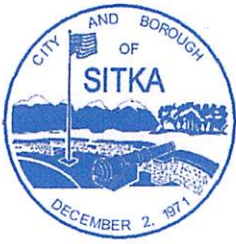


POSSIBLE MOTION

I MOVE TO approve amendment no. 5 to the lease between the City and Borough of Sitka and Sitka Animal Hospital and authorize the Municipal Administrator to execute the document.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

MEMORANDUM

To: Mayor McConnell and Members of the Assembly

From: Mark Gorman, Municipal Administrator
Maegan Bosak, Planning and Community Development Director *MB*

Subject: Amendment to Sitka Animal Hospital Lease for a 5 year extension

Date: September 19, 2016

Recently Dr. David Hunt DVM approached the Municipality with a request to extend his Sitka Animal Hospital lease for an additional 5 year term at the Sitka Animal Shelter.

Amendment No. 5 proposes to extend the lease for an additional 5 year term beginning February 29, 2017 (when the current extension expires) through February 28, 2022. The rental rate proposed remains the same at \$800 per month, based on continuing to provide reception services for the Sitka Animal Shelter.

In August 1995, the Sitka Animal Shelter was built by a group of volunteers. A portion of the building was designed to accommodate a veterinary hospital for shelter animals. Animal Control Officer Ken Buxton is also stationed in this facility.

The lease between Dr. David Hunt DVM and the City and Borough of Sitka was signed January 8, 1996 at a monthly rate of \$780.00, based on \$1 per sq. ft. Attached to the lease is Exhibit A outlining building and area usable by Sitka Animal Hospital.

The following amendments to the original lease were approved by the Assembly:

Amendment 1 – February 28, 1997- expansion of leased premises with revised rental rate of \$896 per month

Amendment 2 – September 3, 2002- extension for a 6 year period at \$1400.00 per month

Amendment 3 – April 30, 2009- extension for a 3 year period at \$1200.00 per month

Amendment 4 – September 23, 2011- extension for a 5 year period with revised rental rate of \$800 based on providing reception services for the Sitka Animal Shelter.

The proposed Amendment 5 was approved by Municipal Attorney Brian Hanson and is included in the packet.

RECOMMENDED ACTION: Pass a motion granting approval of the lease amendment.

**AMENDMENT NO. 5 TO LEASE
BETWEEN CITY AND BOROUGH OF SITKA
AND SITKA ANIMAL HOSPITAL**

City and Borough of Sitka (“CBS” or “Lessor”), 100 Lincoln Street, Sitka, Alaska, 99835, and Dr. David Hunt, D.V.M., P.C., d/b/a Sitka Animal Hospital (“Leesee”), PO Box 1774, Sitka, Alaska 99835, agree to amend and modify the “Lease (Sitka Animal Hospital)” (“Lease”), dated January 8, 1996, including its amendments consisting of the first amendment by letter dated February 28, 1997, Sitka Animal Hospital Second Amendment to Lease (September 3, 2002), third amendment by CBS Assembly motion on August 12, 2003, Sitka Animal Hospital Third Amendment to Lease (April 30, 2009), and Amendment No. 4 to Lease (September 23, 2011), approved by the CBS Assembly motion on September 13, 2011. This Amendment No. 5 to Lease Agreement Between City and Borough of Sitka and Sitka Animal Hospital (“Amendment No. 5”) was approved by the CBS Assembly in accordance with the Lease at Section 24 by motion, adding a new Section 4.5 (new language underlined; deleted language stricken):

4.5 Extension of Term. The term of the Lease as provided for in Section 4, and based on prior amendments, is extended for five years, beginning February 29, 2017, until February 28, 2022. The rent during this extension period shall be \$800 per month. Sitka Animal Hospital shall continue providing reception services for the animal shelter.

All other sections of the Lease that are not modified by this Amendment No. 5 remain in full force and effect.

This Amendment No. 5 was approved by the City and Borough Assembly on September 27, 2016.

Amendment No. 5 becomes effective on February 29, 2017, which is when the current extension of the Lease expires, based on Sitka Animal Hospital Fourth Amendment to Lease.

CITY AND BOROUGH OF SITKA

By:

Its:

STATE OF ALASKA)

)ss. ***MUNICIPAL ACKNOWLEDGEMENT***

FIRST JUDICIAL DISTRICT)

THIS CERTIFIES that on the ___ day of _____, 2016 before me, a Notary Public in and for the State of Alaska, personally appeared _____, Municipal Administrator of the City and Borough of Sitka, Alaska, a municipality organized under the laws of the State of

Alaska, and by signing this document verifies that he is authorized to execute the document on its behalf, and he signs freely and voluntarily.

WITNESS my hand and official seal the date and year in this certification.

Notary Public for Alaska
My Commission expires:

SITKA ANMIAL HOSPITAL

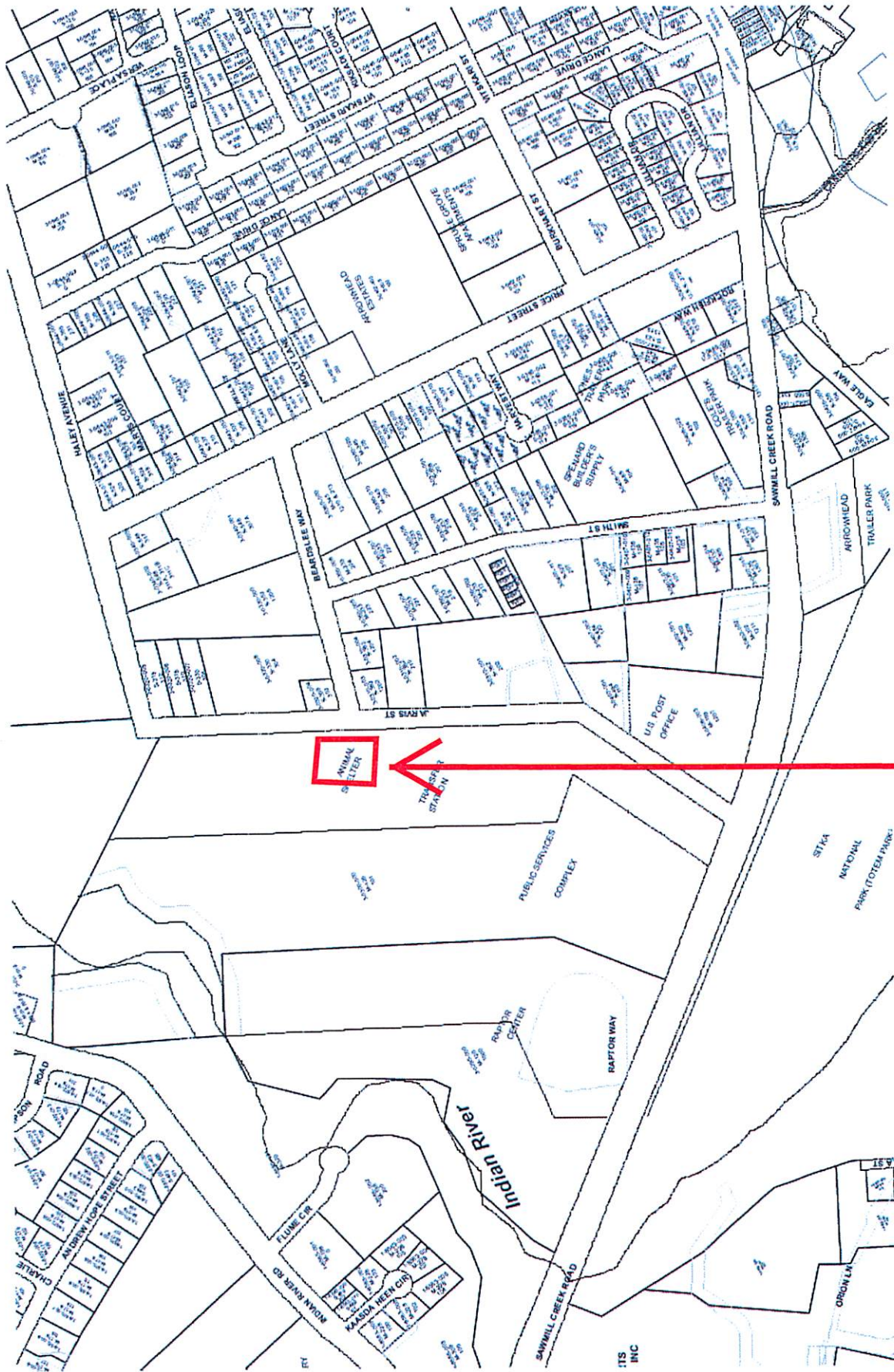
David J. Hunt, D.V.M., P.C., President

STATE OF ALASKA)
)ss. **ACKNOWLEDGEMENT**
FIRST JUDICIAL DISTRICT)

THIS CERTIFIES that on this ____ day of _____, 2016 before me, a Notary Public in and for the State of Alaska, personally appeared David J. Hunt, D.V.M., P.C., President of Sitka Animal Hospital, and by signing this document verifies that he is authorized to execute the document on its behalf, and he signs freely and voluntarily.

WITNESS my hand and official seal the date and year in this certification.

Notary Public for Alaska
My Commission expires:



ANIMAL SHELTER



THE GREAT STATION

PUBLIC SERVICES COMPLEX

Indian River

RAPTOR CENTER

SITKA NATIONAL PARK (TOTEM PARK)

ITS INC



City & Borough of Sitka, Alaska

Selected Parcel: 101 JARVIS ID: 30300000

Printed on 9/16/2016 from <http://www.mainstreetmaps.com/ak/sitka/internal.asp>

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

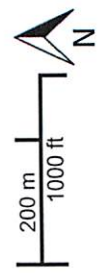




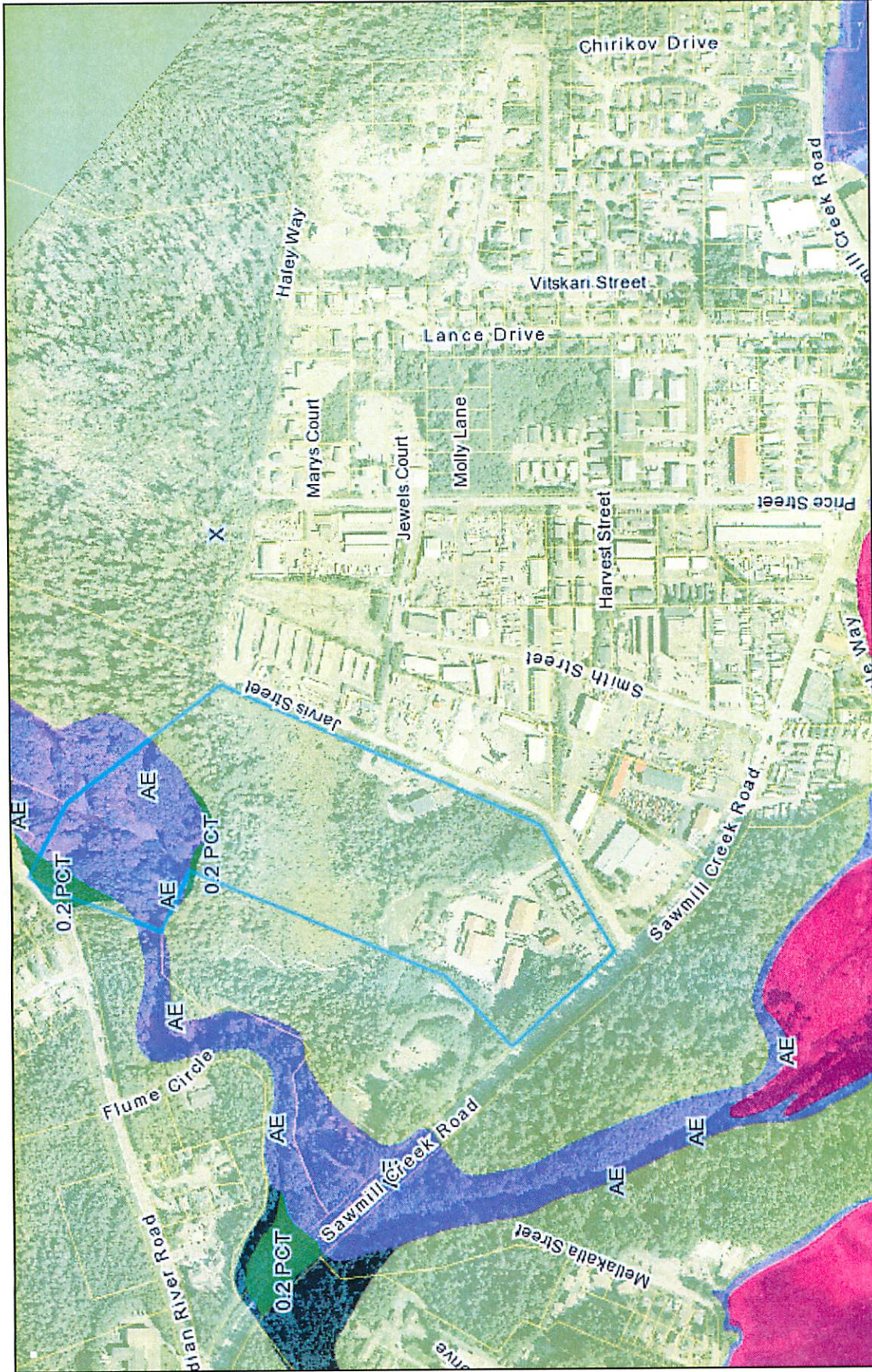
City & Borough of Sitka, Alaska

Selected Parcel: 101 JARVIS ID: 30300000

Printed on 9/16/2016 from <http://www.mainstreetmaps.com/ak/sitka/internal.asp>



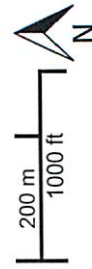
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City & Borough of Sitka, Alaska

Selected Parcel: 101 JARVIS ID: 30300000

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LEASE
[SITKA ANIMAL HOSPITAL]

THIS LEASE, dated June 8, 1996, is made and entered into by and between the CITY AND BOROUGH OF SITKA, ALASKA ("Landlord") and DR. DAVID J. HUNT d/b/a SITKA ANIMAL HOSPITAL ("Tenant"). Landlord and Tenant hereby agree as follows:

1. Property and Improvements. Landlord is the owner of certain realty (the "Property") situated at 209 Jarvis Street in Sitka, Alaska. There is currently situated on the Property a building (the "Building") intended for use as an animal shelter and related office space, together with an associated vehicular parking area (the "Parking Area") and other improvements necessary to enable the Building to be so used (the Building, Parking Area, and other improvements are hereinafter collectively referred to as the "Improvements").

2. Leased Premises. Landlord hereby leases to Tenant, and Tenant rents from Landlord, that part of the Building which is outlined or cross-hatched on the floor plan attached hereto as Exhibit A and incorporated herein by this reference (such part of said Building is hereinafter referred to as the "Premises"). During the term of this Lease, Tenant shall also have such nonexclusive easements with respect to the Building as may be reasonably necessary for access to the Premises. The area of the Premises as shown on Exhibit A is approximately 180 square feet.

3. Finishing of Premises. Prior to January 1, 1996, Landlord shall make all improvements, installations, and items of finish concerning the Premises (hereinafter referred to as the "Tenant Finish") required to enable use and occupancy of the Premises for an animal hospital and clinic, including all interior and entrance doors; carpeting and related pad; ceiling tile; all wall finishes; all window coverings; the fire protection system; all heating ductwork; all lighting fixtures; all electrical outlets and light switches; all telephone outlets; all molding and trim; and any and all equipment and items of finish necessarily related to any of the foregoing. In designing and installing the Tenant Finish, Landlord shall comply with the reasonable directions and requirements of Tenant. Landlord shall supply the Tenant Finish at its own expense.

4. Term. The term of this Lease shall commence on the date on which Tenant opens its business in the Premises to the public. Unless Landlord otherwise agrees, Tenant shall not so open and shall not move its furniture, equipment, or personnel into the Premises before the date specified in Section 3, by which Landlord is required to complete the Tenant Finish. The date on which Tenant opens its business to the public shall hereinafter be referred to as the "Commencement Date." When the Commencement Date can be fixed, the parties shall, upon the written request of either, enter into a writing which memorializes such Date. Notwithstanding the foregoing provisions, if the Commencement Date has not arrived prior to the expiration of 6 months after the date of this Lease, this Lease shall thereupon automatically cease to be of any force or effect. Unless such term is prematurely terminated pursuant to the provisions of this Lease, the term hereof shall consist of the seven (7) year period following the

Commencement Date plus, if the Commencement Date falls on other than the first day of a month, the balance of such partial calendar month.

5. Option to Shorten Term. Tenant shall be entitled, at its option, to have the term of this Lease expire as of any date in advance of the expiration of the term set forth in Section 4 of this Lease, provided Tenant provides written notice to Landlord at least one calendar month prior to such date.

6. Rent. During the entire term hereof Tenant shall pay to Landlord as monthly rent, the sum of \$ 780.⁰⁰ per month. Rent shall be paid in advance on the first day of each month throughout the term hereof (if the Commencement Date of the term is other than the first day of a month, Tenant shall pay to Landlord, on such Date, a pro rata share of the monthly rent, as rent for the fractional calendar month with which the term hereof begins). Each rental payment required to be paid under this Lease shall be delivered to Landlord at such place as Landlord may from time to time designate in writing.

7. Parking. During the term of this Lease Tenant shall have an easement to use, as parking for itself, its employees, visitors, and business invitees, the Parking Area described in Section 1 of this Lease. Tenant may use the Parking Area as is necessary for the operation of Tenant's business in the Premises. Landlord at its expense shall maintain the Parking Area in good condition and repair and shall remove snow therefrom as soon as reasonably possible after each snowfall. Landlord shall take such actions as are necessary to ensure that the easement granted Tenant under this Section 7 is not impaired or violated by other parties, including other lessees, occupants, or users of the Improvements.

8. Shared Rooms. Located in the Building and identified on Exhibit A are a waiting room, restroom, storage room, and laundry room. Such rooms are not part of the Premises, but during the term of this Lease: (a) Tenant shall have an easement to use, for itself, its employees, visitors, and business invitees the waiting room and restroom; (b) Tenant shall have an easement to use for itself and its employees the storage room and laundry room (including use of the washer and dryer contained therein). (The waiting room, restroom, storage room and laundry room identified in this Section 8 are hereinafter referred to collectively as the "Shared Rooms.") Landlord at its expense shall maintain the Shared Rooms and keep them in a safe, clean, attractive and working condition. Landlord at its expense shall provide the janitorial services reasonably needed to keep the Shared Rooms clean and free of refuse.

9. Use. Tenant shall use the Premises as a veterinary clinic/animal hospital and for purposes ordinarily incidental to such use. Tenant shall not commit any waste upon the Premises and shall not conduct or allow any business, activity, or thing on the Premises which is or becomes unlawful, prohibited, or a nuisance.

10. Services and Utilities. Landlord agrees to furnish, at its own expense, electricity and heat to the Premises sufficient for Tenant's comfortable use and occupancy of the Premises.

Landlord shall maintain and keep lighted the Parking Area, Shared Rooms, and all common stairs, hallways, entries, and other rooms in the Building.

11. Alterations. Subsequent to the initial finishing that occurs pursuant to Section 3 of this lease, Tenant at its expense and with no right of reimbursement from Landlord, may make changes, additions, and improvements to the Premises to better adapt the Premises to its use and occupancy; provided, however, that any such change, addition, or improvement shall be in conformity with all applicable laws and ordinances.

12. Destruction. Both Landlord and Tenant shall have the right to terminate this Lease in the event the Building is destroyed or damaged by fire, earthquake, or other casualty to such an extent that it is untenantable in whole or in part. Any such right of termination must be exercised through written notice given by Tenant to Landlord or Landlord to Tenant within 30 days following the date of destruction or damage.

13. Assignment and Subletting. Except as otherwise provided by the following provisions of this Section, Tenant shall not assign this Lease or any interest herein, or sublet the Premises or any part thereof, except upon the prior written consent of Landlord. Tenant shall not be required to obtain the prior written or any other consent of Landlord to assign this Lease to a corporation owned or controlled by Tenant. Assigning Tenant shall upon such assignment be relieved of all liability under this Lease, and all liability thereafter is on the assignee corporation.

14. Default by Tenant. Tenant shall not be in default under this Lease unless Tenant fails to perform an obligation required of it within 30 days after written notice by Landlord to Tenant specifying the respects in which Tenant has failed to perform such obligation; provided, however, that if the nature of Tenant's obligation is such that more than 30 days are reasonably required for performance or cure, then Tenant shall not be in default if Tenant commences performance within such 30-day period and thereafter diligently prosecutes the same to completion.

15. Remedies for Tenant's Default. In the event of any default or breach by Tenant, Landlord may pursue any remedy allowed by law.

16. Remedies for Landlord's Default. In the event of any default or breach by Landlord, Tenant may at any time, without waiving or limiting any other right or remedy available to it, terminate this Lease upon written notice to Landlord, or pay or perform the obligation as to which Landlord is in default (in which event Tenant's cost of so doing may be withheld and offset from rent), or initiate legal proceedings for recovery of Tenant's damages and costs, or pursue any combination of the foregoing remedies or remedy allowed by law.

17. Indemnification and Insurance

(a) Tenant releases Landlord from any liability for damage to property of, or personal injury to, Tenant's directors, officers, agents, employees, invitees, and guests arising out of, or in connection with, Tenant's use of the Premises, not including, however, liability resulting from the sole negligence or intentional acts or omissions of Landlord or its agents, employees, or contractors. Tenant shall indemnify, defend, and save harmless Landlord, its officers, employees and agents from any and all claims, suits, losses, damages, damages to property and injuries to persons, of whatever kind or nature arising from actions by Tenant in the conduct of its operations on the Premises or resulting from carelessness, negligence, or improper conduct of Tenant or any of its directors, officers, agents, employees, but not including any claims, suits, losses, damages, damages to property and injuries to persons, of whatever kind or nature, resulting from the negligent or intentional acts or omissions of Landlord or its agents, employees, or contractors.

(b) Tenant shall obtain and maintain continuously in effect at all times during the term hereof, at Tenant's sole expense, general liability insurance protecting against liability which may accrue by reason of Tenant's conduct incident to the use of the Premises, or resulting from any accidents occurring in or about the Parking Area, Shared Rooms, or other common areas available for use by Tenant. Such insurance shall provide liability limits of \$1,000,000 for personal injury, death, or property damage, combined single limit. Such insurance shall name Landlord as an additional insured thereunder. Such insurance shall require the insurance carrier to give Landlord at least thirty (30) days written notice prior to cancellation of the policy.

(c) No more than thirty (30) days after the signing of this Lease, Tenant shall deposit with the Landlord, a copy or copies of such insurance policy or policies, or a certificate of such insurance coverage as evidence that the coverage required herein has been obtained by the Tenant.

(d) Landlord agrees to notify Tenant in writing, as soon as practicable, of any claim, demand, or action rising out of an occurrence covered hereunder and to cooperate with Tenant in the investigation and defense thereof, unless Landlord believes its interests conflict with those of the Tenant.

18. Attorneys' Fees. If any action is brought because of any default under or to enforce or interpret any of the provisions of this Lease, the party prevailing in such action shall be entitled to recover from the other reasonable attorneys' fees (including those incurred in connection with any appeal), the amount of which shall be fixed by the court and made a part of any judgment rendered.

19. Notices. Any notice required or permitted hereunder to be given or transmitted between the parties shall be either personally delivered or mailed postage prepaid addressed, if to Landlord at 100 Lincoln Street, Sitka, Alaska 99835 (or at such other address for notice purposes as Landlord may hereafter designate in writing), and, if to Tenant, at P.O. Box 1774,

Sitka, Alaska 99835 (or at such other address for notice purposes as Tenant may hereafter designate in writing). Any notice which is mailed shall be effective upon delivery.

20. Rights Upon Termination. All alterations, additions and fixtures which are made or installed by Tenant in the Premises shall be considered and shall remain the personal property of Tenant and may be removed by Tenant upon termination of this Lease, provided such removal can be accomplished without damage to the Premises. In addition, all equipment and furnishings leased or purchased by Tenant for use in the Premises, including, but not limited to, X-ray machines, desks, tables, examining tables, shelving, chairs, and animal cages, shall be and remain Tenant's personal property and may be removed by Tenant upon termination of this Lease. Upon termination of this Lease, Tenant shall leave the Premises in good, tenantable condition.

21. Access to Premises. Tenant shall be entitled to have access to and to use the Premises and Shared Rooms 24 hours per day, 365 days per year.

22. Signs. Tenant at its own expense may install on the outside of the Building and/or Premises, or on any other portion of the Property upon which the parties mutually agree, signs or lettering which identifies the occupant of and/or business conducted in the Premises.

23. Waiver and Cumulative Remedies. No remedy or election hereunder shall be deemed exclusive but shall, whenever possible, be cumulative with all other remedies at law or in equity.

24. Prior Agreements, Lease Amendments, and Time Effective. This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreements or understandings pertaining to any of such matters shall be effective for any purpose. No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest. This Lease shall not be effective or binding on either party until fully executed by both.

25. Miscellaneous. All Exhibits, addenda, riders, and provisions, if any, attached to this Lease are a part hereof. Any provision of this Lease which may prove to be invalid shall in no way affect or invalidate any other provision hereof, and such other provision shall be valid to the maximum extent permitted by law. The headings and titles of the various provisions of this Lease shall have no effect upon the construction or interpretation of any part hereof. As used in this Lease the singular shall include the plural, the plural shall include the singular, the whole shall include each part thereof, and any gender shall include both other genders. The covenants and conditions herein contained shall apply to and bind the heirs, personal representatives, successors, and assigns of the parties hereto. Time is of the essence of this Lease and of each and all of its provisions in which performance is a factor. This Lease shall be governed by the laws of the State of Alaska.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed on or as of the day and year first above written.

"Landlord":

THE CITY AND BOROUGH OF
SITKA, ALASKA

By: 

Title: City Administrator

"Tenant":

DR. DAVID J. HUNT,
d/b/a SITKA ANIMAL HOSPITAL

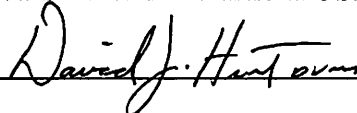


EXHIBIT A

to

Lease

Here attach a copy of the floor plan(s) of the Building that: (a) shows (with a bold line or by cross-hatching) the location and configuration of the Premises (keeping in mind that the Premises do not include the Shared Rooms); and (b) identify by name each of the Shared Rooms.

L

B

Laundry

05-1

TR 2

A

NO FINISHES REQUIRED
THIS AREA

07-1

1-09-1

Kitchen

Storage

108

108-1

Waiting Room

Entrance

03-1

03-2

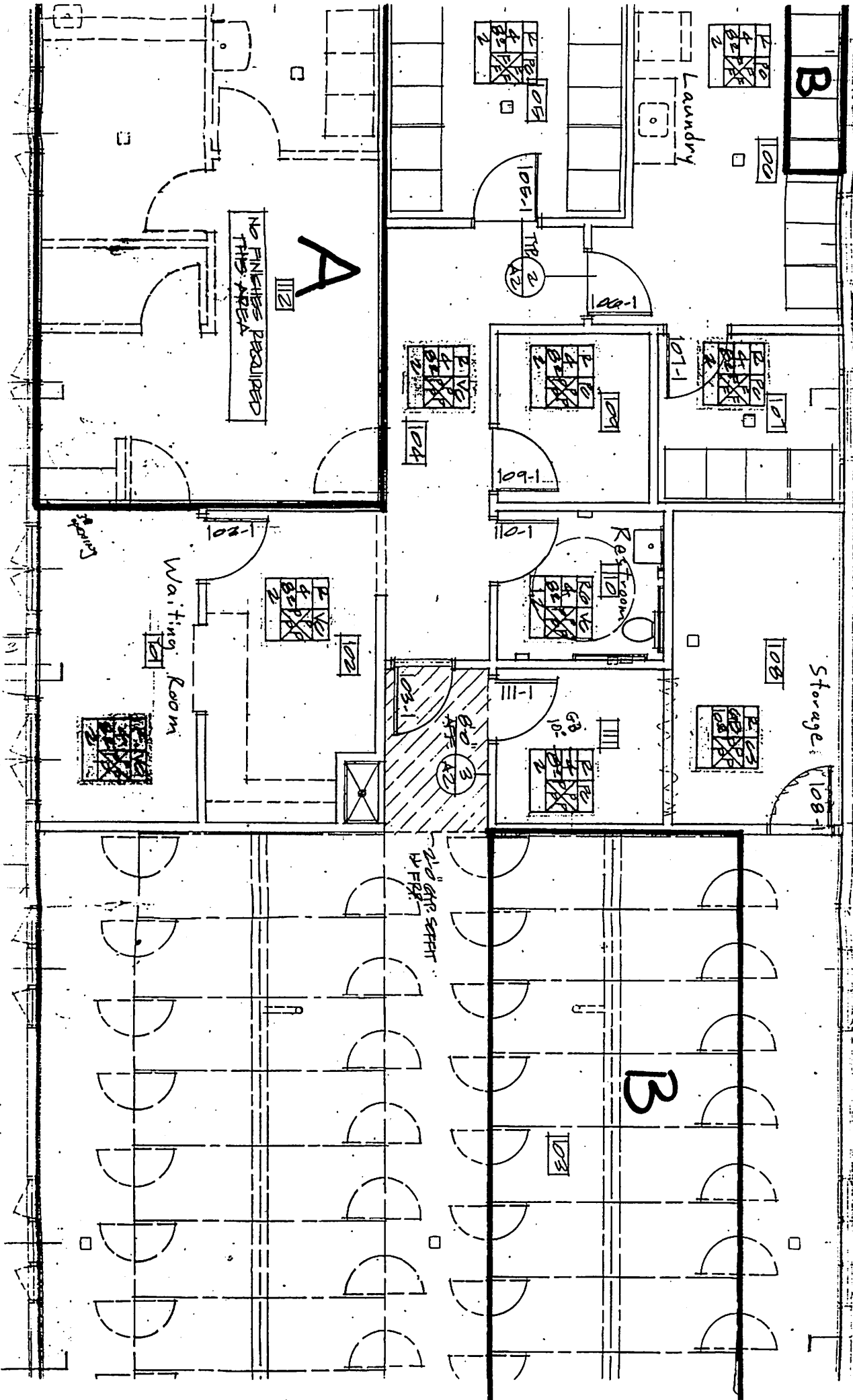
210 GATE SEPT
BY FRG

B

103

A: Veterinary Hospital

B: Boarding Facility



M/S Smith - Morrison: to adopt Ordinance 95-1338 on second and final reading.

Smith felt the Attorney needs to review the entire policy and make changes where appropriate from a manual standpoint, including page 23.

Assembly members concurred.

Motion CARRIED by a unanimous roll call vote.

Item D

Ordinance 95-1340

Ordinance 95-1340: REPEALING SUBSECTION 11.28.35.235 A. OF THE SITKA GENERAL CODE

Smith read the ordinance in full.

M/S Morrison - Perkins: to adopt Ordinance 95-1340 on second and final reading.

Motion CARRIED by a unanimous roll call vote.

Item E

Ordinance 95-1342:

Ordinance 95-1342: AUTHORIZING THE SALE OF LOT 1B OF UNITED STATES SURVEY 3670

Morrison read the ordinance in full.

M/S Smith - Perkins: to adopt Ordinance 95-1342 on second and final reading.

Per Stedman's request, Assessor Anderson explained the process he used to arrive at the minimum purchase price of \$149,200.

Questions and discussion followed.

Motion CARRIED by a 4 - 1 roll call vote with Smith abstaining due to professional services performed for the current lessee.

NEW BUSINESS:

Item F

Liquor License Transfer

Canoe Club/Pilot House

M/S Smith - Morrison: that the Canoe Club/Pilot House liquor license transfer application be forwarded to the ABC Board without objection provided the utility arrears are paid in full within one week.

Motion CARRIED by a unanimous roll call vote.

Item G

Animal Shelter

Veterinary Lease

Public Works Director Harmon updated the Assembly on the volunteer efforts on

final construction stages of the new animal shelter. Referring to his December 7, 1995 memo to the Administrator, he noted current efforts are being concentrated on the area designated for veterinary services and that Dr. David Hunt is interested in leasing 780 square feet for a veterinary clinic. The proposed minimum bid price is \$1.00 per square foot, a rate which the Assessor feels is a fair minimum bid price. Harmon asked the Assembly to set the lease price and approve the lease at this time.

Questions and discussion followed regarding the amount of lease space, common use areas, and maintenance costs.

Dr. Hunt told the Assembly he is anxious to move into the building and would be interested in leasing more space in the future.

M/S Smith - Morrison: to set the lease fee at \$1.00 per square foot.

Stedman felt the proposed lease amount was too low to cover projected operational costs.

Smith disagreed stating impound fees and future boarding fees also need to be considered.

Dr. Hunt stated he may be interested in operating a boarding kennel as part of the shelter facility.

Motion CARRIED by a 4 - 1 roll call vote with Stedman opposing.

M/S Smith - Morrison: to approve the lease between the City and Borough of Sitka and the Sitka Animal Hospital, Inc.

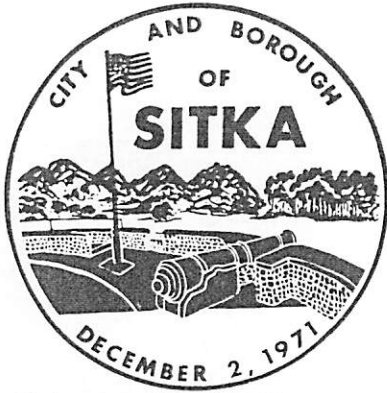
It was agreed to have staff look into providing more space to Dr. Hunt and, if feasible, bring a proposal back to the Assembly.

Motion CARRIED by a 4 - 1 roll call vote with Stedman opposing.

Item H
 Water Sales Review
of Global Contract

M/S Smith - Morrison: to approve a "conceptual agreement" as outlined in Larry Harmon's memorandum with Global Water Corporation for sales of raw water from Blue Lake for export.

Public Works Director Harmon reported on the major points of the agreement as outlined in his December 19, 1995 memo to the Administrator and where negotiations are at this time. He stated that staff is satisfied with the agreement with two exceptions; 1) the agreement is subject to finalizing the City's water appropriation with the State and 2) since exporting water has not had detailed public exposure, Global's six month engineering phase will require public presentations and Assembly approval. Harmon asked for direction from the Assembly noting that



City and Borough of Sitka

PUBLIC SERVICES

100 Lincoln Street • Sitka, Alaska 99835

Phone (907) 747-1804

Fax (907) 747-3158

February 28, 1997

David J. Hunt
Sitka Animal Hospital
PO Box 1774
Sitka, AK 99835

RE: SITKA ANIMAL SHELTER LEASE

Dear Dr. Hunt:

This letter is to modify our January 8, 1996 lease agreement for the Sitka Animal Shelter. Room 105 consisting of 116 square feet is added to the leased premises to expand the Veterinary Hospital. Attached is a revised exhibit A showing the revised premises.

The revised monthly rental is \$896 per month. The effective date of the rental increase is March 1, 1997.

The commencement date referred to in Section 4 of the lease is February 15, 1996.

All other terms and conditions of the lease agreement are unchanged and apply to this modification. Agreement to this lease modification is indicated by each parties signature below.

"Landlord":

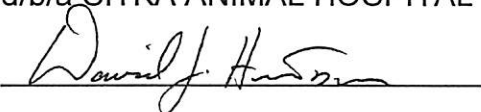
CITY AND BOROUGH OF SITKA
SITKA, ALASKA

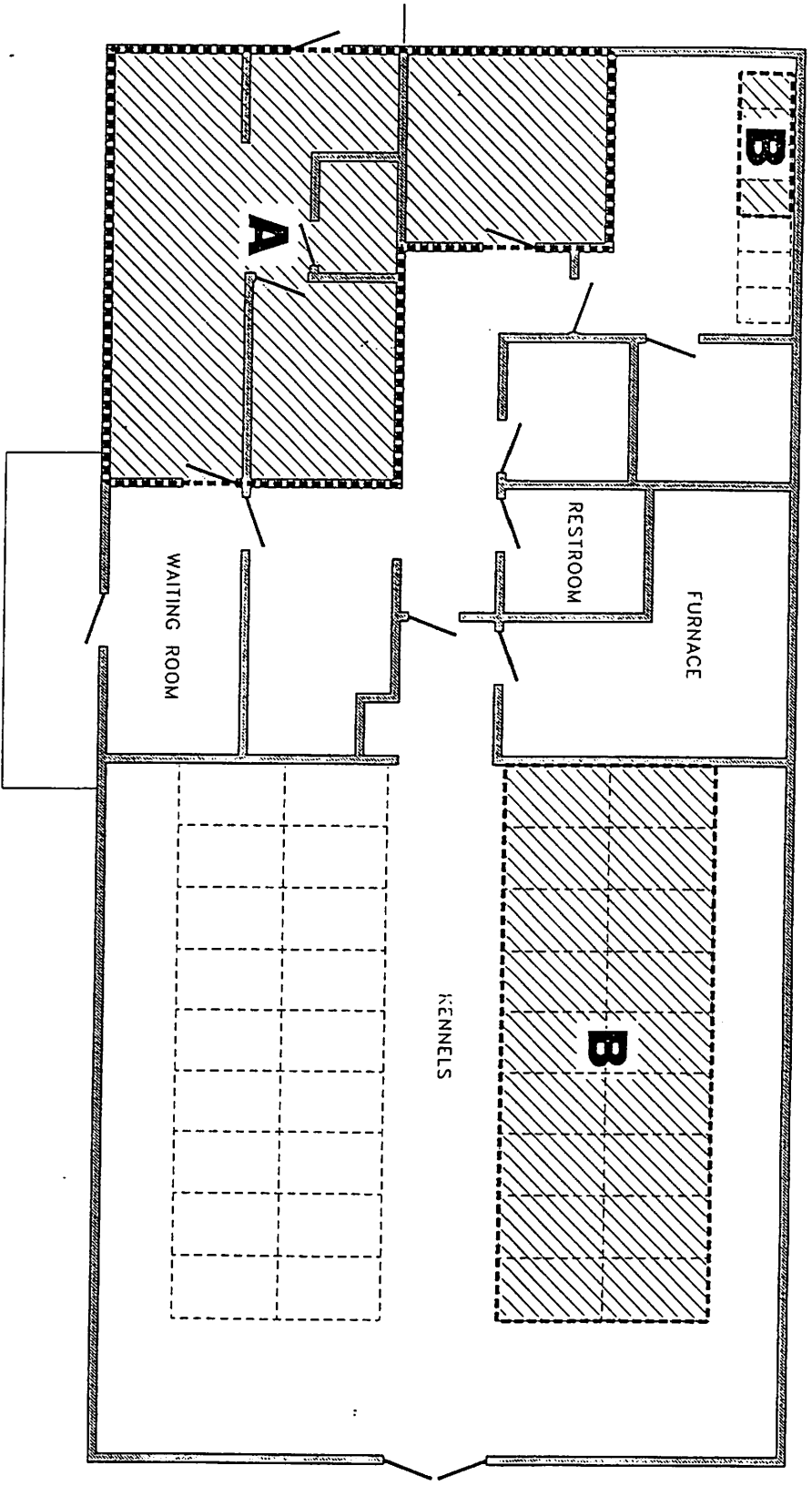
By: 

Title: City Administrator

"Tenant":

DR. DAVID J. HUNT, D.V.M., P.C.
d/b/a SITKA ANIMAL HOSPITAL





DRAWN:	PJW	SCALE:	1" = 10'
CHECKED:		DATE:	02/27/97
DRAWING NAME:	on/in/less		
SHEET NO.			



City and Borough of Sitka
 PUBLIC SERVICES
 100 LINCOLN STREET • SITKA, ALASKA 99835
 TEL (907) 747-1804 FAX (907) 747-3158

Animal Shelter
Lease Areas
 A: Veterinary Hospital
 B: Boarding Facility

**SITKA ANIMAL HOSPITAL
SECOND AMENDMENT TO LEASE**

THIS INSTRUMENT (hereinafter referred to as the "Second Amendment"), dated the 3rd day of September 2002, is entered into by the **CITY AND BOROUGH OF SITKA, ALASKA** ("Landlord"), and DAVID J. HUNT, D.V.M., P.C., doing business as **SITKA ANIMAL HOSPITAL** ("Tenant"). The parties agree as follows:

1. **Identification of Lease.** Landlord is currently the landlord, and Tenant is currently the tenant, under a Lease, dated January 8, 1996, covering certain leased Premises in a Building located at 209 Jarvis Street in Sitka, Alaska, as such Lease was amended by a letter agreement between Landlord and Tenant dated February 28, 1997. That Lease, as it was amended by the referenced letter agreement, is referred to below as the "Lease."

2. **Context of Second Amendment.** The parties have agreed that the term of the Lease will be extended. This Second Amendment is being entered into for that and related purposes.

3. **Extension of Term.** The term of the Lease provided for in Section 4 thereof is hereby extended for a period of six (6) years from and after February 28, 2003 (the expiration date of the term previously in effect). Such additional period of six (6) years is hereinafter referred to as the "Extension Period." The term of the Lease, as extended for the Extension Period, shall expire on February 28, 2009.

4. **Rent During Extension Period.** The monthly rent payable under Section 6 (entitled "Rent") of the Lease during the first three (3) years of the Extension Period shall be \$1,400.00. The monthly rent payable during the fourth (4th), fifth (5th), and sixth (6th) years of the Extension Period shall be determined in accordance with the following provisions.

The monthly rent shall be adjusted as of the first day of the fourth (4th) year of the Extension Period and as of the same date during each following year. Each such adjustment shall be based upon and in direct proportion to any change in the "Consumer Price Index—U.S. City Average for All Items for All Urban Consumers (1982-84 = 100)" established by the United States Department of Labor, Bureau of Labor Statistics. The calculation of each such change in monthly rent shall be made by multiplying \$1,400.00 by a fraction whose denominator is such Index for the month of February, 2003, and whose numerator is such Index for the month of February immediately preceding the effective date of the adjustment in question. Following availability of such Index for the particular February involved, Landlord shall calculate and notify Tenant in writing of the amount of the monthly rent, as adjusted, payable during the one-year period in question. Pending receipt by Tenant of such calculation and notice from Landlord, Tenant shall continue to pay the same amount of rent per month as was payable during the immediately prior yearly period. Upon receipt of such calculation and notice, Tenant shall pay

the adjusted monthly rental amount plus or minus such additional amount as may be necessary to increase or decrease the rental payments already made during said one-year period to the adjusted rental amount, to the end that the change shall be effective retroactively from the beginning of the particular one-year period involved. Notwithstanding any of the foregoing provisions, the monthly rent payable under this Lease during the fourth (4th) year of the Extension Period shall not exceed 115% of the monthly rent payable during the first three (3) years, and the monthly rent that is payable during each of the fifth (5th) and sixth (6th) year shall not exceed 105% of the monthly rent that was payable during the immediately preceding yearly period.

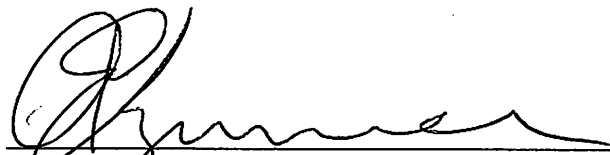
5. **Assignment**. Section 13 of the Lease is deleted and is replaced with language reading as follows:

13. **Assignment and Subletting**. Tenant shall not assign this Lease or sublet the Premises or any part thereof, except with the written consent of the Administrator of the City and Borough of Sitka, after such Administrator's consultation with the Chief of Police of the City and Borough of Sitka. Such consent shall not be unreasonably withheld. Upon occurrence of an assignment of this Lease to which such Administrator has consented, the assigning Tenant shall be relieved of all liability under this Lease that accrues after the date of the assignment.

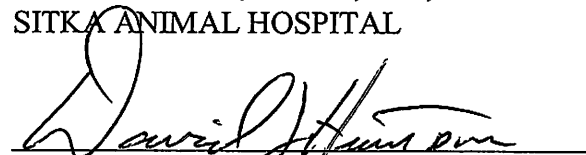
6. **Miscellaneous**. Any term used in this Second Amendment which is defined in the Lease shall have the same meaning herein, unless the context indicates that another meaning is intended. The Lease is intended to be and is supplemented and amended by the provisions of this Second Amendment, and hereafter the Lease and this Second Amendment shall be considered and construed together. All of the terms, provisions, conditions, and covenants of the Lease, as modified by this Second Amendment, shall be and remain in full force and effect and shall apply during the extension of the term provided for herein.

IN WITNESS WHEREOF, THE PARTIES HAVE CAUSED THIS Second Amendment to be executed on or as of the day and year first above written.

Landlord:
CITY AND BOROUGH OF SITKA, ALASKA

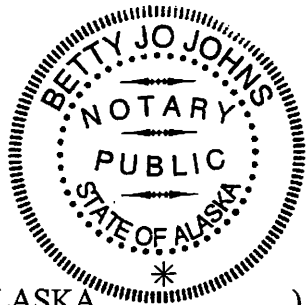

A.E. Zimmer, Administrator

Tenant:
DAVID J. HUNT, D.V.M., P.C., dba
SITKA ANIMAL HOSPITAL


David J. Hunt, President

STATE OF ALASKA)
)ss. **ACKNOWLEDGMENT**
FIRST JUDICIAL DISTRICT)

ON THIS 3rd day of September, 2002, before me, a Notary Public for the State of Alaska, personally appeared **DAVID J. HUNT, D.V.M., P.C., dba SITKA ANIMAL HOSPITAL** to me known and who, being duly sworn by me, did depose and say that he resides at Sitka, Alaska, and that he is the **PRESIDENT** in the foregoing indenture named, and that he signed the same as **PRESIDENT** and he acknowledges the execution of said instrument to be the free and voluntary act and deed of said **SITKA ANIMAL HOSPITAL SECOND AMENDMENT TO LEASE** by him as **PRESIDENT** of **SITKA ANIMAL HOSPITAL**, voluntarily done and executed.

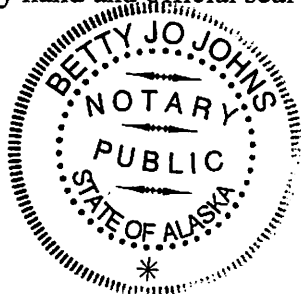


Betty Jo Johns
Notary Public for Alaska
My Commission Expires: November 1, 2004
Residing at Sitka, Alaska

STATE OF ALASKA)
)ss. **MUNICIPAL ACKNOWLEDGMENT**
FIRST JUDICIAL DISTRICT)

THIS CERTIFIES that on this 3rd day of September, 2002 before me, a Notary Public in and for the State of Alaska, personally appeared **A. E. ZIMMER** to me known and known to me to be the person whose name is subscribed to the foregoing **SITKA ANIMAL HOSPITAL SECOND AMENDMENT TO LEASE**, and after being first duly sworn according to law, he stated to me under oath that he is the **ADMINISTRATOR** of the City and Borough of Sitka, Alaska, a corporation organized under the laws of the State of Alaska, that he has been authorized by said corporation to execute the foregoing **SITKA ANIMAL HOSPITAL SECOND AMENDMENT TO LEASE** on its behalf and he executed the same freely and voluntarily as the free act and deed of said corporation.

WITNESS my hand and official seal the day and year in this certificate first above written.



Betty Jo Johns
Notary Public for Alaska
My Commission Expires: November 1, 2004
Residing at Sitka, Alaska

SITKA ANIMAL HOSPITAL SECOND AMENDMENT TO LEASE

Motion PASSED by unanimous roll-call vote.

Item M
Japonski Boathouse
Res. 03-881

RESOLUTION 03-881: AUTHORIZING THE ADMINISTRATOR TO SUBMIT TO THE STATE OF ALASKA AN APPLICATION FOR A FEDERAL GRANT FOR THE JAPONSKI ISLAND BOATHOUSE PLAN

M/S to approve Resolution 03-881 on first and final reading.

Rebecca Poulson, president of the Sitka Maritime Heritage Society, spoke about funding and history of the project. This would be for design of the boathouse and interpretive center. The City's in-kind amount would be \$1,700 to administer the grant.

Dapceвич suggested we reduce the money to Sitka Historical Society by \$1,700, as this money should come from them.

Motion PASSED by unanimous roll-call vote.

M/ Dapceвич to reduce the funding to Sitka Historical Society by \$1,700.
Motion died for lack of a second.

Item N
Animal House Lease

M/S Bettis/ Bailey: to approve modifying the Animal Shelter Lease by reducing the monthly payment from \$1,400 to \$1,200, in recognition of the support Dr. Hunt's reception staff provides to the animal shelter and to allow Dr. Hunt to place a container outside the building for food storage in the area shown as "Area A" on the attached map at no additional cost.

McCrary and Hunt explained the rationale and logistics within the facility.

Motion PASSED by unanimous roll-call vote.

Item O
LID Waiver
Gavan - Van Meter

M/S Christianson/ Bailey: to approve waiving \$6,974, the amount that was assessed for electrical power in the LID, and to waive the total amount of the interest and penalties accrued in the LID assessment for Gavan Subdivision Lot 53 for Ginger Van Meter.

Mayor was concerned that this oversight continued for so long without being caught. Wolff said it will not happen in the future.

The original LID was \$36,000, but she protested paying it because she did not feel she was fairly assessed. Now that she is selling the property, she is interested in getting relief. If adjusted for not having underground utilities, it would be more like \$29,000.

Interest and penalties on \$27,000 is about \$15,750 less \$1,000 already paid, totaling about \$41,750 owed. Principle would be kept at \$27,000.

Friday, July 25, 2003

MEMORANDUM

To: Mayor and Assembly

From: Hugh Bevan, Administrator *HB*

Subject: Animal Shelter Lease
Sitka Animal Hospital

Dr. David Hunt DVM operates Sitka Animal Hospital. Dr. Hunt leases a portion of the animal shelter building for \$1,400 per month. His lease expires On Feb 28, 2009.

Dr. Hunt's business and the City's animal shelter are both cramped for space. The shelter is planning a minor expansion at the south end of the building to accommodate more kennels.

Dr. Hunt needs more room to store animal food. He leases part of the kennel area for his business needs and food storage is a problem. (Stored animal food precludes wash-down of kennel areas)

Dr. Hunt's reception staff regularly greets shelter customers, give out information and show people the animals that are up for adoption.

On July 14, 2003 we proposed a solution set for these problems. Dr. Hunt has agreed.

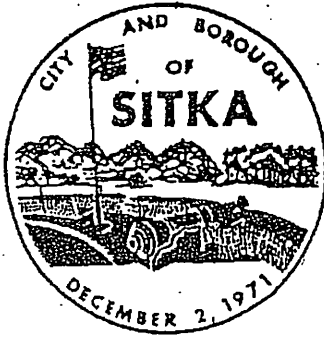
In summary:

- The City will reduce his lease payment from \$1,400 per month to \$1,200 in recognition of the support Dr. Hunt's reception staff provides to the animal shelter.
- The City will allow Dr. Hunt to place a container outside the building for animal food storage. This area shown as "Area A" on the attached map is provided a no cost to Dr. Hunt. We will extend the electrical system to the container to provide heat and power.

Recommendation

Modify the lease between the City of Sitka and Sitka Animal Hospital as described in this memorandum.

C: Sitka Police Dept



City and Borough of Sitka

100 LINCOLN STREET • SITKA, ALASKA 99835

Monday July 14, 2003

Dr. David Hunt
PO Box 1774
Sitka, Alaska 99835

RE: Sitka Animal Hospital and Shelter

Dear Dave:

I would like to suggest a few solutions to the issues at hand at the animal hospital.

1. The storage of animal food inventory in the kennel area is limiting our ability to keep the area clean. We request that you store the food inventory in an area other than around the kennels.

We offer you an area outside the building at no charge where you can place a container for animal food storage. Electric service for heat and lights can be extended from the building to the container. See "Area A" on the attached drawing.

If you agree to purchase and install the container, we will extend the electrical system to it.

2. The Police Department and the Animal Shelter volunteers are planning to expand the kennel area toward the transfer station. We invite you to participate in the planning process.

If we can incorporate a storage area in the kennel extension, we will give Sitka Animal Hospital full use of the Shared Storage Area at no additional cost to your lease. See "Area B" on the attached drawing.

3. It is my understanding that your reception staff assists the Police Department with the general public when they visit the animal shelter. This assistance consists of dispensing information and showing shelter inmates to persons who may be interested in adoption of a pet. Your services are a benefit to the operation of the animal shelter.

We offer a \$200 per month reduction in your lease amount in recognition of the receptionist services you are providing to us.

Please evaluation these suggestions. If they are acceptable to you, I will seek a lease modification from the Assembly.

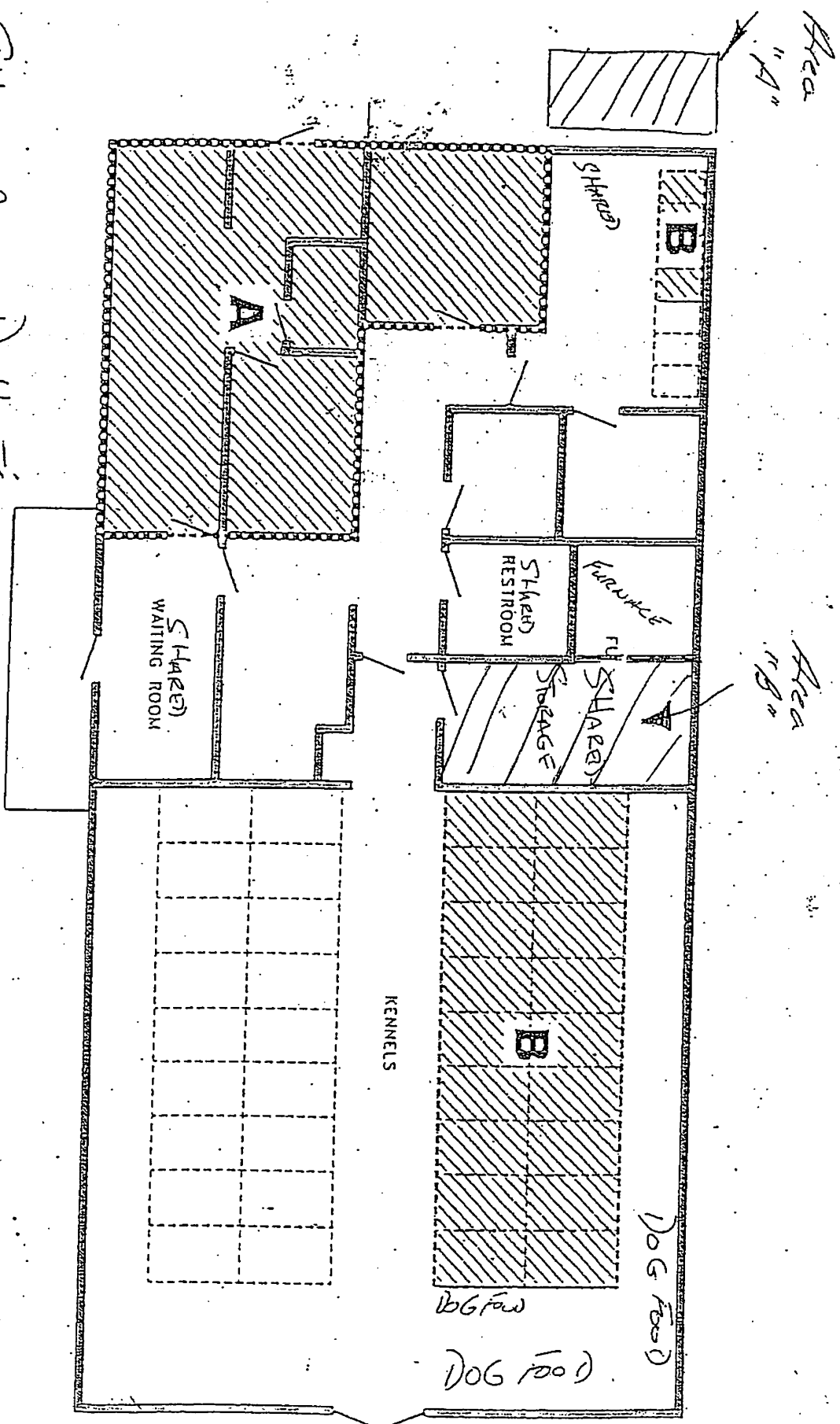
Sincerely,



Hugh R. Bevan
Administrator

C: SPD Chief Bob Gorder
SPW Facilities Manager Chris Wilbur

SHARED Areas - Dr. Hunt's



DRAWN BY:	PJW	SCALE:	1" = 10'
CHECKED BY:		DATE:	02/27/97
DRAWING NAME:	shelters		
SHEET NO.:	7		



City and Borough of Sitka
 PUBLIC SERVICES
 100 LINGOLI STREET • SITKA, ALASKA 99835
 TEL (907) 747-1804 FAX (907) 747-3158

**Animal Shelter
 Lease Areas**
 A: Veterinary Hospital
 B: Boarding Facility

SITKA ANIMAL HOSPITAL
THIRD AMENDMENT TO LEASE

THIS INSTRUMENT (hereinafter referred to as the "Third Amendment"), dated the 30 day of April, 2009, is entered into by the CITY AND BOROUGH OF SITKA, ALASKA ("Landlord"), and DAVID J. HUNT, D.V.M., P.C., doing business as SITKA ANIMAL HOSPITAL ("Tenant"). The parties agree as follows:

1. **Identification of Lease.** Landlord is currently the landlord, and Tenant is currently the tenant, under a Lease, dated January 8, 1996, covering certain leased Premises in a Building located at 209 Jarvis Street in Sitka, Alaska, as such Lease was amended by a letter agreement between Landlord and Tenant dated February 28, 1997, by a Second Amendment to Lease dated September 3, 2002, and by a Resolution passed by the City Assembly on August 12, 2003. That Lease, as it has been so amended, is referred to below as the "Lease."

2. **Context of Third Amendment.** The parties have agreed that the term of the Lease will be further extended. This Third Amendment is being entered into for that and related purposes.

3. **Extension of Term.** The term of the Lease is hereby further extended for a period of three (3) years from and after February 28, 2009 (the expiration date of the term heretofore in effect). Such additional period of three (3) years is hereinafter referred to as the "Second Extension Period." The term of the Lease, as extended for the Second Extension Period, shall expire on February 28, 2012.

4. **Rent During Second Extension Period.** The monthly rent payable under the Lease during the Second Extension Period shall be \$1,200.00, i.e., the same monthly rent as has previously been payable under the Lease.

5. **Miscellaneous.** Any term used in this Third Amendment which is defined in the Lease shall have the same meaning herein, unless the context indicates that another meaning is intended. The Lease is intended to be and is supplemented and amended by the provisions of this Third Amendment, and hereafter the Lease and this Third Amendment shall be considered and construed together. All of the terms, provisions, conditions, and covenants of the Lease, as modified by this Third Amendment, shall be and remain in full force and effect and shall apply during the extension of the term provided for herein.

IN WITNESS WHEREOF, the parties have caused this Third Amendment to be executed on or as of the day and year first above written.

"Landlord":

CITY AND BOROUGH OF SITKA, ALASKA

By James E. Dunley
Name: JAMES E. DUNLEY
Title: City Administrator

"Tenant":

DAVID J. HUNT, D.V.M., P.C., dba SITKA ANIMAL HOSPITAL

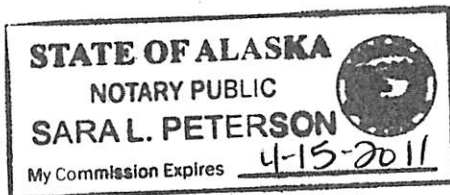
By David J. Hunt DVM
David J. Hunt, President

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

ACKNOWLEDGMENT

THIS CERTIFIES that on this 30 day of April, ²⁰⁰⁹2008, before me, a Notary Public in and for the State of Alaska, personally appeared DAVID J. HUNT, to me known and who, being duly sworn by me did depose and say that he resides at Sitka, Alaska, and that he is the PRESIDENT named in the foregoing SITKA ANIMAL HOSPITAL THIRD AMENDMENT TO LEASE, and that he signed the same as PRESIDENT and he acknowledged the execution of said instrument to be the free and voluntary act and deed of the corporation named DAVID J. HUNT, D.V.M., P.C, doing business as SITKA ANIMAL HOSPITAL, voluntarily done and executed.

WITNESS my hand and official seal the day and year in this certificate first above written.



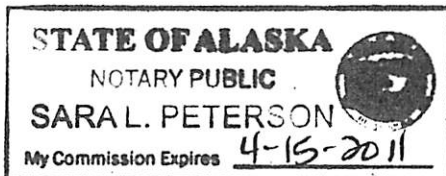
Sara L Peterson
Notary Public for Alaska
My Commission Expires: April 15, 2011
Residing at Sitka, Alaska

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

MUNICIPAL ACKNOWLEDGMENT

THIS CERTIFIES that on this 30 day of April, ²⁰⁰⁹2008 before me, a Notary Public in and for the State of Alaska, personally appeared James E. Dinkley, to me known and known to me to be the person whose name is subscribed to the foregoing SITKA ANIMAL HOSPITAL THIRD AMENDMENT TO LEASE, and after being first duly sworn according to law, he stated to me under oath that he is the ADMINISTRATOR of the CITY AND BOROUGH OF SITKA, ALASKA, a corporation organized under the laws of the State of Alaska, and he has been authorized by said corporation to execute the foregoing SITKA ANIMAL HOSPITAL THIRD AMENDMENT TO LEASE on its behalf and he executed the same freely and voluntarily as the free act and deed of said corporation.

WITNESS my hand and official seal the day and year in this certificate first above written.



Sara L Peterson
Notary Public for Alaska
My Commission Expires: April 15, 2011
Residing at Sitka, Alaska

**AMENDMENT NO. 4 TO LEASE
BETWEEN CITY AND BOROUGH OF SITKA
AND SITKA ANIMAL HOSPITAL**

City and Borough of Sitka ("CBS" or "Lessor"), 100 Lincoln Street, Sitka, Alaska 99835, and Dr. David J. Hunt, D.V.M., P.C., d/b/a Sitka Animal Hospital ("Lessee"), PO Box 1774, Sitka, Alaska 99835, agree to amend and modify the "Lease [Sitka Animal Hospital]" ("Lease"), dated January 8, 1996, including its amendments consisting of the first amendment by letter dated February 28, 1997), Sitka Animal Hospital Second Amendment To Lease (September 3, 2002), third amendment by CBS Assembly motion on August 12, 2003, and Sitka Animal Hospital Third Amendment To Lease (April 30, 2009). This Amendment No. 4 To Lease Agreement Between City And Borough Of Sitka And Sitka Animal Hospital ("Amendment No. 4") was approved by the CBS Assembly in accordance with the Lease at Section 24 by motion, adding a new Section 4.5 (new language underlined; deleted language stricken):

4.5. Extension of Term. The term of the Lease as provided for in Section 4, and based on prior amendments, is extended for five years, beginning February 29, 2012, until February 28, 2017. The rent during this extension period shall be \$800 per month. This reduction in the rent is based in part on Sitka Animal Hospital continued support in providing reception services for the animal shelter.

All other sections of the Lease that are not modified by this Amendment No. 4 remain in full force and effect.

This Amendment No. 4 was approved by the City and Borough Assembly on September 13, 2011.

Amendment No. 4 becomes effective on February 29, 2012, which is when the current extension of the Lease expires, based on Sitka Animal Hospital Third Amendment To Lease.

CITY AND BOROUGH OF SITKA

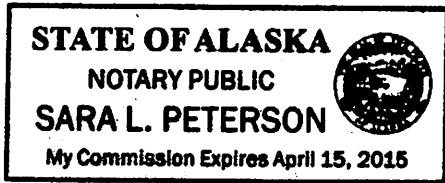
James Dinley
James Dinley, Administrator

STATE OF ALASKA)
FIRST JUDICIAL DISTRICT)

) ss. MUNICIPAL ACKNOWLEDGMENT

THIS CERTIFIES that on the 23 day of September, 2011, before me, a Notary Public in and for the State of Alaska, personally appeared JAMES DINLEY, Municipal Administrator of the City and Borough of Sitka, Alaska, a municipality organized under the laws of the State of Alaska, and by signing this document verifies that he is authorized to execute the document on its behalf, and he signs freely and voluntarily.

WITNESS my hand and official seal the day and year in this certificate.



Sara L Peterson
Notary Public for Alaska
My Commission expires: 4-15-2015

SITKA ANIMAL HOSPITAL

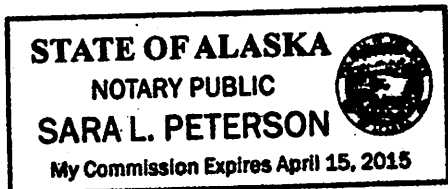
David J. Hunt
David J. Hunt D.V.M., P.C., President

STATE OF ALASKA)
FIRST JUDICIAL DISTRICT)

) ss. ACKNOWLEDGMENT

THIS IS TO CERTIFY that on this 22 day of September, 2011, before me, a Notary Public in and for the State of Alaska, personally appeared DAVID J. HUNT, D.V.M., P.C., President of Sitka Animal Hospital, and by signing this document verifies that he is authorized to execute the document on its behalf, and he signs freely and voluntarily.

WITNESS my hand and official seal the day and year in this certificate.



Sara L Peterson
Notary Public for Alaska
My Commission expires: 4-15-2015

6. The applicant shall provide a narrative on the status of the operations nine months after the activation of the conditional use permit;
7. The Planning Commission has an annual review of the first nine to twelve months of operation of the facility within one year of the activation of the conditional use permit. The purpose of the annual review is to determine what, if any impacts of the operation need to be mitigated. The Planning Commission, by its own motion, may undertake a second annual review if the Commission considers it to be necessary;
8. The Assembly, at its discretion, may complete an annual review if any issues are not resolved at the Planning Commission level;
9. The structure be located at least 30 feet from any residential structure on Andrew Hope Street;
10. The hours of standard operations be between 6am and 10pm Monday through Saturday with limited hours of operations outside of this timeframe and limited hours of operations on Sundays. Exceptional workload hours may be extended with prior notice to the City;
11. Manufacturing and/or processing is prohibited within the structure;
12. The applicant maintain to the fullest extent possible a natural vegetative buffer adjacent Andrew Hope Street homes;
13. This conditional use permit is for the construction of one 5,000 square foot building as proposed.
14. Contingent and in accordance with the passage of Ordinance 2011-34, effective August 24.

The motion PASSED by the following vote.

Yes: 7 - Westover, Crews, McConnell, Hackett, Blake, Christianson, and Esquiro

A motion was made by McConnell to adopt the identical findings approved by the Planning Commission at their July 19, 2011 meeting found on pages 3 and 4 of their official meeting minutes.

The motion PASSED by the following vote.

Yes: 7 - Westover, Crews, McConnell, Hackett, Blake, Christianson, and Esquiro

A motion was made by McConnell to reconvene as the Assembly in regular session. The motion PASSED by an unanimous vote.

G 11-170

Authorize the preparation of a proposed Amendment #4 to Dr. Hunt's lease.

McConnell brought up that the \$800 is within the range given to the Administrator to negotiate. Hackett was in favor of doing some compensation for Dr. Hunt in exchange but to just flat out reduce the rent without any service in return is a difficult precedent to set. Blake asked Dr. Hunt to come up and explain if there were any services provided. Dr. Hunt advised that he would still do reception duties, but he will not be doing any spay or neutering. Crews supports the lease rate for the size and location. Esquiro believes it is reasonable. Hackett would like to see the reception duties referenced. Hillhouse said if approved tonight it will come back.

A motion was made by Christianson to authorize the preparation of Amendment 4 to the lease between the CBS and Dr. Hunt with a monthly rate of \$800, for a period of five years beginning in March of 2012 when the existing lease expires. The motion PASSED by the following vote.

Yes: 7 - Westover, Crews, McConnell, Hackett, Blake, Christianson, and Esquiro

H 11-171

Discussion/Direction/Decision regarding CBS paying 2010 property tax bills for

This item was APPROVED ON THE CONSENT AGENDA.

- C. 11-183 Appoint 1) Simon Greene to a term on the Tree and Landscape Committee, and 2) Appoint Mary Ann Jones to the Animal Hearing Board (alternate seat).
- A motion was made by Christianson that Greene's appointment be approved. The appointment PASSED by the following vote.**
- Yes:** 8 - Westover, Crews, Crews, McConnell, Hackett, Blake, Christianson, and Esquiro
- Westover asked to be recused from the appointment of Jones because of her relationship with the candidate.*
- Due to Jones's employment with CBS, Hackett inquired as to whether city employees could fill municipal seats on boards, committees and commissions. Municipal Attorney Hillhouse responded that each situation is reviewed for any potential conflicts and in this case none exist.*
- A motion was made by McConnell that Jones's appointment be APPROVED. The motion PASSED by the following vote.**
- Yes:** 7 - Crews, Crews, McConnell, Hackett, Blake, Christianson, and Esquiro
- Recused:** 1 - Westover

IX. UNFINISHED BUSINESS:

- E 11-184 Approve Amendment No. 4 to the lease between the CBS and Sitka Animal Hospital.
- A motion was made by Christianson that this Item be APPROVED. The motion PASSED by the following vote.**
- Yes:** 8 - Westover, Crews, Crews, McConnell, Hackett, Blake, Christianson, and Esquiro

X. NEW BUSINESS:

New Business First Reading

- F ORD 11-38 Consenting to the Tidelands Lease Assignment to Whitecap Properties LLC of Tideland Lease No. ADL 24391.
- Jim Shine, representing the property sellers, was available by phone. He noted the current intent was to keep the trailer park, however, noted passage of the ordinance would not preclude them from other uses.*
- A motion was made by McConnell that this Ordinance be PASSED ON FIRST READING. The motion PASSED by the following vote.**
- Yes:** 8 - Westover, Crews, Crews, McConnell, Hackett, Blake, Christianson, and Esquiro
- G. RES 11-20 Approving and adopting the conclusions of the Airport Terminal Master Plan 2011 for Rocky Gutierrez Airport.
- Charles Bettisworth of Bettisworth North Architects and Planners gave an overview of*

Fourth Amendment to Sitka Animal Hospital Lease

History:

In August of 1995 the Sitka Animal Shelter was built by a group of volunteers that included myself, David Hunt, DVM. A 500 square foot area was set aside to accommodate a veterinary hospital for the shelter animals. I designed a floor plan and helped build a full service veterinary hospital in this space. A waiting room and kennel facility are shared space with the Sitka Animal Shelter. I signed a lease with the city on Jan 8, 1996 to operate a veterinary clinic in this 500 square foot space sharing the waiting room and kennel area with the shelter. I have practiced in this space for the past 15 years and have had 3 amendments to my original lease.

Current situation:

In May of 2010, the city of Sitka loaned Burgess Bauder and Victoria Vosburg \$127,000 (minus \$47,000 for sewer and water utilities, \$12,983 to upsize the sewer service,) for a total loan amount of \$67,017. This loan was given with 0 down, 5% fixed interest for a 30 year term. While building his veterinary clinic he also was charged \$1 per year for 5 years to build and practice in the city facility built by him. All of this is in exchange for Dr. Bauder to charge nominal fees for veterinary services at the property.

Dr. Vosburg is currently practicing in the facility full time and charging full fees. This violates the intent of the loan for the property in exchange for charging nominal fees for veterinary services.

I am on record at the May 2010 assembly meeting that if you loan Dr. Vosburg and Dr. Bauder the money for the property and nominal fees are not charged in the facility, I would be asking for a reduction in my lease. I feel the City of Sitka has given my competition an unfair financial advantage and has significantly favored one business over another.

Please consider the following points when passing the fourth amendment to the Sitka Animal Hospital lease:

In exchange for \$10 a year lease Sitka Animal Hospital would:

1. Provide reception duties for the animal shelter during business hours
2. Provide the following services at the following rates for animals housed at the animal shelter (current rates provided by Dr. Bauder):
 - Dog spay - \$45.00 per animal
 - Dog neuter - \$30.00 per animal
 - Dog vaccinations - \$15.00 per animal
 - Cat spay - \$35.00 per animal
 - Cat neuter - \$15.00 per animal
 - Cat vaccinations - \$15.00 per animal
3. Provide hospital staff and doctor's time to treat sick and injured animals that are housed in the animal shelter
4. Assist animal control with dangerous animals

The original purpose of the space in the animal shelter presently used by Sitka Animal Hospital is for a shelter veterinary hospital. Passing this amendment ensures a functional animal hospital will exist to help shelter animals get spayed and neutered and treated for the next 5 years and provide the City of Sitka with a choice in veterinary care.

Value of services offered by Sitka Animal Hospital with passage of the 4th amendment to my lease:

1. Reception for shelter 8am – 5pm Monday through Friday
45 hours per week for a salaried employee.
\$2,500 per month cost to employer.
These reception duties allow more time for the animal control officer to patrol and enforce ordinances and helps animals get viewed and adopted quickly.
2. Costs – veterinary medicine
All animals adopted out need vaccinations and some need to be spayed or neutered. The following are average costs at the 2 hospitals charging full fees vs. nominal fees:

	<u>Full Fees</u>	<u>Nominal Fees</u>	<u>Savings</u>
Spay, vaccine dog	370	60	310
Spay, vaccine cat	300	50	250
Exam w/vaccine cat	94	15	80
Exam w/vaccine dog	76	15	61

On average 4-7 dogs and 5 cats are adopted out each month. Currently the nominal services are provided by Dr. Bauder who is nearing retirement. He is working part time and is not always available as he is involved in other businesses. The animal control officer transports the animals for spays and neuters to Dr. Bauder's clinic. By having the surgeries done at the shelter, the animal control officer will have more time in the field to enforce ordinances and her other duties.

3. Provide staff and doctor time to treat sick and injured animals housed at the shelter. This service gives the shelter access to free and immediate veterinary service on an as-needed basis. This is an invaluable service that is difficult to put a value on in terms of overall animal health.

My veterinary practice employs 6 people and has served the community for the past 16 years. I hope by passing this amendment we can continue to provide the services currently offered and help the animals at the Sitka Animal Shelter with spay, neuter, vaccine and medical care.