessee; the term "Sublease" shall mean any lease, license, concession or other agreement for the use and occupancy of any part of the Subject Property made by any Person holding by or through the Lessee.

(i) "Term" means the period of time Lessee rents or leases the Subject Property from Lessor.

ARTICLE VIII: INSURANCE

Section 8.1 Insurance.

Lessee shall maintain property damage and comprehensive general liability insurance in the amount of One Million dollars (\$1,000,000), on the Subject Property including Improvements. Lessor shall be named as an additional insured.

Section 8.2 Notification of Claim, Loss, or Adjustment.

Lessee shall advise Lessor of any claim, loss, adjustment, or negotiations and settlements involving any loss under all policies of the character described in Section 8.1.

Section 8.3 Waiver of Subrogation.

The Party insured (or so required) releases the other Party from any liability the other Party may have on account of the loss, cost, damage or expense to the extent of any amount recoverable by reason of insurance whenever: (i) any loss, cost, damage or expense resulting from fire, explosion or any other casualty or occurrence is incurred by either of the Parties to this Lease Agreement, or anyone claiming under it in connection with the Subject Property or Improvements; and (ii) the Party is then covered in whole or in part by insurance with respect to loss, cost, damage or expense or is required under this Lease Agreement to be so insured.

In such coverage the Parties hold on or waives any right of subrogation which might otherwise exist in or accrue to any person on account of it, provided that the release of liability and waiver of the right of subrogation shall not be operative in any case where the effect is to invalidate the insurance coverage or increase its cost. In the case of increased cost, the other Party shall have the right, within thirty (30) days following written notice, to pay the increased cost keeping the release and waiver in full force and effect.

ARTICLE IX: RESTRICTIONS REGARDING ASSIGNMENT, SUBLEASES, AND TRANSFERS OF SUBJECT PROPERTY

Section 9.1 Lessee Without Power to Assign Lease or Transfer or Encumber Subject Property.

Lessee has no power under this Lease Agreement to assign the Lease Agreement or transfer the Subject Property, except with the approval of the GPIIP Board of Directors and the Sitka Assembly, which approval shall not be unreasonably withheld. Lessee has no power to encumber Subject Property or pledge its interest in Subject Property as collateral for a loan, mortgage, debt or liability.

Section 9.2 Limitations on Subleases.

Lessee shall not sublease the Subject Property or any portion of it except with the approval of the GPIIP Board of Directors and the Sitka Assembly, which approval shall not be unreasonably withheld. All subleases entered into demising all or any part of the Improvements or the Subject Property shall be expressly subject and subordinate to this Lease Agreement, including Exhibits A and B. Lessor's consent to a sublease of the Subject Property shall not release Lessee from its obligations under the Lease Agreement. Lessor's consent to a sublease shall not be deemed to give any consent to any subsequent subletting.

ARTICLE X: USE AND PROTECTION OF THE SUBJECT PROPERTY

Section 10.1 Property As Is - Repairs.

Lessee acknowledges that it has examined the Subject Property and the present improvements including any public improvements presently located there and knows the condition of them and accepts them in their present condition and without any representations or warranties of any kind or nature whatsoever by Lessor as to their condition or as to the use or occupancy which may be made of them. Lessee assumes the sole responsibility for the condition of the Improvements located on the Subject Property. The foregoing shall not be deemed to relieve Lessor of its general municipal obligations, or of its obligations under Section 3.1.

Notwithstanding the foregoing, the Parties acknowledge that the Subject Property is currently covered with rock placed on the Subject Property during the recent Blue Lake hydroelectric project, which Lessor shall cause to be removed prior to the commencement of this Lease Agreement.

Section 10.2 Compliance with Laws.

Lessee shall throughout the Term of this Lease Agreement and any extension, at Lessee's sole expense, promptly comply with all the laws and ordinances and the orders, rules, regulations, and requirements of all federal, state, and municipal governments and appropriate departments, commissions, boards, and officers (whether or not the same require structural repairs or alterations) and all other legal requirements that may be applicable to the use of the Subject Property. Nothing in the foregoing sentence shall be deemed to relieve Lessor of its general obligations in its municipal capacity.

Section 10.3 Notification of City and Borough of Sitka's Public Works Director of Discovery of Contamination.

Lessee shall promptly notify the Public Works Director of the City and Borough of Sitka within 24 hours if any contaminated soils or other media that require special handling are encountered on the Subject Property.

Lessee shall be responsible for all clean-up costs associated with contamination of soils, of the Subject Property, adjoining property, and/or buildings, caused by or attributed to Lessee through its operations on the Subject Property. In the event of Lessee's failure to clean-up to applicable regulatory standards or to the satisfaction of the Public Works Director, Lessor may perform clean-up or contract for clean-up and all charges for such work shall be paid by Lessee.

Section 10.4 Permits and Approvals for Activities.

Lessee shall be responsible for obtaining all necessary permits and approvals for its activities unless otherwise specifically allowed by Lessor. Contemporaneously with making any application for permits to any public entity other than the City and Borough of Sitka, Lessee shall provide

copies of all permit applications and associated plans and specifications to the Director of Public Works of the City and Borough of Sitka to facilitate review by departments of the City and Borough of Sitka. The City and Borough of Sitka is not obligated to comment on the permit applications and plans, and the result of any review by the City and Borough of Sitka does not affect Lessee's obligation to comply with any applicable laws.

ARTICLE XI: LESSOR'S RIGHT TO PERFORM LESSEE'S COVENANTS; REIMBURSEMENT OF LESSOR FOR AMOUNTS SO EXPENDED

Section 11.1 Performance of Lessee's Covenants To Pay Money.

Lessee covenants that if it shall at any time default or shall fail to make any other payment (other than rent) due and the failure shall continue for ten (10) days after written notice to Lessee, then Lessor may, but shall not be obligated so to do, and without further notice to or demand upon the Lessee and without releasing Lessee from any obligations of Lessee under this Lease Agreement, make any other payment in a manner and extent that Lessor may deem desirable.

Section 11.2 Lessor's Right To Cure Lessee's Default.

If there is a default involving the failure of Lessee to keep the Subject Property in good condition in accordance with the provisions of this Lease Agreement, to make any necessary renewals or replacements or to remove any dangerous condition in accordance with the requirements of this Lease Agreement or to take any other action required by the terms of this Lease Agreement, then Lessor shall have the right, but shall not be required, to make good any default of Lessee. Lessor shall not in any event be liable for inconvenience, annoyance, disturbance, loss of business, or other damage of or to Lessee by reason of bringing materials, supplies and equipment on the Subject Property during the course of the work required to be done to make good such default, and the obligations of Lessee under this Lease Agreement shall remain unaffected by such work, provided that Lessor uses reasonable care under the circumstances prevailing to avoid unnecessary inconvenience, annoyance, disturbance, loss of business, or other damage to Lessee.

Section 11.3 Reimbursement of Lessor and Lessee.

All sums advanced by Lessor pursuant to this Article and all necessary and incidental costs, expenses and attorney fees in connection with the performance of any acts, together with interest at the highest rate of interest allowed by law from the date of the making of advancements, shall be promptly payable by Lessee, in the respective amounts so advanced, to Lessor. This reimbursement shall be made on demand, or, at the option of Lessor, may be added to any rent then due or becoming due under this Lease Agreement and Lessee covenants to pay the sum or sums with interest, and Lessor shall have (in addition to any other right or remedy) the same rights and remedies in the event of the nonpayment by Lessee as in the case of default by Lessee in the payment of any installment of rent. Conversely, Lessee shall be entitled to receive from Lessor prompt payment or reimbursement on any sums due and owing from Lessor to Lessee, together with interest at the highest rate allowed by law. However, nothing contained in this Lease

Agreement shall entitle Lessee to withhold any rent due to Lessor or to offset or credit any sums against rent, except with respect to unpaid rental due from Lessor to Lessee under any sublease of building space to Lessor.

Article XII: Damage Or Destruction

Section 12.1 Repair and Replacement of Structures and Improvements Following Damage.

(a) If the Premises, other than those improvements made by Lessee, shall be destroyed or so injured by any cause as to be unfit, in whole or in part, for occupancy and such destruction or injury could reasonably be repaired within ninety (90) days from the date of such damage or destruction, then Lessee shall not be entitled to surrender possession of the Premises, nor shall Lessee's liability to pay rent under this Lease Agreement cease, without the mutual consent of the Parties; in case of any such destruction or injury, Lessor shall repair the same with all reasonable speed and shall complete such repairs within ninety (90) days from the date of such damage or destruction. If during such period Lessee shall be unable to use all or any portion of the Premises, a proportionate allowance shall be made to Lessee from the Rent corresponding to the time during which and to the portion of the Premises of which Lessee shall be so deprived of the use.

(b) If such destruction or injury cannot reasonably be repaired within ninety (90) days from the date of such damage or destruction, Lessor shall notify Lessee within fifteen (15) days after the determination that restoration cannot be made in 90 days. If Lessor elects not to repair or rebuild, this Lease Agreement shall be terminated. If Lessor elects to repair or rebuild, Lessor shall specify the time within which such repairs or reconstruction will be complete, and Lessee shall have the option, to be exercised within thirty (30) days after the receipt of such notice, to elect either to terminate this Lease Agreement and further liability hereunder, or to extend the Term of this Lease Agreement by a period of time equivalent to the time from the happening of such destruction or injury until the Premises are restored to their former condition. In the event Lessee elects to extend the Term of this Lease Agreement, Lessor shall restore the Premises to their former condition within the time specified in the notice, and Lessee shall not be liable to pay Rent for the period from the time of such destruction or injury until the Premises are so restored to their former condition.

(c) The timeframes in this article may be modified by mutual agreement of the Parties.

ARTICLE XIII: MECHANIC'S LIENS

Section 13.1 Discharge of Mechanics' Liens.

Lessee shall neither suffer nor permit any mechanics' liens to be filed against the title to the Subject Property, nor against Lessee's interest in the property, nor against the Improvements by reason of work, labor, services or materials supplied or claimed to have been supplied to Lessee or anyone having a right to possession of the Subject Property or Improvements as a result of an agreement

with or the assent of Lessee. If any mechanics' lien shall be filed against the Subject Property, including the Improvements, Lessee shall cause it to be discharged of record within thirty (30) days after the date that Lessee has knowledge of its filing.

ARTICLE XIV: LIEN FOR RENT AND OTHER CHARGES

Section 14.1 Lien for Rent.

The whole amount of the Rent and each and every installment, and the amount of all taxes, assessments, water rates, insurance premiums and other charges and impositions paid by Lessor under the provisions of this Lease Agreement, and all costs, attorney's fees and other expenses which may be incurred by Lessor in enforcing the provisions of this Lease Agreement or on account of any delinquency of Lessee in carrying out any of the provisions of this Lease Agreement, shall be and they are declared to constitute a valid and prior lien upon Lessee and Lessee's Improvements to the Subject Property, and upon Lessee's leasehold estate, and may be enforced by equitable remedies including the appointment of a receiver.

ARTICLE XV: DEFAULT PROVISIONS

Section 15.1 Events of Default.

Each of the following events is defined as an "Event of Default":

- (a) The failure of the Lessee to pay any installment of Rent, or any other payments or deposits of money, or furnish receipts for deposits as required, when due and the continuance of the failure for a period of ten (10) days after notice in writing from Lessor to Lessee.
- (b) The failure of Lessee to perform any of the other covenants, conditions and agreements of this Lease Agreement including payment of taxes on the part of Lessee to be performed, and the continuance of the failure for a period of thirty (30) days after notice in writing (which notice shall specify the respects in which Lessor contends that Lessee has failed to perform any of the covenants, conditions and agreements) from Lessor to Lessee unless, with respect to any default which cannot be cured within thirty (30) days, Lessee, or any person holding by, through or under Lessee, in good faith, promptly after receipt of written notice, shall have commenced and shall continue diligently and reasonably to prosecute all action necessary to cure the default within an additional sixty (60) days.
- (c) The filing of an application by Lessee (the term, for this purpose, to include any approved transferee other than a sublessee of Lessee's interest in this Lease Agreement): (i) for a consent to the appointment of a receiver, trustee or liquidator of itself or all its assets; (ii) of a voluntary petition in bankruptcy or the filing of a pleading in any court of record admitting in writing of its inability to pay its debts as they come due; (iii) of a general assignment for the benefit of creditors;

(iv) of an answer admitting the material allegations of, or its consenting to, or defaulting in answering, a petition filed against it in any bankruptcy proceeding.

(d) The entry of an order, judgment or decree by any court of competent jurisdiction, adjudicating Lessee a bankrupt, or appointing a receiver, trustee or liquidator of it or of its assets, and this order, judgment or decree continuing unstayed and in effect for any period of sixty (60) consecutive days, or if this Lease Agreement is taken under a writ of execution.

Section 15.2 Assumption or Assignment of Lease to Bankruptcy Trustee.

In the event that this Lease Agreement is assumed by or assigned to a trustee pursuant to the provisions of the bankruptcy reform Act of 1978 (referred to as "Bankruptcy Code") (11 U.S.C. § 101 *et seq.*), the trustee shall cure any default under this Lease Agreement and shall provide adequate assurances of future performance of this Lease Agreement as are required by the Bankruptcy Code (including but not limited to, the requirement of Code § 365(b)(1)) (referred to as "Adequate Assurances"), and if the trustee does not cure such defaults and provide such adequate assurances under the Bankruptcy Code within the applicable time periods provided by the Bankruptcy Code, then this Lease Agreement shall be deemed rejected automatically and Lessor shall have the right immediately to possession of the Subject Property immediately and shall be entitled to all remedies provided by the Bankruptcy Code for damages for breach or termination of this Lease Agreement.

Section 15.3 Remedies in Event of Default.

Lessor may treat any one or more of the Events of Default as a breach of this Lease Agreement and at its option, by serving written notice on Lessee and each Secured Party and Leasehold Mortgagee of whom Lessor has notice (such notice not to be effective unless served on each such person) of the Event of Default of which Lessor shall have received notice in writing, Lessor shall have, in addition to other remedies provided by law, one or more of the following remedies:

(a) Lessor may terminate this Lease Agreement and the Term created, in which event Lessor may repossess the entire Subject Property and Improvements, and be entitled to recover as damages a sum of money equal to the value, as of the date of termination of this Lease Agreement, of the Rent provided to be paid by Lessee for the balance of the stated term of this Lease Agreement less the fair rental value as of the date of termination of this Lease Agreement of the fee interest in the Subject Property and Improvements for the period, and any other sum of money and damages due under the terms of this Lease Agreement to Lessor and Lessee. Any personal property not removed after such termination shall be addressed as provided for in Section 1.4 above.

(b) Lessor may terminate Lessee's right of possession and may repossess the entire Subject Property and Improvements by forcible entry and detainer suit or otherwise, without demand or notice of any kind to Lessee (except as above expressly provided for) and without terminating this Lease Agreement, in which event Lessor may, but shall be under no obligation to do so, relet all or any part of the Subject Property for rent and upon terms as shall be satisfactory in the judgment

reasonably exercised by Lessor (including the right to relet the Subject Property for a term greater or lesser than that remaining under the stated Term of this Lease Agreement and the right to relet the Subject Property as a part of a larger area and the right to change the use made of the Subject Property). For the purpose of reletting, Lessor may make any repairs, changes, alterations or additions in or to the Subject Property and Improvements that may be reasonably necessary or convenient in Lessor's judgment reasonably exercised; and if Lessor shall be unable, after a reasonable effort to do so, to relet the Subject Property, or if the Subject Property is relet and a sufficient sum shall not be realized from reletting after paying all of the costs and expenses of repairs, change, alterations and additions and the expense of reletting and the collection of the Rent accruing from it, to satisfy the rent above provided to be paid, then Lessee shall pay to Lessor as damages a sum equal to the amount of the Rent reserved in this Lease Agreement for the period or periods as and when payable pursuant to this Lease Agreement, or, if the Subject Property or any part of it has been relet, Lessee shall satisfy and pay any deficiency upon demand from time to time; and Lessee acknowledges that Lessor may file suit to recover any sums falling due under the terms of this Section from time to time and that any suit or recovery of any portion due Lessee shall be no defense to any subsequent action brought for any amount not reduced to judgment in favor of Lessor. Any personal property not removed after such termination shall be addressed as provided for in Section 1.4 above.

(c) In the event of any breach or threatened breach by Lessee of any of the terms, covenants, agreements, provisions or conditions in this Lease Agreement, Lessor shall have the right to invoke any right and remedy allowed at law or in equity or by statute or otherwise as through reentry, summary proceedings, and other remedies were not provided for in this Lease Agreement.

(d) Upon the termination of this Lease Agreement and the Term created, or upon the termination of Lessee's right of possession, whether by lapse of time or at the option of Lessor, Lessee will at once surrender possession of the Subject Property and dispose of personal property and Improvements as described in Section 1.4. If possession is not immediately surrendered, Lessor may reenter the Subject Property and Improvements and repossess itself of it as of its former estate and remove all persons and their personal property, if such can be done without using force. Lessor may at its option seek expedited consideration to obtain possession if Lessor determines that the Lease Agreement has terminated as described in the first sentence of this paragraph, and Lessee agrees not to oppose such expedited consideration.

(e) In the event that Lessee shall fail to make any payment required to be made provided for in this Lease Agreement or defaults in the performance of any other covenant or agreement which Lessee is required to perform under this Lease Agreement during the period when work provided for in this Lease Agreement shall be in process or shall be required by the terms of this Lease Agreement to commence, Lessor may treat the default as a breach of this Lease Agreement and, in addition to the rights and remedies provided in this Article, but subject to the requirements of service of notice pursuant to this Lease Agreement, Lessor shall have the right to carry out or complete the work on behalf of Lessee without terminating this Lease Agreement.

Section 15.4 Waivers and Surrenders To Be In Writing.

No covenant or condition of this Lease Agreement shall be deemed to have been waived by Lessor unless the waiver be in writing, signed by Lessor or Lessor's agent duly authorized in writing and shall apply only with respect to the particular act or matter to which the consent is given and shall not relieve Lessee from the obligation, wherever required under this Lease Agreement, to obtain the consent of Lessor to any other act or matter.

ARTICLE XVI: LESSOR'S TITLE AND LIEN

Section 16.1 Lessor's Title and Lien Paramount.

Lessor has title to the Land, and Lessor's lien for Rent and other charges shall be paramount to all other liens.

Section 16.2 Lessee Not To Encumber Lessor's Interest.

Lessee shall have no right or power to and shall not in any way encumber the title of Lessor in and to the Subject Property. The fee-simple estate of Lessor in the Subject Property shall not be in any way subject to any claim by way of lien or otherwise, whether claimed by operation of law or by virtue of any express or implied lease or contract or other instrument made by Lessee, and any claim to the lien or otherwise upon the Subject Property arising from any act or omission of Lessee shall accrue only against the leasehold estate of Lessee in the Subject Property and Lessee's interest in the Improvements, and shall in all respects be subject to the paramount rights of Lessor in the Subject Property.

ARTICLE XVII: REMEDIES CUMULATIVE

Section 17.1 Remedies Cumulative.

No remedy conferred upon or reserved to Lessor shall be considered exclusive of any other remedy, but shall be cumulative and shall be in addition to every other remedy given under this Lease Agreement or existing at law or in equity or by statute. Every power and remedy given by this Lease Agreement to Lessor may be exercised from time to time and as often as occasion may arise or as may be deemed expedient by Lessor. No delay or omission of Lessor to exercise any right or power arising from any default shall impair any right or power, nor shall it be construed to be a waiver of any default or any acquiescence in it.

Section 17.2 Waiver of Remedies Not To Be Inferred.

No waiver of any breach of any of the covenants or conditions of this Lease Agreement shall be construed to be a waiver of any other breach or to be a waiver of, acquiescence in, or consent to any further or succeeding breach of it or similar covenant or condition.

Section 17.3 Right to Terminate Not Waived.

Neither the rights given to receive, sue for or distrain from any rent, moneys or other payments, or to enforce any of the terms of this Lease Agreement, or to prevent the breach or nonobservance of it, nor the exercise of any right or of any other right or remedy shall in any way impair or toll the right or power of Lessor to declare ended the Term granted and to terminate this Lease Agreement because of any event of default.

ARTICLE XVIII: SURRENDER AND HOLDING OVER

Section 18.1 Surrender at End of Term.

Lessee shall peaceably and quietly leave, surrender and deliver the entire Subject Property to Lessor at the termination of the Lease Agreement, subject to the provisions of Section 1.4, in good repair, order, and condition, environmentally clean and free of contaminants, reasonable use, wear and tear excepted, free and clear of any and all mortgages, liens, encumbrances, and claims. At the time of the surrender, Lessee shall also surrender any and all security deposits and rent advances of Sublessees to the extent of any amounts owing from Lessee to Lessor. If the Subject Property is not so surrendered, Lessee shall repay Lessor for all expenses which Lessor shall incur by reason of it, and in addition, Lessee shall indemnify, defend and hold harmless Lessor from and against all claims made by any succeeding Lessee against Lessor, founded upon delay occasioned by the failure of Lessee to surrender the Subject Property.

Section 18.2 Rights Upon Holding Over.

At the termination of this Lease Agreement, by lapse of time or otherwise, Lessee shall yield up immediately possession of the Land to Lessor and, failing to do so, agrees, at the option of Lessor, to pay to Lessor for the whole time such possession is withheld, a sum per day equal to one hundred and fifty percent (150%) times 1/30th of the aggregate of the Rent paid or payable to Lessor during the last month of the Term of the Lease Agreement the day before the termination of the Lease Agreement. The provisions of this Article shall not be held to be a waiver by Lessor of any right or reentry as set forth in this Lease Agreement, nor shall the receipt of a sum, or any other act in apparent affirmance of the tenancy, operate as a waiver of the right to terminate this Lease Agreement and the Term granted for the period still unexpired for any breach of Lessee under this Lease Agreement.

ARTICLE XIX: MODIFICATION

Section 19.1 Modification.

None of the covenants, terms or conditions of this Lease Agreement to be kept and performed by either Party to this Lease Agreement shall in any manner be waived, modified, changed or abandoned except by a written instrument duly signed, acknowledged, and delivered by both Lessor and Lessee.

ARTICLE XX: INVALIDITY OF PARTICULAR PROVISIONS

Section 20.1 Invalidity of Provisions.

If any provision of this Lease Agreement or the application of it to any person or circumstances shall to any extent be invalid or unenforceable, the remainder of this Lease Agreement, or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected, and each provision of this Lease Agreement shall be valid and be enforced to the fullest extent permitted by law.

ARTICLE XXI: APPLICABLE LAW AND VENUE

Section 21.1 Applicable Law.

This Lease Agreement shall be construed and enforced in accordance with the laws of the State of Alaska. The forum and venue for any action seeking to interpret, construe, or enforce this Lease Agreement shall be only in the Superior Court for the State of Alaska, First Judicial District, at Sitka, Alaska.

ARTICLE XXII: NOTICES

Section 22.1 Manner of Mailing Notices.

In every case where under any of the provisions of this Lease Agreement or otherwise it shall or may become necessary or desirable to make or give any declaration or notice of any kind to Lessor or Lessee, it shall be sufficient if a copy of any declaration or notice is sent by United States Post Office registered or certified mail, postage prepaid, return receipt requested, addressed: If to Lessor at: Municipal Administrator, City and Borough of Sitka, of 100 Lincoln Street, Sitka, Alaska 99835, with a copy to: Municipal Clerk at address listed above; and if to Lessee, at: the address set out in the Preamble. Each Party from time to time may change its address for purposes of receiving declarations or notices by giving notice of the changed address, to become effective seven (7) days following the giving of notice.

Section 22.2 Notice to Leasehold Mortgagee and Secured Parties.

Lessor shall provide each Leasehold Mortgagee and Secured Party, who has so requested, copies of all notices from Lessor to Lessee relating to existing or potential default under, or other noncompliance with the terms of this Lease Agreement. All notices, demands or requests which may be required to be given by Lessor or Lessee to any Leasehold Mortgagee and Secured Parties shall be sent in writing, by United States Post Office registered or certified mail or express mail, postage prepaid, return receipt requested, addressed to the Leasehold Mortgagee at a place as the Leasehold Mortgagee may from time to time designate in a written notice to Lessor and Lessee. Copies of all notices shall simultaneously be sent to the other of Lessor or Lessee, as the case may be.

Section 22.3 Sufficiency of Service.

Service of any demand or notice as in this Article provided shall be sufficient for all purposes.

Section 22.4 When Notice Deemed Given or Received.

Whenever a notice is required by this Lease Agreement to be given by any Party to the other Party or by any Party to a Leasehold Mortgagee, the notice shall be considered as having been given when a registered or certified notice is placed in the United States Post Office mail as provided by this Article and shall be deemed received on the third business day thereafter and for all purposes under this Lease Agreement of starting any time period after notice, the time period shall be conclusively deemed to have commenced three business days after the giving of notice and whether or not it is provided that a time period commences after notice is given or after notice is received.

ARTICLE XXIII: MISCELLANEOUS PROVISIONS

Section 23.1 Captions.

The captions of this Lease Agreement and the index preceding it are for convenience and reference only and in no way define, limit or describe the scope or intent of this Lease Agreement, nor in any way affect this Lease Agreement.

Section 23.2 Conditions and Covenants.

All the provisions of this Lease Agreement shall be deemed and construed to be "conditions" as well as "covenants," as though the words specifically expressing or importing covenants and conditions were used in each separate provision.

Section 23.3 Entire Agreement.

This Lease Agreement, together with the Tidelands Lease Agreement between the same Parties, contains the entire agreement between the Parties and shall not be modified in any manner except by an instrument in writing executed by the Parties or their respective successors or assigns in interest.

Section 23.4 Time of Essence as to Covenants of Lease Agreement.

Time is of the essence as to the covenants in this Lease Agreement.

ARTICLE XXIV: COVENANTS TO BIND AND BENEFIT RESPECTIVE PARTIES AND TO RUN WITH THE SUBJECT PROPERTY

Section 24.1 Covenants to Run with the Subject Property.

All covenants, agreements, conditions and undertakings in this Lease Agreement shall extend and inure to the benefit of and be binding upon the successors and assigns of each of the Parties, the same as if they were in every case named and expressed, and they shall be construed as covenants running with the Subject Property. Wherever in this Lease Agreement reference is made to any of the Parties, it shall be held to include and apply to, wherever applicable, also the officers, directors, successors and assigns of each Party, the same as if in each and every case so expressed.

Section 24.2 Interest in Deposits Automatically Transferred.

The sale, conveyance or assignment of the interest of Lessee (pursuant to the terms of this Lease Agreement) or of Lessor in and to this Lease Agreement shall act automatically as a transfer to the assignee of Lessor or of Lessee, as the case may be, of its respective interest in any funds on deposit with and held by any Construction Lender and Lessor, and every subsequent sale, conveyance or assignment by any assignee of Lessor or of Lessee also shall act automatically as a transfer of their respective rights to the deposits with such Construction Lender and Lessor to the subsequent assignee.

ARTICLE XXV: ADDITIONAL GENERAL PROVISIONS

Section 25.1 Absence of Personal Liability.

No member, official, or employee of Lessor shall be personally liable to Lessee, its successors and assigns, or anyone claiming by, through or under Lessee or any successor in interest to the Subject Property, in the event of any default or breach by Lessor or for any amount which may become due to Lessee, its successors and assigns, or any successor in interest to the Subject Property, or on any obligation under the terms of this Lease Agreement.

No member, official, or employee of Lessee shall be personally liable to Lessor, its successors and assigns, or anyone claiming by, through, or under Lessor or any successor in interest to the Subject Property, except as stated herein, in the event of any default or breach by Lessee or for any amount which become due to Lessor, its successors and assigns, or any successor in interest to the Subject Property, or on any obligation under the terms of this Lease Agreement.

Section 25.2 Lease Agreement Only Effective As Against Lessor Upon Approval.

This Lease Agreement is effective as against Lessor only upon the approval of this Lease Agreement by the GPIIP Board of Directors, in accordance with the Sitka General Code at Chapter 2.38, and the Sitka Assembly and signed by the Municipal Administrator.

Section 25.3 Binding Effects and Attorney's Fees.

This Lease Agreement shall be binding up and inure to the benefit of the respective successors and assigns of the Parties. In the event of litigation over this Lease Agreement, the Parties agree that the prevailing Party shall receive full reasonable attorneys' fees.

Section 25.4 Duplicate Originals.

This Lease Agreement may be executed in any number of copies, each of which shall constitute an original of this Lease Agreement. The warranties, representations, agreements and undertakings shall not be deemed to have been made for the benefit of any person or entity, other than the Parties.

Section 25.5 Declaration of Termination.

With respect to Lessor's rights to obtain possession of the Subject Property or to revest title in itself with respect to the leasehold estate of the Lessee in the Subject Property, Lessor shall have the right to institute such actions or proceedings as it may deem desirable to effectuate its rights including, without limitation, the right to execute and record or file with the Recorder of Sitka Recording District, a written declaration of the termination of all rights and title of Lessee in the Subject Property, and the revesting of any title in Lessor as specifically provided in this Lease Agreement.

Section 25.6 Authority

Lessor and Lessee represent to each other that each has, and has exercised, the required corporate power and authority and has complied with all applicable legal requirements necessary to adopt, execute and deliver this Lease Agreement and perform its obligations. Both Parties also represent that this Lease Agreement has been duly executed and delivered by each and constitutes a valid and binding obligation of each enforceable in accordance with its terms, conditions, and provisions.

NORTHLINE SEAFOODS LLC

CITY AND BOROUGH OF SITKA, ALASKA

Gene Glaab, Member

Phillip Messina, Interim Municipal Administrator

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

On this ____ day of _____, 2016, Gene Glaab, whose identity is personally known to me or proved to me on the basis of satisfactory evidence, signs this Lease Agreement on behalf of Northline Seafoods LLC., and affirms by signing this document to be authorized to sign on behalf of Northline Seafoods LLC., and does so freely and voluntarily.

Notary Public in and for the State of Alaska
My commission expires: _____

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

On this ____ day of _____, 2016, 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 in and for the State of Alaska
My commission expires: _____

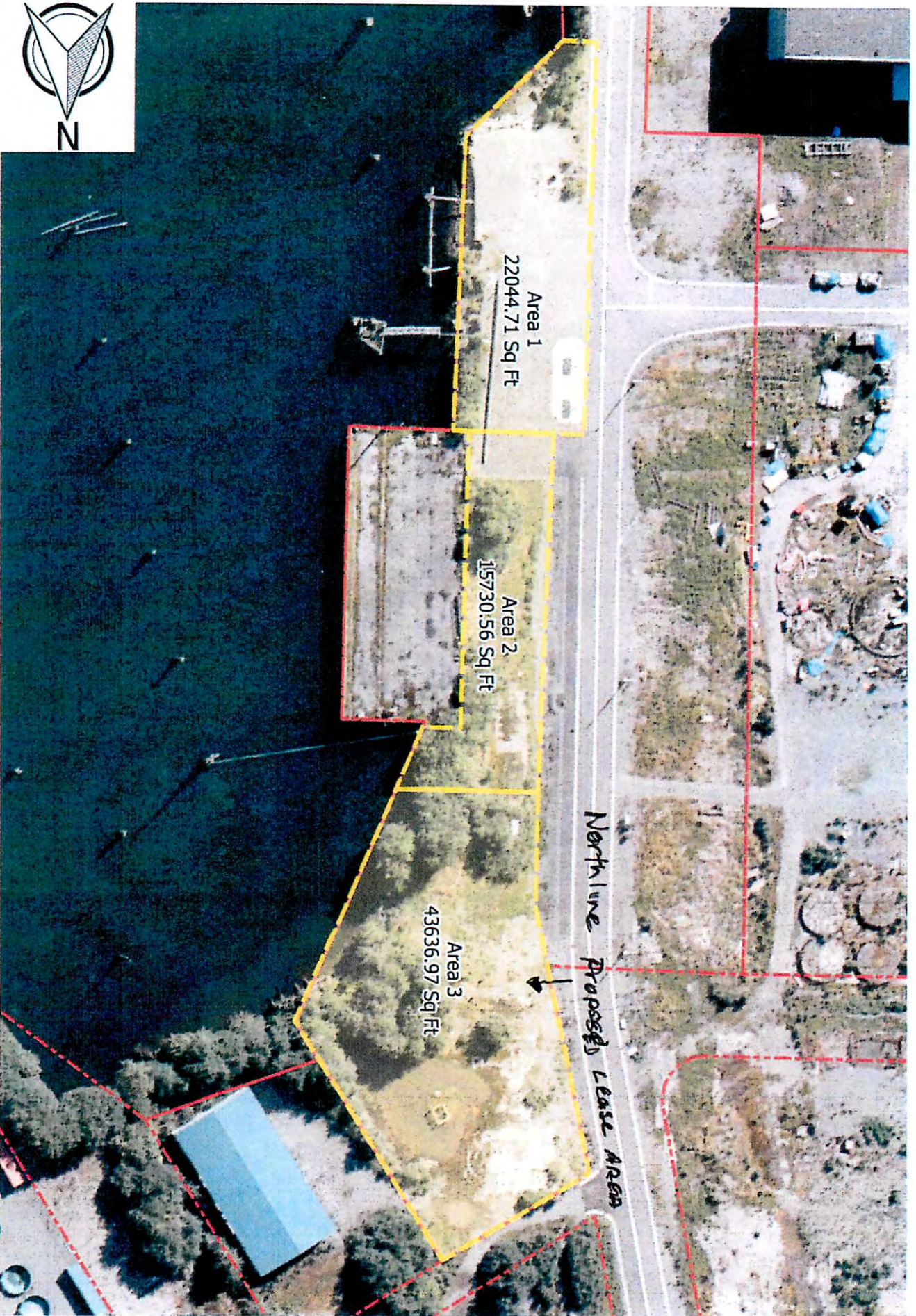


Exhibit A

REVISED Memorandum of Understanding
Between the State of Alaska and the City and Borough of Sitka
Management Plan for Sawmill Cove Industrial Park
(Former APC Mill Site)
May 28, 2014

This revised Memorandum of Understanding (MOU) "Management Plan" is made between the State of Alaska (State) and the City and Borough of Sitka (CBS) to set forth measures for implementing recorded institutional controls and other long-term responsibilities for management of the former Alaska Pulp Corporation property located at what is now known as the Sawmill Cove Industrial Park. This revised MOU supersedes the April 28, 1999 MOU signed by Commissioner Michele Brown and Sitka Mayor Stan Filler.

This Management Plan describes how CBS and the State will work together to implement the recorded institutional controls and site management activities for the uplands area and navigation and dredging.

Introduction

From approximately 1995-1999, the State required intensive studies of the environmental conditions of the property and the larger areas affected by the operation of the former APC pulp mill (the Upland and Bay Operable Unit study areas) in consultation with the Sitka Tribe of Alaska, other agencies, and the public. This revised Management Plan specifies the remaining work to be done under a 1999 prospective purchaser agreement between the State and CBS for the former APC pulp mill property. The PPA limits CBS liability for existing contamination associated with the property in exchange for this work.

Uplands – Land Use, Future Construction Activities, and Management of Contaminated Soils or Other Contaminated Media

Restrictive Covenants – Two of the four restrictive covenants recorded by APC in 1997 were rescinded in 2005 to allow for unrestricted land use at the former developed mill site (AK Tidelands Patent No. 20 and U.S. Survey No. 2797). Two covenants remain in effect. Restrictive Covenant Sitka Plat 81-40 comprises 12.522 acres at Herring Cove. Restrictive Covenant U.S. Patent No. 1213671 comprises 143.87 acres adjacent to the former developed mill site. The remaining two restrictive covenants are effective until July 11, 2097, or until dioxins and furans are shown not to be present in concentrations exceeding site-specific, risk-based residential cleanup levels. The restrictive covenants disallow human habitation, schooling of children, hospital care, child care or any purpose necessitating around-the-clock residency by humans. Of its own accord or if requested by CBS, DEC will review information showing that these restrictions may be modified or lifted.

Reporting – If contaminated soils or other media that require special handling are encountered during construction activities, CBS or its tenants or contractors working on the Sawmill Cove Industrial Park property will promptly notify DEC's Contaminated Sites Program, Juneau office, and the CBS Public Works Director. These obligations exist in addition to any other notifications required by law. The Public Works Director or designee, who may be a qualified contractor, shall serve as the project manager for managing the material or taking any remedial actions.

REVISED Memorandum of Understanding
Between the State of Alaska and the City and Borough of Sitka
Management Plan for Sawmill Cove Industrial Park
(Former APC Mill Site)

May 28, 2014

Site Management – The Public Works Director or designee will require the testing and proper treatment or disposal in accordance with applicable law and DEC regulations and guidance on the management of contaminated soils or other contaminated media. The Public Works Director or designee will promptly report the actions to be taken to DEC as required by applicable law.

DEC Approvals – DEC will process any approvals necessary for addressing existing contamination as part of the implementation of the amended Record of Decision and its institutional controls under applicable regulations and not as enforcement actions.

Sawmill Cove – Future Construction Activities and Vessel Management

Definitions:

1. Area of Concern - The Area of Concern (AOC) is an area in west Sawmill Cove approximately 100 acres in size. The boundary of the AOC begins approximately 2000 lineal feet southwest of outfall 001, extends 500 feet offshore along a southeast line, and follows a rough arc through western Sawmill Cove back to the shoreline approximately 1200 lineal feet north of outfall 001
2. No Disturbance Zone - A No Disturbance Zone (NDZ) has been established within the AOC. The purposes of the NDZ are to minimize re-suspension of pulp residue and to ensure that no activity occurs that may compromise the ability of the area to achieve the natural recovery ecological management goals within the stated time frame. The NDZ is an area of tidal and submerged lands and overlying seas within the Area of Concern where toxicity is greatest and pulp residue thickest. The area encompasses approximately 6 acres of tidal and submerged lands extending to the southwest immediately offshore of outfall 001. The area is bounded by a perimeter that begins at a shoreward point 50' from the south end of the former pulp dock; extends approximately 425' into Sawmill Cove along a southeast line to the intersection of the - 100 foot contour; turns southwest for approximately 375' to the intersection of the - 120 foot contour; and turns due west for approximately 375' to a point shoreward.
3. Navigational Corridor – The Navigational Corridor is an area of tidal and submerged lands and overlying seas in the AOC bounded by a perimeter that begins at a shoreward point fifty feet (50') from the south end of the former pulp dock; parallels the end of the dock out to the minus sixty foot (-60') contour interval; follows the minus sixty foot (-60') contour to the north end of the Area of Concern boundary, and swings shoreward along the AOC boundary line.

Navigational Dredging - Navigational dredging on the west side of Sawmill Cove in the AOC should be limited to the Navigational Corridor unless extenuating circumstances prevail. Navigational dredging within the AOC does not include blasting of the outcrop of native rocky material in front of the former pulp dock that follows the depth contours to the southeast.

REVISED Memorandum of Understanding
Between the State of Alaska and the City and Borough of Sitka
Management Plan for Sawmill Cove Industrial Park
(Former APC Mill Site)

May 28, 2014

Dredging actions that occur outside of the Navigation Corridor should be limited in scope and ancillary to in-water construction.

Dock Use and Future Expansion – Existing docks can be used as-is without any further regulatory action, subject only to berthing and dock expansion alternatives identified in the *Decision Framework for Managing Navigation in Sawmill Cove* (Exhibit 7, 1999 MOU). These alternatives are consistent with the remedy (natural recovery) and may be implemented through the normal permit process. Other berthing options are not necessarily precluded, but if proposed, they would have to be evaluated in the future for consistency with the remedy.

In-Water Construction - In-water construction in the AOC is allowed with appropriate precautions and best management practices, incorporated through the permitting process, to minimize disturbance or re-suspension of sediments. In-water construction in the AOC may include pilings, dolphins, docks, bulkheads, moorage and navigation aids, and other structures

Vessel Management – Vessels are permitted to drop anchor in the AOC, excluding the NDZ and a 100' corridor designed to protect the wastewater discharge pipe that extends beyond the AOC. New single point mooring systems and navigation aids may be established, as needed. The NDZ boundaries and the pipeline corridor are depicted on the CBS Geographic Information System, viewable on-line at <http://www.cityofsitka.com/government/departments/planning/index.html>, and on NOAA charts.

Approaching or departing vessels may traverse the NDZ as long as precautionary measures are taken to minimize disturbance of bottom sediments. To the extent that it is safe and practicable, the following standard operating procedures should be followed by personnel maneuvering approaching or departing vessels in the vicinity of the No Disturbance Zone:

- Approach the dock at as high an angle as possible.
- Minimize the use of the main propulsion system, thrusters, and tugs when over or near the NDZ or buffer zone.
- Use as low a “bell” (such as “dead slow” or the slowest revolutions per minute ordered) when berthing.

Dredging, expansion of moorage, and in-water construction are prohibited in the NDZ, except that CBS may repair, maintain, or remove existing facilities using best management practices to minimize disturbances with approval by DFC prior to the work.

The Sawmill Cove Industrial Park manager will provide each landowner and tenant with a signed copy of the revised Management Plan. The plan must be filed with the Sitka Recorder's Office for each affected parcel. DEC's Institutional Controls Unit, at DEC.ICUNIT@alaska.gov must be notified of each filing and furnished with a copy of the Notice of Restricted Area in Sawmill Cove.



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 17-23 Version: 1 Name:
Type: Ordinance Status: AGENDA READY
File created: 7/5/2017 In control: City and Borough Assembly
On agenda: 7/11/2017 Final action:
Title: Adjusting the FY17/FY18 budgets (reappropriations) first reading
Sponsors:
Indexes:
Code sections:
Attachments: [Motion and Memo Ord 2017-23.pdf](#)
[Ord 2017-23.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve Ordinance 2017-23 on
first reading.

City and Borough of Sitka Finance Department

Memo

Thru: Phil Messina, Interim Municipal Administrator

To: Mayor Hunter and Assembly Members

From: Jay Sweeney, Chief Finance and Administrative Officer

Date: July 3, 2017

Re: FY2018 Supplemental Budget Ordinance 2017-23

Mayor Hunter and Assembly Members,

The purpose of FY2017/18 Supplemental Budget Ordinance 2017-23 is to adjust the FY2018 operating budget by re-appropriating unspent funds in the FY2017 operating budget.

Per Section 11.2 of the Home Rule Charter of the City and Borough of Sitka (the Charter), Lapse of Appropriations and Surpluses, every unencumbered surplus or appropriation lapses at the end of the fiscal year. No provision is made within the Charter for “roll-overs” of funds, with the exception of encumbrances.

Financial accounting rules generally require that expenditures be recorded in the period in which made and in which the related service was provided to the public. Thus, even if funds are encumbered in one year and that appropriation does not lapse, per the Charter, expenditures are recorded in subsequent years when the purchase is completed. This, in turn, causes an expenditure to be recorded against the subsequent year’s budget. For this reason, Sitka has always adjusted its newly-passed operating budget at the start of the new fiscal year by passing an ordinance to increase appropriations for unspent encumbrances. This has the practical effect of “rolling over” encumbrances. The ordinance for re-appropriating encumbered funds is usually introduced at the second or third Assembly meeting of the new fiscal year, in order for the Administrative staff to determine the final amount of unexpended encumbrances at fiscal year-end.

Unencumbered operating appropriations, on the other hand, can’t be “rolled over”. If a Department Head wishes to retain the ability to spend unencumbered operating appropriations on into a new fiscal year, a new supplemental appropriation must be made (a re-appropriation). The administrative procedure that Sitka employs in regards to re-appropriation requests is twofold: (1) all such requests must be first approved by the Administrator, then (2) a supplemental budget ordinance must be passed, with the requisite two readings, to re-appropriate the funds. The accompanying ordinance accomplishes the second part of the process.

As an important note, when considering the annual operating budget within the context of just one fiscal year, re-appropriations of encumbered funds and re-appropriations of unencumbered, unspent funds have the effect of causing an otherwise balanced operating budget to become unbalanced with a projected deficit, unless new revenues are identified. The practical effect, however, is that unencumbered, unspent appropriations constitute a surplus generated in the previous year and re-appropriation is a mechanism which provides for an ability to spend part of that surplus in the new fiscal year.

In regards to the specific rationale for each re-appropriation request, individual Department Heads will be prepared to speak to and justify their individual requests.

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CITY AND BOROUGH OF SITKA
ORDINANCE NO. 2017-23
AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA
ADJUSTING THE FY17/FY18 BUDGETS

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 FY17/FY18 budgets for known changes.

4. **ENACTMENT.** The Assembly of the City and Borough of Sitka hereby adjusts the FY17/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, 2016 and ending June 30, 2017 is hereby adjusted as follows:

<u>FISCAL YEAR 2017 EXPENDITURE BUDGETS</u>
GENERAL FUND
Assessing Department – Operations: The Assessing Director has requested to re-appropriate \$5,147 of their surplus funds from FY17 to FY18 to allow the completion of island inspections which was something that was not accounted for in the approved FY18 Budget.
Police Department – Operations: The Police Chief has requested to rollover from FY17 to FY18 in the amount of \$74,417 for the Justice Center Design Project.
Search and Rescue – Operations: The SAR Captain has requested to rollover from FY17 to FY18 the amount of \$2,000 from the Search and Rescue department and \$5,000 from the Fire Department and re-appropriate those funds in the Search and Rescue department for the purpose of funding the Mountain Rescue Association (MRA) accreditation re-test.
Support Payments – Hospital: The Sitka Community Hospital has requested to rollover from FY17 to FY18 the remaining funds in the amount of \$156,192 for capital support.
Engineering Department – Operations: The Public Works Director has requested a rollover the amount of \$70,000 from FY17 to FY18 to revise and update the 2002 CBSSS (City and Borough of Sitka Specification Standards for Construction) and the development of standards.
Streets Department – Operations: The Public Works Director has requested to rollover the amount of \$16,500 from FY17to FY18 to purchase sand utilized for snow removal.
Planning Department – Operations: The Community Affairs Director has requested to rollover from FY17 to FY18 the amount of \$15,994 for the completion of the Comprehensive Plan 2030.

ENTERPRISE AND INTERNAL SERVICES FUNDS

Wastewater Fund – Fixed Assets: The Public Works Director has requested to rollover the following fixed assets from FY17 to FY18: CCTV Lateral Equipment -\$70,000; Dimminutor Spare Parts - \$25,000;and Replacement of Lift Station Pumps -\$12,900.

Building Maintenance Fund – Operations: The following are projects that were budgeted, but were not completed and are requested to be rolled over from FY17 to FY18: Airport Exterior Painting - \$72,000; City Hall Exterior Paint -\$65,000; City Hall Dryvit Repair -\$25,000; Fire Hall Pressure Wash & Seal Building Exterior -\$8,000; WWTP Paint Exterior Generator Buildings -\$24,000; MSC Pressure Wash & Seal Building Exterior -\$12,000; MSC Replace Compressor -\$4,200; Senior Center Exterior Paint -\$16,000 and WWTP Repainting Thickener Room Ceiling & Girders -\$50,000.
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In accordance with Section 11.10 (a) of the Charter of the City and Borough of Sitka, Alaska, the budget for the fiscal period July 1, 2017 and ending June 30, 2018 is hereby adjusted as follows:

FISCAL YEAR 2018 EXPENDITURE BUDGETS
GENERAL FUND
<p>Personnel: At the June 28th, 2016 meeting, the Assembly approved the ASEA Union Contract. There will be an appropriation in the FY18 Budget for each union employee for the \$500 lump sums as follows: General Fund will be \$15,000; Water Fund will be \$1,500; Wastewater Fund will be \$3,500; Harbor Fund will be \$3,000; Management Information Systems Fund will be \$500; Central Garage Fund will be \$1,000 and the Building Maintenance Fund will be \$1,000.</p>
<p>Personnel: In the FY18 Budget, 15 percent was budgeted for Health Insurance and the actual percent came back at 12 percent. The following are adjustments to each Fund: General Fund – (\$65,859); Electric Fund – (\$18,460); Water Fund – (\$3,494); Wastewater Fund – (\$3,604); Harbor Fund – (\$6,229); Management Information Systems – \$5,743; Central Garage Fund – (\$1,065); and Building Maintenance Fund – (\$2,736).</p>
<p>Assessing Department – Operations: The Assessing Director has requested to re-appropriate \$5,147 of their surplus funds to FY18 from FY17 to allow the completion of island inspections which was something that was not accounted for in the approved FY18 Budget.</p>
<p>Support Payments – Hospital: The Sitka Community Hospital has requested to rollover to FY18 from FY17 the remaining funds in the amount of \$156,192 for capital support.</p>
<p>Engineering Department – Operations: The Public Works Director has requested a rollover the amount of \$70,000 to FY18 from FY17 to revise and update the 2002 CBSSS and the development of standards.</p>
<p>Streets Department – Operations: The Public Works Director has requested to rollover the amount of \$16,500 to FY18 from FY17 to purchase sand utilized for snow removal.</p>
<p>Search and Rescue – Operations: The SAR Captain has requested to rollover to FY18 from FY17 the amount of \$2,000 from the Search and Rescue department and \$5,000 from the Fire Department and re-appropriate those funds in the Search and Rescue department for the purpose of funding the Mountain Rescue Association (MRA) accreditation re-test.</p>
<p>Planning Department – Operations: The Community Affairs Director has requested to rollover to FY18 from FY17 the amount of \$15,994 for the completion of the Comprehensive Plan 2030.</p>
ENTERPRISE AND INTERNAL SERVICES FUNDS
<p>Wastewater Fund – Fixed Assets: The Public Works Director has requested to rollover the following fixed assets to FY18 from FY17: CCTV Lateral Equipment -\$70,000; Dimminutor Spare Parts - \$25,000; and Replacement of Lift Station Pumps -\$12,900.</p>

ENTERPRISE AND INTERNAL SERVICES FUNDS (cont.)
Building Maintenance Fund – Operations: The following are projects that were budgeted, but were not completed and are requested to be rolled over to FY18 from FY17: Airport Exterior Painting - \$72,000; City Hall Exterior Paint -\$65,000; City Hall Dryvit Repair -\$25,000; Fire Hall Pressure Wash & Seal Building Exterior -\$8,000; WWTP Paint Exterior Generator Buildings -\$24,000; MSC Pressure Wash & Seal Building Exterior -\$12,000; MSC Replace Compressor -\$4,200; Senior Center Exterior Paint -\$16,000 and WWTP Repainting Thickener Room Ceiling & Girders -\$50,000.
CAPITAL FUNDS
Police Department – Operations: The Police Chief has requested to rollover to FY18 from FY17 the amount of \$74,417 for the Justice Center Design Project. These funds will be re-appropriated as a capital project.

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EXPLANATION

Necessary revisions in the FY 2017/ FY 2018 budgets 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 25th Day of July, 2017.

ATTEST:

Matthew Hunter, Mayor

**Sara Peterson, CMC
Municipal Clerk**

**1st reading 7/11/17
2nd reading 7/25/17**



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 17-25 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 7/5/2017 In control: City and Borough Assembly

On agenda: 7/11/2017 Final action:

Title: Amending Sitka General Code Title 2 "Administration" by adding a new Chapter 2.10 entitled "Defense and Indemnification of Officers and Employees" first reading

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and Ord 2017-25.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve Ordinance 2017-25 on
first reading.

Note: The purpose of this ordinance is to create within the Sitka General Code a specific section to provide defense and indemnification for officers and employees of the City and Borough of Sitka against claims and lawsuits resulting from good faith efforts to perform their official duties and responsibilities.

CITY AND BOROUGH OF SITKA
ORDINANCE NO. 2017-25

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING SITKA GENERAL CODE
TITLE 2 "ADMINISTRATION" BY ADDING A NEW CHAPTER 2.10 ENTITLED "DEFENSE AND
INDEMNIFICATION OF OFFICERS AND EMPLOYEES"

- 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 within the Sitka General Code a specific section to provide defense and indemnification for officers and employees of the city and borough against claims and lawsuits resulting from good faith efforts to perform their official duties and responsibilities.
- 4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that the Sitka General Code Title 2 is amended by adding new chapter 2.10 "Defense and Indemnification of Officers and Employees" (new language underlined; deleted language stricken):

**Title 2
ADMINISTRATION**

Chapters:

- 2.04 City and Borough Assembly**
- 2.08 City and Borough Departments**
- 2.10 Defense and Indemnification of Officers and Employees**

* * *

Chapter 2.10
DEFENSE AND INDEMNIFICATION OF OFFICERS AND EMPLOYEES

Sections:

- 2.10.010 Definitions.**
- 2.10.020 Defense and indemnification.**
- 2.10.030 Exclusions – Determination to defend and indemnify.**
- 2.10.040 Conditions of defense and indemnification.**
- 2.10.050 Disqualification.**
- 2.10.060 Conflict with provisions of insurance policies.**
- 2.10.070 Pending claims.**
- 2.10.080 Union contracts.**
- 2.10.090 Volunteer workers.**

52 **2.10.010 Definitions.**

53 For the purpose of this chapter, the following words shall have the following meanings unless
54 the context indicates otherwise:

55
56 A. "Claim" means a claim or lawsuit.

57
58 B. "Employee" means any person who is or has been employed in the service of the city
59 and borough.

60
61 C. "Official" means any person who is serving or has served as an elected official of the
62 the city and borough and any person who is serving or has served as an appointed
63 member of any board, commission, agency, or committee of the city and borough.

64
65 D. "Official duties" includes conduct, acts, and omissions done by an official or employee
66 in the course and scope of their service to the city and borough.

67
68 **2.10.020 Defense and indemnification.**

69 Subject to the conditions and requirements of this chapter, the city and borough shall provide to
70 an official or employee legal defense and indemnification, including protection from any
71 expenses connected with the defense, settlement, or payment of monetary damages, related to
72 any claim filed against the official or employee, arising out of the good faith performance,
73 purported performance, or failure of performance of official duties. This defense and
74 indemnification shall be a condition of employment with the city and borough and shall be
75 provided by the municipal attorney or the municipal attorney's designee or through such
76 insurance policy or self-insurance or similar program as the city and borough may establish.

77
78 **2.10.030 Exclusions – Determination to defend and indemnify.**

79
80 A. The obligation of the city and borough to provide defense and indemnification shall
81 not apply to any act taken in bad faith or any act outside the scope of service or
82 employment, or to any claim brought by or on behalf of the city and borough. The
83 following are examples of acts which will normally be deemed to have been taken in
84 bad faith:

- 85
86 1. An act committed with the willful intention of causing injury or harm, or which
87 was reckless or malicious in nature.
88 2. An act committed in willful violation of law.
89 3. An act committed while under the influence of alcohol or a controlled
90 substance.

91
92 B. The municipal attorney shall determine whether an official or employee was
93 performing official duties in good faith, and whether an official or employee committed
94 any act in bad faith. The municipal administrator shall make this determination
95 regarding a claim against the municipal attorney.

96
97 C. If, at the time the claim is initiated, the known facts are insufficient to allow for the
98 determination under subsection B, the city and borough may elect initially to provide

99 defense only, reserving any final determination until such time as sufficient facts are
100 available.

- 101
102 D. The official or employee may appeal to the assembly an adverse determination under
103 subsection B.

104
105 **2.10.040 Conditions of defense and indemnification.**

106 The continued obligation of the city and borough to provided defense and indemnification shall
107 be subject to the following conditions:

- 108
109 A. The official or employee shall cooperate fully with the city and borough and its counsel
110 in handling or resisting the claim, including:

- 111 1. Providing the municipal attorney, as soon as practicable after receiving notice
112 of a claim: written notice of the claim, specifying the names of the officials or
113 employees involved, the date, time, place and circumstances surrounding the
114 incident or conduct giving rise to the claim, the names and addresses of all
115 persons allegedly injured, the names and addresses of owners of allegedly
116 damaged property, and the names and addresses of all witnesses;
117 2. Cooperating with the city and borough and its counsel in making settlements of
118 any lawsuits, and in enforcing any claim for subrogation against any persons or
119 organizations that may be liable to the city and borough because of any
120 damages or losses arising from the incident or conduct; and
121 3. Attending interviews, depositions, hearings, and trials as requested, and
122 assisting in securing and giving evidence and obtaining the attendance of
123 witnesses.

- 124
125 B. The city and borough reserves the sole right to control the defense of the claim and to
126 compromise, settle, or defend the matter.

127
128 **2.10.050 Disqualification.**

129 If any official or employee fails or refuses to meet the requirements of this chapter or elects to
130 provide his or her own representation on any claim, this chapter shall be inapplicable and of no
131 force and effect with respect to that claim.

132
133 **2.10.060 Conflict with provisions of insurance policies.**

134 Nothing contained in this chapter shall be construed to modify or amend any provision of an
135 insurance policy or any coverage through a self-insurance or joint insurance program. If there is
136 a conflict between this chapter and the provisions of any such policies or coverage, the
137 provisions of any such policies or coverage shall control.

138
139 **2.10.070 Pending claims.**

140 This chapter shall apply to any pending claim against an official or employee and to any claim
141 hereafter filed irrespective of the date of the events or circumstances giving rise to the claim.

142
143 **2.10.080 Union contracts.**

144 If a collective bargaining unit contract covers any of the terms and conditions of this chapter, all
145 employees under the contract shall be governed by the provisions of the contract. If there is a

146 conflict between the provisions of such contract and this chapter, the provisions of the contract
147 shall control.

148
149 **2.10.090 Volunteer workers.**

150 The city and borough shall provide defense and indemnification to volunteer workers performing
151 services on its behalf, *provided* that such defense and indemnification:

- 152
- 153 A. Shall be provided only to volunteer workers authorized in writing by the head of a
154 municipal department to perform a particular scope of services to the city and
155 borough;
 - 157 B. Shall cover only conduct, acts, and omissions undertaken in the course and scope of
158 such authorized services; and
 - 160 C. Shall be subject to all other conditions and requirements of this chapter in the same
161 manner as they apply to officials and employees.
- 162

163 * * *

164 5. **EFFECTIVE DATE.** This ordinance shall become effective on the day after the date of its
165 passage.

166
167 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka, Alaska this
168 25th day of July, 2017.

171
172 _____
173 Matthew Hunter, Mayor

174 ATTEST:

175 _____
176 Sara Peterson, CMC
177 Municipal Clerk

178
179 1st reading 7/11/17

180 2nd reading 7/25/17