



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

Municipal Administrator: Mark Gorman
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson

Tuesday, November 8, 2016

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

IV. CORRESPONDENCE/AGENDA CHANGES

[16-197](#) Reminders, Calendars and General Correspondence

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

[Public Works Update.pdf](#)

[Transfer of Appropriations.pdf](#)

V. CEREMONIAL MATTERS

[16-194](#) Service Award - Myron Fribush

Attachments: [Fribush Service Award.pdf](#)

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

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** [16-193](#) Approve the minutes of the October 25 Assembly meeting

Attachments: [Consent and Minutes.pdf](#)

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

None.

XI. UNFINISHED BUSINESS:

- B** [ORD 16-41](#) Adjusting the FY17 Budget (Medvejie Hatchery Transformer Replacement Project)

Attachments: [Ord 2016-41.pdf](#)

XII. NEW BUSINESS:

- C** [RES 16-23](#) Opposing siting and timing of U.S. Navy training exercises that pose risks to fish and fisheries in the Gulf of Alaska (Emily Stolarcyk of the Eyak Preservation Council will give a 5 minute presentation)

Attachments: [Res 2016-23.pdf](#)

[Supporting documentation.pdf](#)

- D** [16-195](#) Preliminary approval of a tidelands lease renewal for Kevin McNamee at 4401 Halibut Point Road

Attachments: [McNamee tidelands lease renewal.pdf](#)

- E** [16-196](#) Approve a one year lease agreement between Alaska & Pacific Packing and the City and Borough of Sitka as recommended by the Gary Paxton Industrial Park Board and authorize the Municipal Administrator to execute the document - the subject property is Block 4, Lot 4, of the Gary Paxton Industrial Park

Attachments: [APP Lease.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

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



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 16-197 **Version:** 1 **Name:**
Type: Item **Status:** AGENDA READY
File created: 11/3/2016 **In control:** City and Borough Assembly
On agenda: 11/8/2016 **Final action:**
Title: Reminders, Calendars and General Correspondence
Sponsors:
Indexes:
Code sections:
Attachments: [Reminders and Calendars.pdf](#)
[Public Works Update.pdf](#)
[Transfer of Appropriations.pdf](#)

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

REMINDERS

<u>DATE</u>	<u>EVENT</u>	<u>TIME</u>
Tuesday, November 8	Regular Meeting	6:00 PM
Saturday, November 19	Visioning Session	10:30 AM
Monday, November 21	Worksession ECG Management Consultants: SCH/SEARHC Collaboration Project	6:00 PM
Tuesday, November 22	Worksession <i>Gary Paxton Industrial Park Dock</i>	5:00 PM
Tuesday, November 22	Regular Meeting	6:00 PM
Monday, November 28	Joint Worksession Sitka Community Hospital Board and the Assembly: SCH/SEARHC Collaboration Project	6:00 PM



Assembly Calendar

[2015](#) [Jan](#) [Feb](#) [Mar](#) [Apr](#) [May](#) [Jun](#) [Jul](#) [Aug](#) [Sep](#) [Oct](#) [Nov](#) [Dec](#) [2017](#)

November 2016

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
30 Oct	31	1 Nov	2	3	4	5
		8:30am - 4:00pm New Assembly Member Orientation - City Hall Conference Room 7:00pm Planning	7:00pm Library Board	1:30pm - 3:30pm SEDA Board Meeting		
6	7	8	9	10	11	12
		GENERAL ELECTION 6:00pm Regular Assembly Mtg	12:00pm Health Needs & Human Services Commission 6:00pm Port & Harbors 6:00pm Historic Preservation	12:00pm LEPC 12:00pm Parks & Rec	VETERANS DAY	
13	14	15	16	17	18	19
Bean Knox	Bean Knox Potrzuski	Bean Knox Potrzuski 12:00pm Tree/Landscape 7:00pm Planning	Bean Potrzuski	Bean Potrzuski	Bean	10:30am Assembly Visioning Session
20	21	22	23	24	25	26
	6:00pm Worksession: ECG Management Consultants - SCH/SEARHC collaboration project	Swanson 5:00pm Worksession: GPIP Dock 6:00pm Regular Assembly Mtg	Swanson Hunter	Swanson Hunter 6:00pm Hospital Board Meeting THANKSGIVING	Swanson Hunter	Swanson Hunter
27	28	29	30	1 Dec	2	3
Hunter	Hunter 6:00pm Joint Worksession: Hospital Board/Assembly - SCH/SEARHC Collaboration Project	6:00pm Police and Fire Commission - Harrigan Centennial Hall		1:30pm - 3:30pm SEDA Board Meeting		

Assembly Calendar

[2015](#)
 [Jan](#)
 [Feb](#)
 [Mar](#)
 [Apr](#)
 [May](#)
 [Jun](#)
 [Jul](#)
 [Aug](#)
 [Sep](#)
 [Oct](#)
 [Nov](#)
 [Dec](#)
 [2017](#)

December 2016

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
27 Nov	28	29	30	1 Dec	2	3
<p>Hunter</p>	<p>Hunter 6:00pm Joint Worksession: Hospital Board/Assembly - SCH/SEARHC Collaboration Project</p>	<p>6:00pm Police and Fire Commission - Harrigan Centennial Hall</p>		<p>1:30pm - 3:30pm SEDA Board Meeting</p>		
4	5	6	7	8	9	10
		<p>7:00pm Planning</p>	<p>7:00pm Library Board</p>	<p>12:00pm LEPC 12:00pm Parks & Rec</p>	<p>Potrzuski</p>	<p>Potrzuski</p>
11	12	13	14	15	16	17
<p>Potrzuski</p>	<p>Potrzuski</p>	<p>Potrzuski 6:00pm <u>Regular Assembly Mtg</u></p>	<p>Potrzuski 12:00pm Health Needs & Human Services Commission 6:00pm Port & Harbors 6:00pm Historic Preservation</p>	<p>Potrzuski</p>	<p>Potrzuski</p>	<p>Potrzuski</p>
18	19	20	21	22	23	24
<p>Potrzuski</p>	<p>Potrzuski</p>	<p>Potrzuski 12:00pm <u>Tree/Landscape</u> 7:00pm <u>Planning</u></p>	<p>Potrzuski</p>	<p>Potrzuski 6:00pm Hospital Board Meeting</p>	<p>Potrzuski</p>	<p>Potrzuski</p>
25	26	27	28	29	30	31 Jan
<p>Potrzuski Eisenbeisz CHRISTMAS</p>	<p>Potrzuski Eisenbeisz</p>	<p>Potrzuski Eisenbeisz 6:00pm <u>Regular Assembly Mtg</u></p>	<p>Potrzuski Eisenbeisz 6:00pm Police and Fire Commission - Fire Hall</p>	<p>Potrzuski Eisenbeisz</p>	<p>Eisenbeisz</p>	<p>Eisenbeisz</p>

PUBLIC WORKS ASSEMBLY UPDATE

WORK COMPLETED OCTOBER 2016

Landslide Disaster Repair:

Milestones This Period

- Issued a contract and Notice to Proceed to CBC Construction for Blue Lake Road, Green Lake Road and Water Treatment Plant Access Road Disaster Repair project.
- DHS&EM approved the request for time extension to November 30, 2016 for Category A – Debris Removal to the Division of Homeland Security Management & Emergency Management.

Future Milestones

- Compile a bid package for the repairs to the GPIIP Administration Building November 2016.

Background

On August 18, 2015 a strong storm system brought heavy rains and winds to Sitka. This event caused multiple landslides on Baranof Island damaging City infrastructure. The City declared a local disaster emergency and requested State assistance. On August 27, 2015 Governor Bill Walker declared the event a disaster and authorized up to \$1,000,000 of expenditures funded from the Disaster Relief Fund (DRF) in the form of a grant from the Department of Military and Veterans Affairs, Division of Homeland Security and Emergency Management (DHS&EM). A request has been made to increase to \$1.6 million.

DHS&EM divides disaster related work into the following categories:

- Category A – Debris Removal
- Category B - Emergency Protective Measures
- Category C – Roads and Bridges
- Category D - Water Control Facilities (not included in our disaster)
- Category E – Buildings and Equipment
- Category F – Utilities (Water, Wastewater & Electric)
- Category G – Parks, Recreational Areas and Other Facilities

The City had damages relating to six out of the seven categories listed above. Nine project worksheets were created itemizing out the damaged areas and repairs to bring the infrastructure back to pre-disaster condition. The City estimates the repairs to be \$1.6 million and was granted authorization to spend \$1,500,000 by the Assembly.

Harrigan Centennial Hall (HCH) Renewal:

Milestones This Period

- HCH Renewal Project is Substantially Complete. Most of the Punch List Items were completed or corrected during the month of October.
- Installation and programming of the AV Equipment Package is approximately 98% complete.
- Staff training for use of new building systems, operations, and maintenance procedures is complete.
- Furniture, Fixtures, and Equipment (FF&E) procurement is under way.

Future Milestones

- Complete project closeout and punch list items for Physical Completion by November 4, 2016.

- The major portion of the HCH Furniture Order due to arrive in December 2016.
- Final Completion of the project (closeout of all paperwork).

Background

The current funding includes four State grants totaling \$11,500,000; a \$1,991,271 FY'10 Legislative Grant designated for a lightering facility visitor's center (previously planned for under the O'Connell Bridge), \$1,180,000 FY'11 CPET Head Tax grant, \$1,400,000 Marine Passenger Funds, \$232,620 heat pump grant, and \$66,000 from the Sitka Historical Society for a total project budget/funds of \$16.4 million.

Airport Terminal Upgrades:

Milestones This Period

- Consultants working on schematic design package.

Future Milestones

- Design improvements to the TSA luggage screening area (with TSA grant) and the airport baggage bay where bags are loaded into the carts for delivery to the airplane. Baggage bay design costs as well as required 5 percent match on TSA improvements will be paid with collected Passenger Facility Charges (PFCs).
- Preliminary Schedule: 30% design due November 30 2016, 100% design and bid ready docs May 30, 2017, bidding June-July 2017. Apply for TSA construction and design CA funding (distributed mid-October 2017). Construction sometime during the period between Jan. 15, 2018 and April 1, 2018.
- TSA intends to fund construction of eligible improvements.

Background

The Assembly-approved Airport Terminal Master Plan called for corrections to three critical deficiencies, including (1) working conditions in the baggage make-up area and (2) working conditions in the TSA baggage screening area. CBS addressed the third deficiency – the lack of hold-area rest rooms –in 2010.

Funding; \$158,569.25 grant from Transportation Security Administration (TSA) to design improvements in the TSA luggage screening area with the remaining design costs paid by funds previously collected through Passenger Facility Charges (PFC).

Baranof Warm Springs Dock Replacement:

Milestones This Period

- Project was Substantially Complete on October 22, 2016.

Future Milestones

- Project completion November 2016.
- ADOT&PF transfer of ownership and operations/maintenance responsibility to CBS upon project completion.

Background

The City and Borough of Sitka (CBS) received a \$1,900,000 FY2013 Alaska Legislature Grant to reconstruct the Baranof Warm Springs Dock. The funding was provided with the understanding that CBS would assume ownership and maintenance responsibilities for the dock once it is reconstructed. The Assembly approved the Administrator to execute a Memorandum of Agreement with the Alaska Department of Transportation and Public Facilities (ADOT&PF) for completion of the Baranof Warm Springs Dock Reconstruction and Ownership Transfer. ADOT&PF will be reimbursed the cost of designing and constructing the improvements from the FY13 Legislative Grant. The State awarded a contract to Turnagain Marine (TM) in the amount of \$1,457,285 for the Basic Bid and Alternate A which will result in a 200-foot long float. TM has contracted with Bellingham

Marine Industries to fabricate the floats and Mantle Industries to design and fabricate the gangway.

Sitka Transient Float Replacement:

Milestones This Period

- Completed repairs to non-conforming pile
- Completed punch list tasks.
- Completed warranty repairs.

Future Milestones

- Final Completion of project.

Background

CBS received a FY15 State of Alaska Municipal Harbor Facility Matching Grant, for the Sitka Transient Float Replacement Project, which will cover 50% of eligible construction costs not to exceed 2,700,000 in match funding. CBS has allocated a total of \$3,450,000 from the Harbor Enterprise Fund, ~\$198,000 from unspent ANB Harbor bond proceeds, and \$500,000 from the CBS Electric Fund for the project for a total budget of \$6,848,000. CBS awarded a contract to Northern Construction Service (NCS) in the amount of \$4,986,329 for the Base Bid and all additive alternates.

Seaplane Base:

Milestones This Period

- None

Future Milestones

- Review Siting Study Update.

Background

In August 2002, the Sitka Seaplane Base Master Plan was completed to include a Condition & Needs Assessment and Master Plan Alternatives Report. The plan considered 12 alternative sites for a new seaplane base and found the north end of Japonksi Island, between the Coast Guard Base and the cove behind the SEARHC buildings on Seward Avenue was the best alternative. In February 2009, the Assembly unanimously approved Resolution 2009-35 "Supporting the development of the Sitka Seaplane Base." This approved staff applying for and executing a Federal Aviation Administration (FAA) Airport Improvement Program grant for up to \$500,000 to develop the siting plan, issues resolution, design, environmental, and permitting phases of the project. Utilizing proceeds from that grant, in June 2012, an updated Sitka Seaplane Base Siting Analysis was completed which considered a new site and redevelopment of the existing site in addition to the previously recommended Japonski site. The Japonski site was again selected as the preferred site. The findings of this study were presented to the Port and Harbors Commission on April 11, 2012 where they unanimously approved further study of the Japonski Island site. Due to a decline in the number of based aircraft, FAA requires an update to the Siting Study prior to application for any potential future grant funds for this project.

Gary Paxton Industrial Park Dock:

Milestones this Period

- GPIP Board Executive Session to finalize Best Value determination.

Future Milestones

- GPIP Board Meeting November 14, 2016 for contract review.
- Recommend for award of GPIP Dock contract to Assembly November 22, 2016 meeting.

- Contract award November 2016.

Background

The project is funded by a designated Legislative Grant, administered by the State of Alaska, Dept. of Commerce, Community & Economic Development, and Division of Community & Regional Affairs. The total amount of the grant is \$7.5 million. The project is administered by Public Works and the GPIP Director, Garry White. The firm of Moffatt & Nichol (M&N) was previously awarded a contract to provide the design for the GPIP Dock when it was envisioned as a fixed pier or bulkhead structure. M&N may assist CBS as technical reviewer during D/B proposal evaluation and construction.

Jeff Davis Street Reconstruction Project:

Milestones This Period

- Construction contractor Coastal Excavation replaced defective sewer main from Oja Street right-of-way to Sawmill Creek Road.
- Paved Jeff Davis from Sawmill Creek Road to John Brady, and installed curb, gutter & sidewalk.

Future Milestones

- Substantial completion was initially scheduled for September 30. However, due to the unanticipated replacement of the sewer main, the project was broken into two phases: north of John Brady and south of John Brady. The portion north of John Brady is complete; the section south of John Brady will be completed in Spring 2017 after a winter construction shutdown.

Background

The project includes replacement of approximately ~50-year old undersized water main with new, large diameter pipe within Jeff Davis Street and replacing the existing storm drainage infrastructure, pavement, curb, gutter and sidewalks. The project will also improve the sewer service to four homes on Jeff Davis Street currently served by a collection main crossing private property. Funding for the project is provided by the following sources; \$644,000 FY2015 ADEC Grant, \$812,000 FY2014 ADEC Water Loan, \$225,000 from 2016 General Fund and \$110,000 from 2017 General Fund.

Landfill and Crescent Lift Station Replacement:

Milestones This Period

- Solicited bids for construction of the Landfill Lift Station. Bids are due November 17.
- Issued purchase orders for lift station pumps and electrical hut. This will be owner-provided equipment. The benefits are (1) faster procurement for these long-lead items and (2) saving contractor markup.
- Design for the Crescent Lift Station is under way; 35% drawings due November 14.

Future Milestones

- Landfill lift station construction complete by mid-April 2017.
- Crescent design to be complete by mid-February 2017. Construction complete by mid-July 2017

Background

The project includes replacement of the Landfill Lift Station and force main pipe at the end of Tilson Street and the Crescent Lift Station adjacent to the Sitka Sound Science Center. The pumps and components of both lift stations are inefficient, obsolete and, in the case of the Landfill Lift Station, corroded due to the landfill leachate it is pumping to the wastewater treatment plant. There have also been four force main break within the past 2 years. Funding for the project is provided by the following sources: Two separate ADEC

loans (the Lake, Monastery, Channel and Landfill lift station loan; and a separate Crescent lift station loan) and the wastewater fund.

Eagle Way and Old Harbor Mountain Road Utility and Road Upgrades:

Milestones This Period

- The bids were less than anticipated. Street lighting and an additional parking lane are being added to the project.
- Notice to Proceed Coastal Excavation on September 12, 2016.

Future Milestones

- Construction is anticipated late 2016/early 2017 with completion required by June 30, 2017.

Background

The project will include a minimum of 24-foot-wide paved road, storm drainage, water main and services, and possible pedestrian amenities within Eagle Way. The project will also include a minimum of 24-foot wide paved road and storm drain improvements within Old Harbor Mountain Road. Funding for the project consists of a \$1,500,000 Commerce Community and Economic Development Grant.

Nelson Logging Road Upgrades:

Milestones This Period

- Advanced design (65%) anticipated received October 2016.
- Review comments for 65% plans submitted to consultant.
- Meeting held with Trail Works October 26, 2016
- 65% plans submitted to Forest Service October 21, 2016

Future Milestones.

- Public Meeting to be held November 9, 2016
- Cultural Investigation Report November 2016
- Wetlands Report November 2016
- Final Design (100%) anticipated December 2016.
- Construction is anticipated for Spring 2017.

Background

The project includes replacing both inadequate bridges and upgrading Nelson Logging Road as funding allows. The scope may also include road realignment(s) and widening to accommodate two-way traffic. Funding for the project is provided by \$2,343,000 Commerce Community and Economic Development Grant.

Sitka 2016-17 Paving Project:

Milestones This Period

- Preliminary pavement, ADA, storm and geotechnical assessment and project survey complete.

Future Milestones

- Begin preliminary design November 2016
- Advertisement for bids late 2016/early 2017.
- Construction is anticipated in spring/summer 2017.

Background

The project includes new pavement and ADA required improvements with curb and gutter, storm drain improvements and sidewalk as applicable. Funding for the project is provided by the following sources:

\$ 500,000	CBS Capital Improvement Lincoln Street – Jeff Davis to SNHP FY16
\$1,130,000	CBS Capital Improvement Katlian Avenue FY16
\$ 310,000	CBS Capital Improvement Gavin Street – Brady to Cascade FY15 & FY16
\$ 385,000	CBS Capital Improvement Brady Street Pavement & Sewer FY17
\$ 405,000	CBS Capital Improvement Kashevaroff Street Pavement, Water & Sewer FY17
\$ 50,000	CBS Capital Improvement Sitka Hospital Emergency Entrance FY17
\$ 30,000	CBS Capital Improvement Lincoln Street, Water & Sewer FY17
<u>\$ 50,000</u>	CBS Capital Improvement Katlian Avenue, Water & Sewer FY17
\$ 2,860,000	Total Project Funding

Federal Land Access Program (FLAP) Grant: Phase 6:

Milestones This Period

- Work completed thus far includes: location of two preliminary trail routes from Harbor Mountain to Starrigavan; location of two bridge crossings; hydraulic sizing of bridges and major culverts along both routes; construction cost estimate for both alignments.

Future Milestones

- Sitka Trail Works will coordinate a public meeting this fall to finalize the alignment.
- Sitka Trail Works will arrange for biological and cultural reports for NEPA environmental permitting to be completed in partnership with the Forest Service this fall and winter.
- Sitka Trail Works will apply for Corps permit on behalf of the City after US FS wetlands delineation. The Corps permit will be in place by 2018.
- The completion date is estimated spring 2020 for all permitting. The project will be construction ready at that time.
- FLAP 6 Cross Trail construction grant applied for May 15, 2016 and award decision anticipated in November 2016. If awarded, funds will be available fiscal year 2019.

Background

The City and Borough of Sitka has been awarded a \$250,000 MAP-21 Federal Lands Access Program (FLAP) Grant for planning, design and permitting of Phase 6 Cross Trail multimodal pathway (Cross TMP), connector from Kramer Drive to Alaska Marine Ferry Terminal, by Western Federal Lands (WFL). The Assembly approved submission of the grant in Resolution 2014-06 in April 2014. The Western Federal Lands Access Program application was submitted in April 2014, and then awarded on July 26, 2014. This is listed as a FY16 budgeted project with Western Federal Lands Access Program.

Water/Wastewater

- Water crews performed locates for Chatham Electric who were installing a new power pole near the National Cemetery. During the installation, they uncovered the 24 inch transmission main (this is the pipe that brings treated water from the water treatment plants out Sawmill Creek Rd). The transmission main appeared to be in good condition with no corrosion visible despite being surrounded by groundwater.

- Water and wastewater crews responded to the recent electrical outages. During outages, the water and wastewater crews ensure power is transferred to all generators (most are quite old) and monitor the systems until power is restored. The generators provide power to our lift stations that pump wastewater over to the wastewater treatment plant on Alice Island. Once power is restored the crews go back around to ensure power has transferred back and all equipment is operating as it should.
- A belt on one of the pumps at the Kimsham Landfill lift station burned up. In order to keep the lift station running, the operator was able to turn that pump off and switch over to the second pump while a repair could be made. Although this lift station will be completely replaced in 2017, operators spend a significant amount of time and money trying to keep it running in the interim.
- Water crews helped a resident investigate a water leak on their property. These types of situations require water crews to turn water valves on and off and provide locates, etc.
- The fall Household Hazardous Waste Event was a success despite having netted a lower amount of waste than the previous fall.

Memo

To: City and Borough of Sitka Assembly

From: Bryan Bertacchi, Acting Administrator



Date: October 27, 2016

Re: Transfer of appropriations Within Electric Department

Mayor Hunter and Assembly Members,

Pursuant to discussion at the Assembly Meeting on October 25, 2016, As Acting Administrator I have approved the transfer of \$50,000 between classifications of expenditures within the Green Lake Subdepartment of the Electric Fund, as authorized by Section 11.11 of the Home Rule Charter of the City and Borough of Sitka.

Funds will be moved from Other Expenses to Repairs and Maintenance.

This memo constitutes notice to the Assembly as required by Section 11.11 of the Home Rule Charter of the City and Borough of Sitka.



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 16-194 Version: 1 Name:
Type: Ceremonial Status: AGENDA READY
File created: 10/28/2016 In control: City and Borough Assembly
On agenda: 11/8/2016 Final action:
Title: Service Award - Myron Fribush
Sponsors:
Indexes:
Code sections:
Attachments: [Fribush Service Award.pdf](#)

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

Service Award

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

Dr. Myron Fribush

*this expression of grateful acknowledgment for your 3 years of
valued service rendered in the public interest while serving on the
Health Needs and Human Services Commission. Thank you!*

Signed and sealed this 8th day of November, 2016

Matthew Hunter, Mayor

ATTEST: Sara Peterson, Municipal Clerk





CITY AND BOROUGH OF SITKA

Legislation Details

File #: 16-193 Version: 1 Name:
Type: Item Status: AGENDA READY
File created: 10/28/2016 In control: City and Borough Assembly
On agenda: 11/8/2016 Final action:
Title: Approve the minutes of the October 25 Assembly meeting
Sponsors:
Indexes:
Code sections:
Attachments: [Consent and Minutes.pdf](#)

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

CONSENT AGENDA

POSSIBLE MOTION

**I MOVE TO APPROVE THE CONSENT AGENDA
CONSISTING OF ITEM A**

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
October 25th 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

Municipal Administrator: Mark Gorman
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson

Tuesday, October 25, 2016

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

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

Telephonic: 1 - Knox

IV. CORRESPONDENCE/AGENDA CHANGES

16-192 Reminders, Calendars and General Correspondence

No agenda changes.

V. CEREMONIAL MATTERS

None.

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

Dr. Tom Conley provided an update on the work of the Sitka School Board and events in the District.

Robb Farmer, Library Director, gave an overview of Library events.

16-186 Comprehensive Plan Update - Planning and Community Development Director, Maegan Bosak

Maegan Bosak, Planning and Community Development Director, extended an invite to the Assembly and public to attend the Comprehensive Plan Open House on November 8th at Harrigan Centennial Hall.

VII. PERSONS TO BE HEARD

None.

VIII. REPORTS

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

Mayor - Hunter thanked Deputy Mayor, Bob Potrzuski, for his willingness to attend the November Alaska Municipal League Conference in his stead.

Acting Administrator - Bryan Bertacchi informed the Assembly of an emergency acquisition for a replacement hydraulic cylinder for the Green Lake intake tunnel.

Attorney - In addition to routine work from other Departments, Hanson noted the Legal Department was busy with landslide litigation.

Liaisons - Assembly members reported on their respective Commissions.

Clerk - Peterson reviewed the November Assembly calendar.

IX. CONSENT AGENDA

A motion was made by Swanson that the Consent Agenda consisting of item A be APPROVED. The motion PASSED by the following vote.

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

A 16-187 Approve the minutes of the October 11, 2016 Assembly Meeting

This item was APPROVED ON THE CONSENT AGENDA.

B RES 16-21 Supporting the renaming of the Forest and Muskeg Trail to the "Ben Grussendorf Trail"

Mayor Hunter read the resolution. Ben Miyasato relayed that Mr. Grussendorf was an exceptional individual and urged the Assembly to support the resolution. He added that the concept of renaming the trail was supported by the Parks and Recreation Committee.

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

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

No: 2 - Eisenbeisz, and Guevin

C RES 16-22 Supporting a Sitka Veterans Memorial

Mayor Hunter read the resolution in support of a veterans memorial.

Ben Miyasato offered testimony in support of the resolution.

Representatives of the Sitka Veterans Association, George Bennett and Jamie Ackley, provided an overview of the project and answered questions. Bennett and Ackley informed the Association had identified a possible location for the memorial behind Harrigan Centennial Hall. Ackley stated the Association planned to seek grant funding to help with project costs. Bennett believed it was the Association's responsibility to maintain the memorial site.

Municipal Attorney, Brian Hanson, clarified that the resolution approved the concept of a memorial, not a site location.

Assembly members thanked the Association for their service, work and efforts.

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

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

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

D 16-188 Reappoint Josh Arnold to a three-year term on the Port and Harbors Commission and Deb Miller to a three-year term on the Tree and Landscape Committee

Knox thanked Arnold and Miller for their continued service.

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

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

XI. UNFINISHED BUSINESS:

E ORD 16-37A Adjusting the FY17 Budget (*Public Infrastructure Sinking Fund - landslide legal expenses*)

Eisenbeisz spoke in opposition to the budget adjustment given the recent news that FEMA would be covering the costs for geotechnical services. Swanson agreed and wondered if the \$100,000 set aside for geotechnical services could be used for legal representation if needed. Chief Finance and Administrative Officer, Jay Sweeney, confirmed it could be and explained this ordinance would authorize \$250,000 to be expended: \$150,000 for outside legal representation - landslide related issues and \$100,000 for geotechnical services. Further, he explained the Administrator had the authority to move money between line items if it had been appropriated, as was the case in this ordinance. Municipal Attorney, Brian Hanson stated \$150,000 was a good estimate for FY17.

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, Guevin, Potrzuski, Hunter, Knox, and Bean

No: 1 - Eisenbeisz

XII. NEW BUSINESS:

F 16-189 Authorize the Electric Department to dispose of the 10 year old Medvejie Transformer by competitive bid

Scott Wagner, Operations Manager for Northern Southeast Regional Aquaculture Association, spoke in support of the Medvejie transformer replacement.

Acting Administrator and Utility Director, Bryan Bertacchi, stated the transformer was purchased approximately ten years ago. Staff recently moved the transformer to its location and found a fatal flaw; a grounding grid issue which posed safety risks.

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

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

G ORD 16-41 Adjusting the FY17 Budget (*Medvejie Hatchery Transformer Replacement Project*)

Chief Finance and Administrative Officer, Jay Sweeney, reminded the proceeds from the sale of the old Medvejie transformer could be put towards the purchase of a new transformer, however, the reappropriation would need to be done by ordinance. Acting Administrator and Utility Director, Bryan Bertacchi, clarified that the transformer had been purchased and owned by the City, not Medvejie Hatchery.

Hunter wondered if the proceeds from the sale of the old transformer, potentially \$100,000, could be used for the rate stabilization fund. Sweeney replied yes.

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

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

H 16-190 Transfer \$440,862 from the FY16 General Fund balance to the Public Infrastructure Sinking Fund

Assembly members decided to postpone this item until after the November 19, 2016 Assembly visioning session. It was reminded that the amount determined by the Administrator, \$440,862, would be automatically transferred to the Public Infrastructure Sinking Fund after November 26, 2016 unless a super majority of the Assembly (5 members) voted to change the recommended amount prior to that date.

A motion was made by Potrzuski that this Item be POSTPONED to the November 22, 2016 Assembly Meeting. The motion PASSED by the following vote.

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

I 16-191 Assignment of an Assembly Liaison to the Tree and Landscape Committee

Assembly Member Potrzuski agreed to serve as Assembly Liaison to the Tree and Landscape Committee.

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 7:48pm.

ATTEST:

Sara Peterson, CMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 16-41 Version: 1 Name:
Type: Ordinance Status: AGENDA READY
File created: 10/19/2016 In control: City and Borough Assembly
On agenda: 11/8/2016 Final action:
Title: Adjusting the FY17 Budget (Medvejie Hatchery Transformer Replacement Project)
Sponsors:
Indexes:
Code sections:
Attachments: [Ord 2016-41.pdf](#)

Date	Ver.	Action By	Action	Result
10/25/2016	1	City and Borough Assembly		

POSSIBLE MOTION

I MOVE TO approve Ordinance 2016-41 on second and final reading.



Memorandum

October 13, 2016

To: Mark Gorman, Municipal Administrator
From: Bryan J. Bertacchi, Utility Director - Electric Department
Tony Bird, T&D System Manager – Electric Department
Subject: Transfer of Funds to Complete Medvejie Substation

Request

The City and Borough of Sitka Electric Department requests additional appropriation in the amount of \$98,000 for Capital Project #90672 – Medvejie Substation.

Purpose:

These funds would be used to procure, from the lowest compliant bidder, a replacement transformer for the Medvejie Hatchery which is compliant with the technical specification. This transformer is a critical part of our infrastructure to ensure the continued reliable supply of electricity to a significant component of our local economy.

Background:

The Medvejie hatchery is an important Community asset. A replacement transformer for the Medvejie substation was purchased by the Electric Department over a decade ago however other priorities delayed the installation. As the existing Medvejie substation transformers are very old, the electric department proceeded to install this new transformer. Unfortunately, during the final engineering phase for installation, a fatal design flaw was discovered and this transformer will not be useable for the Medvejie substation.

Recommendation:

Recommend Assembly approve the use of funds from Blue Lake Bond proceeds in the amount of \$98,000 to Capital Project #90672 to complete replacement of the Medvejie Substation Transformer. As of October 19, the amount of Blue Lake Bond proceeds remaining is \$8,259,331.56. This appropriation increase is included in the budget ordinance.

Cc: Jay Sweeney, CFAO
Sara Peterson, Municipal Clerk

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2016-41

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:

<u>FISCAL YEAR 2017 EXPENDITURE BUDGETS</u>
CAPITAL PROJECTS
Medvejie Hatchery Transformer Replacement Project #90672: The Electric Utility Director has requested to appropriate funds in the amount of \$98,000 from the Blue Lake Bond Proceeds to the Medvejie Hatchery Transformer Replacement Project #90672.

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 8th Day of November, 2016.

ATTEST:

Matthew Hunter, Mayor

Sara Peterson, CMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

Legislation Details

File #: RES 16-23 Version: 1 Name:

Type: Resolution Status: AGENDA READY

File created: 11/2/2016 In control: City and Borough Assembly

On agenda: 11/8/2016 Final action:

Title: Opposing siting and timing of U.S. Navy training exercises that pose risks to fish and fisheries in the Gulf of Alaska (Emily Stolarcyk of the Eyak Preservation Council will give a 5 minute presentation)

Sponsors:

Indexes:

Code sections:

Attachments: [Res 2016-23.pdf](#)
[Supporting documentation.pdf](#)

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

POSSIBLE MOTION

I MOVE TO approve Resolution 2016-23 on
first and final reading.

Note: Emily Stolarcyk of the Eyak Preservation Council will give a 5 minute presentation prior to public testimony and Assembly discussion.

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 2016-23

A RESOLUTION OF THE CITY AND BOROUGH OF SITKA OPPOSING SITING AND TIMING OF U.S. NAVY TRAINING EXERCISES THAT POSE RISKS TO FISH AND FISHERIES IN THE GULF OF ALASKA

WHEREAS, the City and Borough of Sitka is the governing body with the full power and authority as recognized by the citizens of Sitka, to act for its members, and has responsibility to provide government for the good health and welfare of its citizens; and

WHEREAS, the U.S. Navy plans to conduct training activities utilizing explosives, live ordnance, and sonar in the Gulf of Alaska in 2017 that will have impacts on marine life and habitat vital to the interests of the City of Sitka and its citizens; and

WHEREAS, these trainings will impact the waters of the Gulf of Alaska by annually releasing up to approximately 352,000 pounds of expended materials including up to 10,500 pounds of hazardous materials including cyanide, chromium, lead, tungsten, nickel, cadmium, barium chromate, chlorides, phosphorus, titanium compounds, lead oxide, potassium perchlorate, lead chromate, ammonium perchlorate, fulminate of mercury, and lead azide into waters designated by NOAA as Essential Fish Habitat for a multitude of species that support the economic development in Alaskan coastal communities and harvest of wild Alaskan salmon and other fish for global markets; and

WHEREAS, the training area and vicinity is a highly productive region for many marine fish and shellfish populations and supports some of the most productive fisheries in the United States, and an important spawning area for many fishes, and the training is scheduled to take place during the summer season when many fish populations are migrating and spawning (at least 383 species belonging to 84 families of marine and anadromous fishes have been reported from the predominant ecosystems found in the training area); and

WHEREAS, the port of Sitka is reliant on the fish and wildlife resources in the Gulf of Alaska for their subsistence harvest and the livelihoods supported by commercial fishing; and

WHEREAS, the City and Borough of Sitka supports all cultural, traditional and subsistence activities historically and continually practiced by Native and non-Native peoples in the Gulf of Alaska; and

WHEREAS, the City and Borough of Sitka finds no scientific information or traditional knowledge demonstrating that the U.S. Navy's training activities can take place without negatively affecting salmon, marine mammal, bird and other marine habitats.

46 **NOW, THEREFORE BE IT RESOLVED** that the Assembly of the City and Borough of Sitka
47 does hereby request that the U.S. Navy refrain from using live ordnance or sonar in any Marine
48 Protected Area, including NOAA Fisheries Marine Protected Areas, State Marine Protected Areas
49 and Habitat Areas of Particular Concern;

50
51 **BE IT FURTHER RESOLVED** that the Assembly of the City and Borough of Sitka hereby
52 requests that the U.S. Navy relocate its training area to the far southeast corner of the current
53 designated training area, off the Continental Shelf areas of the Gulf of Alaska, and away from
54 seamounts; and

55
56 **BE IT FURTHER RESOLVED** that the Assembly of the City and Borough of Sitka requests the
57 U.S. Navy to conduct its training exercises after the middle of September and before the Spring,
58 so as not to impact migrating salmon and other species.

59
60 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka,
61 Alaska, on this 8th day of November, 2016.

62
63
64
65

Matthew Hunter, Mayor

66
67 ATTEST:

68
69
70
71 _____
72 Sara Peterson, CMC
73 Municipal Clerk

74 1st and final reading 11/8/16
75

Sara Peterson

From: emily@redzone.org
Sent: Friday, October 07, 2016 3:14 PM
To: Assembly
Cc: Sara Peterson
Subject: Request for Resolution Co-sponsorship as an agenda item for 11/08/16 mtg
Attachments: 2016_Navy 2 Pager Overview_Sitka.pdf; Navy_Resolution_SupportingMemo_Sitka.pdf; Sitka_Resolution_Navy Trainings_Draft_2016 .docx

Dear Assembly Members,

My name is Emily Stolarcyk, I live and work in Cordova, AK. The organization I work for is a nonprofit group called the Eyak Preservation Council (EPC). Our mission is to preserve Indigenous culture and wild salmon habitat in our region of Alaska - the Copper River, Prince William Sound.

Just over two years ago the US Navy visited Cordova to inform us about their training exercises known as "Northern Edge" practiced in the Gulf of Alaska.

Since the Navy's visit, EPC has been conducting outreach and awareness about the potential impacts of these activities and the threats posed to our commercial and subsistence fisheries.

We work with a number of tribal villages, fishing associations and the Alaska Delegation.

Recently, several coastal communities have signed on to a resolution opposing the Navy's currently planned training schedule and location. Valdez is the latest community to sign on (passed 10/4), joining Cordova, Homer and Kodiak. Additionally, Girdwood, AK will vote on this resolution at their next meeting, they are expected to approve it as well.

At present, the Navy is planning to begin training May 1st, 2017. These trainings utilize the use of live weapons and active sonar in areas designed by NOAA/ NMFS as Essential Fish Habitat for all five species of Pacific Salmon and hundreds of other marine species including eight endangered species of marine mammal.

My request is for this resolution to be added as an agenda item to the meeting scheduled for 11/04/16. Furthermore, I request to give a short (10 minute) presentation at the beginning of the meeting. I have given this presentation to the City Councils of Cordova, Homer, Kodiak, Girdwood, and Valdez.

I will be in Sitka in advance of the meeting as I am hosting a film event with the Sitka Sound Science Center to kick off Whalefest. We will be screening the award winning documentary about ocean noise called *Sonic Sea* on November 3rd.

I have been in communication with Sara Peterson. She encouraged me to bring this issue to your attention via email. Additionally attached to this email please find several documents:

- An overview of the Navy's activities referencing their Environmental Impact Statement
- A memo explaining the resolution
- A draft resolution.

Please let me know if there are any questions/ concerns.

Thank you,

Emily E. Stolarcyk
Program Manager

Eyak Preservation Council
PO Box 460
Cordova, AK 99574
907.424.5890
www.eyakpreservationcouncil.org





PRESERVING WILD
SALMON HABITAT &
INDIGENOUS CULTURE

Board of Directors

Dune Lankard
Founder & President

Phillip Blanchett
Director & Vice President

Carol Kalafatic
Director & Secretary

Carol Hoover
Director & Treasurer

Rion Schmidt
Director

Advisory Council

Nils Boisen

Susanna Colloredo

David Lynn Grimes

Chief Gary Harrison

Darcie Houck, Esq.

Robbin La Vine

Timothy Metz

Mariah Parker

Pamela Smith

Alan Trist

Municipal Assembly Memorandum

DATE: October 7, 2016

TO: Honorable Mayor and Assembly Members

FROM: Emily Stolarecyk, Program Manager - Eyak Preservation Council

SUBJECT: Supplemental Information/ Overview of Resolution addressing the US Navy's 2017 trainings in the Gulf of Alaska

Thank you for the opportunity to provide context and information to support the Resolution addressing the US Navy's 2017 training plans in the Gulf of Alaska. This Resolution was passed by the communities of Cordova, Homer, Kodiak, and Valdez, Alaska.

On March 31st, 2016, US Navy representatives speaking at ComFish in Kodiak, AK stated that the Navy had pre-selected training dates for 2017 in the Gulf of Alaska. Their dates are May 1 – 12, 2017. These dates are problematic and pose risks to our commercial and subsistence fisheries. As coastal communities, we need to engage the Navy and support an alternative time of their 'Northern Edge' training exercises.

The Eyak Preservation Council supports a well-trained Navy and is not asking for the exercises to be discontinued. We are asking that the Navy work with local communities to find the best time and location for training that poses the least amount of risk to the valuable habitat within the Gulf of Alaska; the needs of local industries, communities and the environment must be balanced. We are asking for the Navy to conduct their exercises between mid-September and March exclusively.

Some additional points for consideration:

- The Navy selected 2017 training dates before securing a Letter of Authorization (LOA) or a permit from the National Marine Fisheries Service (NMFS) for the 2017 trainings. Selecting dates before securing a LOA is a serious breach of protocol and legality by the US Navy.
- In the 43 years that the Navy has conducted trainings in the GOA, never once has a training occurred in May. Trainings from 1973 – 2003 happened in the winter months, 2004 – 2015 happened in June. May is one of the prime months for species migration into the GOA. The Navy has not conducted any additional research to prove that training in May will not harm or have negative effects on migrating fish and marine mammals.
- The Navy and NMFS recently lost a federal lawsuit about Naval exercises and permit processes regarding the Navy's activities in their Hawaii/Southern California ranges. As a result, the Navy is now restricted from training in Biologically Important Areas (BIA's) during certain times of the year because of



PRESERVING WILD
SALMON HABITAT &
INDIGENOUS CULTURE

the species present. The resolution asks that the same protections awarded to Hawaii/Southern California be extended to the Gulf of Alaska.

- The Navy has previously identified that both September and October are acceptable months in which 'Northern Edge' can be conducted.
- Our environment is changing. Warm water species are being observed in our waters for the first time. The Navy has not conducted any research nor presented any information about the safety and/or long term impacts their trainings pose to our marine environments including Essential Fish Habitat. In these changing times, it is our responsibly to take every measure to safeguard the future of our fisheries. Allowing the Navy to train in May could have a number of unintended consequences and unfavorable impacts to our fisheries including:
 - Immediate decline in catch due to direct physical injury and mortality from weapons and sonar;
 - Delays in fish runs as a result of scattering effects from sonar (observed after 2015 trainings in Bristol Bay and other fisheries);
 - Exposure and contamination of fish from Navy-sourced expended materials such as cyanide, mercury and lead;
 - Failure to (or an increase in the time needed to) reach the next developmental stage of juvenile fish populations.

In summary, allowing the Navy to conduct their training exercise 'Northern Edge' in May puts our fishing industries and subsistence resources at undue risk. The Navy is already changing their activities in other Pacific ranges. The Navy needs to hear from communities now, well in advance of their trainings, in order to make the necessary changes to their schedule.

Please contact me with additional questions and/ or concerns.

Thank you,

Emily Stolarcyk
Program Manager
907-424-5890
emily@redzone.org



PRESERVING WILD
SALMON HABITAT &
INDIGENOUS CULTURE

Board of Directors

Dune Lankard
Founder & President

Phillip Blanchett
Director & Vice President

Carol Kalafatic
Director & Secretary

Carol Hoover
Director & Treasurer

Rion Schmidt
Director

Advisory Council

Nils Boisen

Susanna Colloredo

David Lynn Grimes

Chief Gary Harrison

Darcie Houck, Esq.

Robbin La Vine

Timothy Metz

Mariah Parker

Pamela Smith

Alan Trist

Navy Military Training Exercises in the Gulf of Alaska

SUMMARY

The US Navy seeks to continue military training activities called “Northern Edge” in the Gulf of Alaska to “achieve and maintain readiness.” (Source www.goaeis.com).

On March 31st, 2016, US Navy representatives speaking at ComFish in Kodiak, AK stated that the Navy had pre-selected training dates for 2017. Their planned dates are May 1 – 12, 2017. Regional communities and fisheries find these dates problematic and feel that training in May pose risks to our commercial and subsistence fisheries. We seek to engage the Navy and support an alternative time of their ‘Northern Edge’ training exercises to take place exclusively between mid-September and March.

Currently, these exercises are planned during the most prolific breeding and migratory periods of the marine supported life in the region (salmon, whales, birds and more). The Gulf of Alaska, which has still not fully recovered from the Exxon Valdez oil spill, is home to Alaska’s most diverse population of Indigenous Peoples who rely on its bounties for sustenance, commercial and traditional hunting and gathering activities. Natives living on the northern coast of the Gulf of Alaska include Eskimo, Eyak, Athabascan, Koniag, Tlingit and Aleut, and collectively constitute 30 percent of the area's overall population. (Source: Alaska Native Commissions Report <http://www.alaskool.org>).

Background

According to the EIS preferred plans, these "war games" will involve use of high-frequency and mid-frequency sonar (235 dB) for submarine exercises, plus a wide variety of live weapons and explosives deployment - bombs, heavy deck guns, torpedoes, missiles, large carrier strikes (ships blown up & sunk) none of which will ever be recovered. Although military training exercises have been conducted in the GOA intermittently for the last 40 years, those proposed in the current EIS are a massive increase from any conducted before 2011 (e.g. a 6,500% increase in sonobuoys). The use of active sonar was permitted for the first time in 2011.

The Navy has applied for permits to conduct training exercises in the Gulf of Alaska (GOA) for up to 42 days (from April to October) annually for a five-year period, 2016 – 2020. The National Oceanic and Atmospheric Administration (NOAA) is the permitting agency with support from the National Marine Fisheries Service (NMFS). The Navy is required to complete a supplemental EIS (released 7/29/2016).

Significance

The GOA is the pathway and breeding grounds that provides traditional food sources and is the primary sustainable economic engine for Indigenous and non-native communities alike in Alaska. Of all species of fish and marine mammals Indigenous people in the region use for food and cultural traditions, none is more iconic than wild salmon. Wild salmon are at the heart of Alaska’s image the world over. These proposed Navy training exercises pose a large risk to all types of fish and marine mammals that live in or travel through the GOA, including all five species of Pacific Salmon.

The area where they bomb and blast is vital habitat for many species. The water here supports the most sustainable and economically valuable fisheries left in the USA.



PRESERVING WILD
SALMON HABITAT &
INDIGENOUS CULTURE

Commercial fishing is the largest private sector employer in Alaska, providing over 63,000 jobs.

Immediate harm to marine life includes death from explosions and sonar and the destruction of essential habitat areas. Long-term risks include exposure to hazardous chemical by-products left from the expended materials (bombs, sunken vessels, etc), and the bioaccumulation of hazardous chemicals that can be assimilated into the food chain. These risks threaten the cultural freedoms and economic livelihoods of Indigenous peoples that depend on these animals today and have for thousands of years. These trainings and the toxic debris they leave behind will cause irrevocable damage to fish, marine mammals, sea birds, their habitats, and the human communities that rely on the ocean for food and sustenance.

The Navy acknowledges the harm and deaths the exercises pose to marine mammals and refers to the thousands of “takes” that are anticipated when these exercises are carried out (over 36,000 takes annually, >182,000 over five years). When it comes to fish, including salmon, it is clear from the EIS that *the extent of the damage and risk are largely unknown*. Much more scientific research is needed to know the effects these trainings have on fish populations. A quote from the EIS Section 3.6 Fish on Explosive Sources states: “...little is known about the very important issues of nonmortality damage in the short and long-term, and nothing is known about effects on behavior of fish.”

The GOA, south of Prince William Sound, is essential habitat and traveling pathways for all of the rich diversity of sea life and mammals. It is unacceptable to host military training exercises in the spring and summer, year after year, during the most prolific breeding and migratory periods for all of the marine supported life in the entire region especially when the Navy has previously identified that both September and October are acceptable months in which ‘Northern Edge’ can be conducted and historically the Navy only trained in the winter months.

Summary Conclusion

The Eyak Preservation Council (EPC) is extremely concerned about these trainings and their potential for negative effects on humans, animals and the environment. EPC believes that these trainings pose a risk to Native and Non-Native Subsistence Foods culture and harvests as well as commercial fisheries. This paper references fish and does not delve into the effects of these trainings on marine mammals.

The trainings will take place in areas that include Essential Fish Habitat. The proposed activities in the TMAA (Temporary Marine Activities Area, map on page 7) have the potential to result in the following impacts:

- Physical disruption of habitat;
- Physical destruction or adverse modification of benthic habitats;
- Alteration of water or sediment quality from expended material or discharge;
- Cumulative impacts.

Please refer to Notes on subsequent pages



PRESERVING WILD
SALMON HABITAT &
INDIGENOUS CULTURE

NOTES:

The following are excerpts from the Navy's Environmental Impact Statement and can be read in full at www.goaeis.com.

EIS Section 3.6 Fish:

- The TMAA and vicinity is a highly productive region for various marine fish and shellfish populations and supports some of the most productive fisheries in the United States*
- The TMAA falls within the Alaska Current (AC) and the Alaska Coastal Current (ACC) systems. Both currents flow in a northerly direction off southeastern Alaska and then turn southwestward along the Alaska coast**
- Currently the GOA supports habitats of "endangered" and "threatened" populations of high seas salmon (Chinook, coho, chum, and sockeye salmon, and steelhead)
- The TMAA and vicinity is a highly productive region for various marine fish and shellfish populations and supports some of the most productive fisheries in the United States. It is also an important spawning area for many fishes
- At least 383 species belonging to 84 families of marine and anadromous fishes have been reported from the predominant ecosystems found in the GOA TMAA
- 59 of the 66 managed groundfish species are known to occur in the TMAA
- Five species of Pacific salmon (Chinook, coho, chum, pink, and sockeye salmon) have EFH designated within the TMAA
- Of the five species of Pacific Salmon, Chinook would be the most affected by the Navy's trainings
- The effects [of the trainings] on fish could include direct physical injury, such as potential for death, injury, or failure to (or an increase in the time needed to) reach the next developmental stage.
- Stress to fish populations in warfare areas includes environmental stressors, acoustic effects of underwater sounds to fish, effects of underwater impulsive sounds, explosive ordnance, nonexplosive ordnance, and expended materials.
- Potential stressors to fish and EFH include vessel movements (disturbance and collisions), aircraft overflights (disturbance), explosive ordnance, sonar training (disturbance), weapons firing/nonexplosive ordnance use (disturbance and strikes), and expended materials (ordnance-related materials, targets, sonobuoys, and marine markers).
- Potential effects of explosive charge detonations on fish and EFH include disruption of habitat; exposure to chemical by-products; disturbance, injury, or death from the shock (pressure) wave; acoustic impacts; and indirect effects including those on prey species and other components of the food web.

* These trainings will occur during fishing season. Commercial fishing is the largest private sector employer in the state of Alaska and supports over 63,000 jobs.

** This means that the expended materials left in the water after the trainings will flow towards Alaska's coastline.

In reference to Sonar:

- There have been very few studies on the effects that human-generated sound may have on fish
- The majority of studies often lack appropriate controls, statistical rigor, and/or expert analysis of the results
- Hearing capability data only exists for fewer than 100 of the 29,000 fish species
- Generally, a clear correlation between hearing capability and the environment cannot be asserted or refuted due to limited knowledge of ambient sound levels in marine habitats and a lack of comparative studies
- Based upon currently available data it is not possible to predict specific effects of Navy impulsive sources on fish. At the same time, there are several results that are at least suggestive of potential effects that result in death or damage



PRESERVING WILD
SALMON HABITAT &
INDIGENOUS CULTURE

- The literature on vulnerability to injury from exposure to loud sounds is similarly limited, relevant to particular species, and, because of the great diversity of fish, not easily extrapolated

We just don't know:

- The effects of sound on fish are largely unknown
- A number of studies have examined the effects of explosives on fish. However, these studies are often variable, so extrapolation from one study to another, or to other sources, such as those used by the Navy, is not really possible
- Little is known about the very important issues of nonmortality damage in the short- and long-term, and nothing is known about effects on behavior of fish.
- More well-controlled studies are needed on the hearing thresholds for fish species and on temporary and permanent hearing loss associated with exposure to sounds.
- The effects of sound may not only be species specific, but also depend on the mass of the fish (especially where any injuries are being considered) and life history phase (eggs and larvae may be more or less vulnerable to exposure than adult fish).
- No studies have established effects of cumulative exposure of fish to any type of sound or have determined whether subtle and long-term effects on behavior or physiology could have an impact upon survival of fish populations.

Munitions Constituents:

- Petroleum hydrocarbons released during an accident are harmful to fish. Jet fuel is toxic to fish.
- Unburned fuel may be spread over a large area
- Fuel spills and material released from weapons and targets could occur at different locations and at different times.
- Potential impacts from Navy explosives training include degradation of substrate and introduction of toxic chemicals into the water column

EIS Section 3.14 Public Safety:

- Undetonated ordnance on the ocean floor may pose a risk to fishermen, particularly bottom trawlers. If a trawl contacted an undetonated ordnance item, the item could detonate.
- Chaff (aluminum-coated polymer fibers inside of a launching mechanism) will be used during the trainings. Upon deployment, the chaff and small pieces of plastic are expended. The purpose of chaff is to counter avoid aircraft detection by radar by masking the aircraft and to provide false radar returns to defeat radar-guided anti-aircraft defensive systems. Chaff will form a large cloud of fiber that disperses slowly, which could affect public safety.
- Some solid training items expended at sea could migrate to the shoreline where the public could encounter them. Included among these items are targets and sonobuoys.

Hazardous materials from the trainings left in the water include heavy metals, propellants, and explosives. Including the following: Cyanide, Chromium, Lead, Tungsten, Nickel, Cadmium, Barium chromate, Chlorides, Phosphorus, Titanium compounds, Lead oxide, Barium chromate, Potassium perchlorate, Lead chromate, Ammonium perchlorate, Potassium perchlorate, Fulminate of mercury, Potassium perchlorate and Lead azide.

The Navy was permitted Alternative 2 (their preferred).



PRESERVING WILD
SALMON HABITAT &
INDIGENOUS CULTURE

Table 3.2-18: Numbers and Weights of Expended Training Materials – Alternative 2

Type of Training Material	Quantity of Training Materials				Increase under Alternative 2 (%)	
	Alternative 2		No Action Alternative		Number	Weight
	Number	Weight (lb)	Number	Weight (lb)		
Bombs	360	160,000	120	54,000	200	200
Missiles	66	20,300	22	6,770	200	200
Targets/Pyrotechnics	644	11,200	252	3,610	160	210
Naval gun shells	26,376	27,500	10,564	10,700	150	160
Small arms rounds	11,400	420	5,000	180	130	130
Sonobuoys	1,587	61,900	24	936	6,500	6,500
PUTR	7	2,100	0	0	NA	NA
SINKEX ¹	858	70,000	0	0	NA	NA
Total	41,298	352,000	15,982	76,200	160	360

It is up to us. Alaska regulations on expended and hazardous materials are not applicable to Navy training in the TMAA because no training activities take place within State waters (up to three nm from shore). Alaska has not developed any state-specific military munitions regulations.

Assuming Navy training under Alternative 2 would remain consistent over periods of five and 20 years, the Navy would expend approximately 880 tons (209 lb per nm² [27.5 kg per km²]) and 3,520 tons (835 lb per nm² [110 kg per km²]) of training material in the TMAA, respectively.

Continued, next page



PRESERVING WILD
SALMON HABITAT &
INDIGENOUS CULTURE

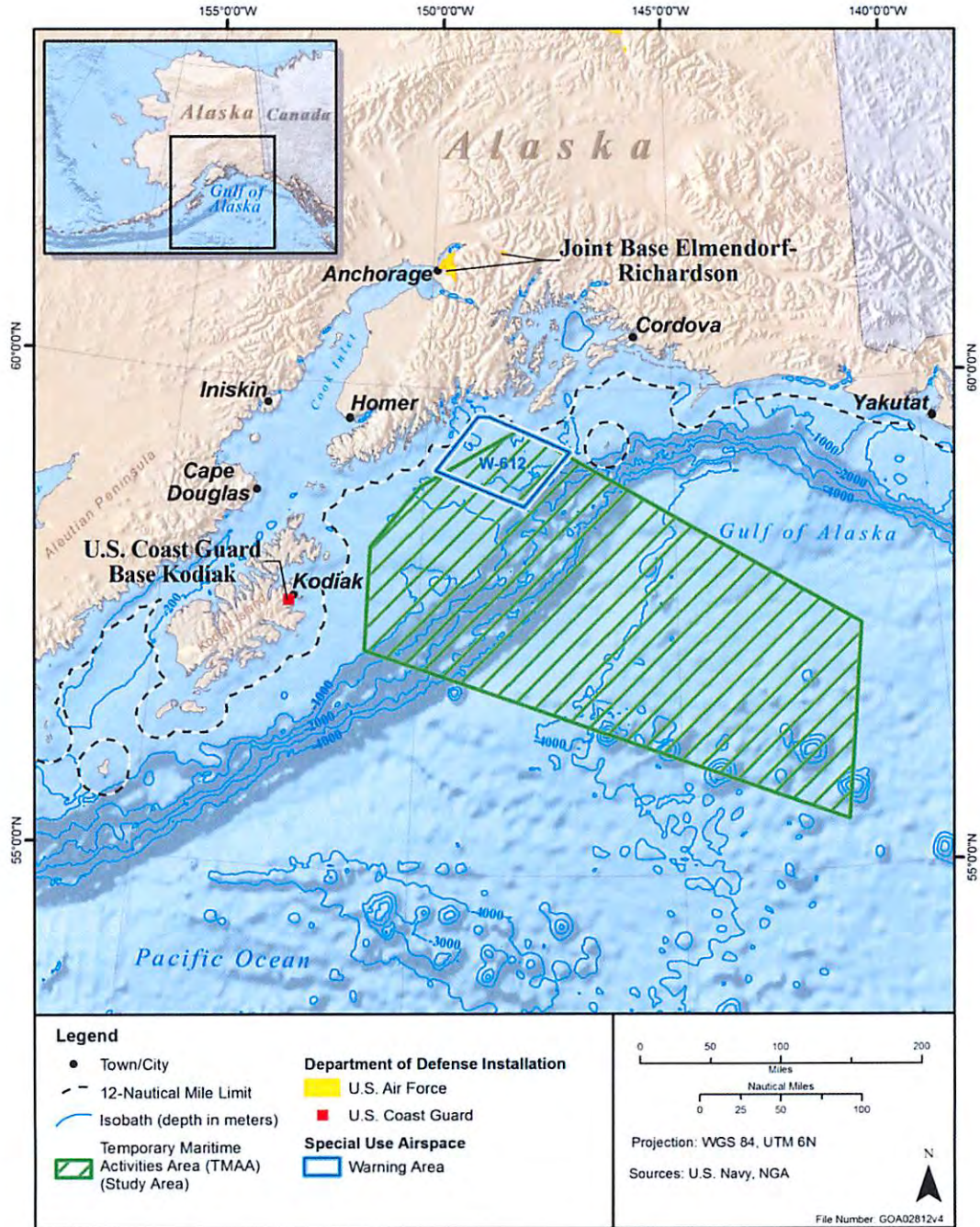
List of Weapons to be Used in the GOA Trainings

Table 3.2-1: Hazardous Constituents of Expendable Training Materials, by Training Item

Training Item		Hazardous Constituent				
		Heavy Metal	Propellant	Battery	Explosive	Pyrotechnic
Missiles	AIM-7 Sparrow missile	✓	✓	✓	✓	
	AIM-9 Sidewinder missile	✓	✓	✓	✓	
	AIM-120 Advanced Medium-Range Air-to-Air Missile (AMRAAM)	✓	✓	✓	✓	
	Standard Missile-1	✓	✓	✓	✓	
	AGM-65 Maverick	✓	✓	✓	✓	
	AGM-84 Harpoon	✓	✓	✓	✓	
	AGM-84K Standoff Land Attack Missile – Expanded Response (SLAM-ER)	✓	✓	✓	✓	
	AGM-88 High Speed Anti-Radiation Missile (HARM)					
	AGM-114 Hellfire	✓	✓	✓	✓	
	AGM-119 Penguin					
	Bombs	BDU-45 Practice (inert) ¹	✓			✓
MK-82 500-pound (lb) bomb (192.2 Net Explosive Weight [NEW]), HE ³		✓			✓	
MK-83 1,000-lb bomb (415.8 NEW), HE ³		✓			✓	
MK-84 2,000-lb bomb (944.7 NEW), HE ³		✓			✓	
Naval Gun Shells	5"/54-caliber (cal) gun shell (inert)	✓	✓			
	5"/54-cal gun shell (live)	✓	✓		✓	
	76- millimeter (mm) gun shell (inert)	✓	✓			
	76-mm gun shell (live)	✓	✓		✓	
	57-mm gun shell	✓	✓		✓	
	25-mm gun shell	✓				
Small Arms Rounds	0.50-cal machine gun	✓	✓			
	7.62-mm projectile	✓	✓			
Targets and Pyrotechnics	BQM-74E unmanned aerial target ⁵	✓		✓		
	LUU-28 paraflare ¹	✓				✓
	MK-58 Marine Marker ¹	✓				✓
	MK-39 Expendable Mobile Anti-Submarine Warfare Training Target (EMATT)	✓		✓		
Sonobuoys	SSQ-36 Bathythermograph (BT)	✓		✓		
	SSQ-53 Directional Frequency Analysis and Recording (DIFAR)	✓		✓		
	SSQ-62 Directional Command Activated Sonobuoy System (DICASS)	✓		✓		
	SSQ-77 Vertical Line Array Directional Frequency Analysis and Recording (VLAD)	✓		✓		
	SSQ-110A Extended Echo Ranging (EER)	✓		✓	✓	
Torpedoes	MK-48 Advanced Capability (ADCAP) torpedo	✓	✓	✓	✓	
Chaff	ALE-43 Dispenser (Aluminized glass roll) ⁶				✓	



PRESERVING WILD
SALMON HABITAT &
INDIGENOUS CULTURE





CITY AND BOROUGH OF SITKA

Legislation Details

File #: 16-195 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 10/28/2016 In control: City and Borough Assembly

On agenda: 11/8/2016 Final action:

Title: Preliminary approval of a tidelands lease renewal for Kevin McNamee at 4401 Halibut Point Road

Sponsors:

Indexes:

Code sections:

Attachments: [McNamee tidelands lease renewal.pdf](#)

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

POSSIBLE MOTION

I MOVE TO grant preliminary approval of a tidelands lease renewal for Kevin McNamee at 4401 Halibut Point Road.




City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

MEMORANDUM

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

From: Maegan Bosak, Planning and Community Development Director 
Samantha Pierson, Planner I

Subject: Preliminary Approval for Renewal of Tidelands Lease

Date: October 28, 2016

Kevin McNamee approached the Planning Department with a request to renew a tidelands lease from the City and Borough of Sitka. The Planning Department is processing this request in accordance with existing procedures. Following SGC, an ordinance is required to authorize the Class III tideland lease. Kevin McNamee is requesting preliminary approval from the Assembly in order to proceed with the tideland lease process.

The request is for tidelands adjacent to 4401 Halibut Point Road. McNamee is the upland property owner. The current 30-year lease is for ATS 979, approximately .79 acres. The lease was enacted in 1986, with an annual lease amount of \$2300. The current lease amount is \$2415 per year. McNamee is current on lease payments. The lease expired on September 30, 2016.

McNamee requests to lease two portions of the prior lease tract, but does not wish to lease a third portion. Parcel A is a 22,747 square foot portion which houses an existing float and a shelter. Parcel B is a 5146 square foot portion that contains approximately half of the main house. McNamee requests two separate lease parcels to facilitate a possible future sale of the lodge business while maintaining the ownership of his home and continuing to lease the adjacent tidelands. Lease transfer authority is determined by the lease language. The applicant does not wish to lease the third portion of 6343 square feet, as this portion was used by the original lessee for boatbuilding but is not needed for McNamee's lodge operations. McNamee requests a 50 year lease for Parcel A and Parcel B.

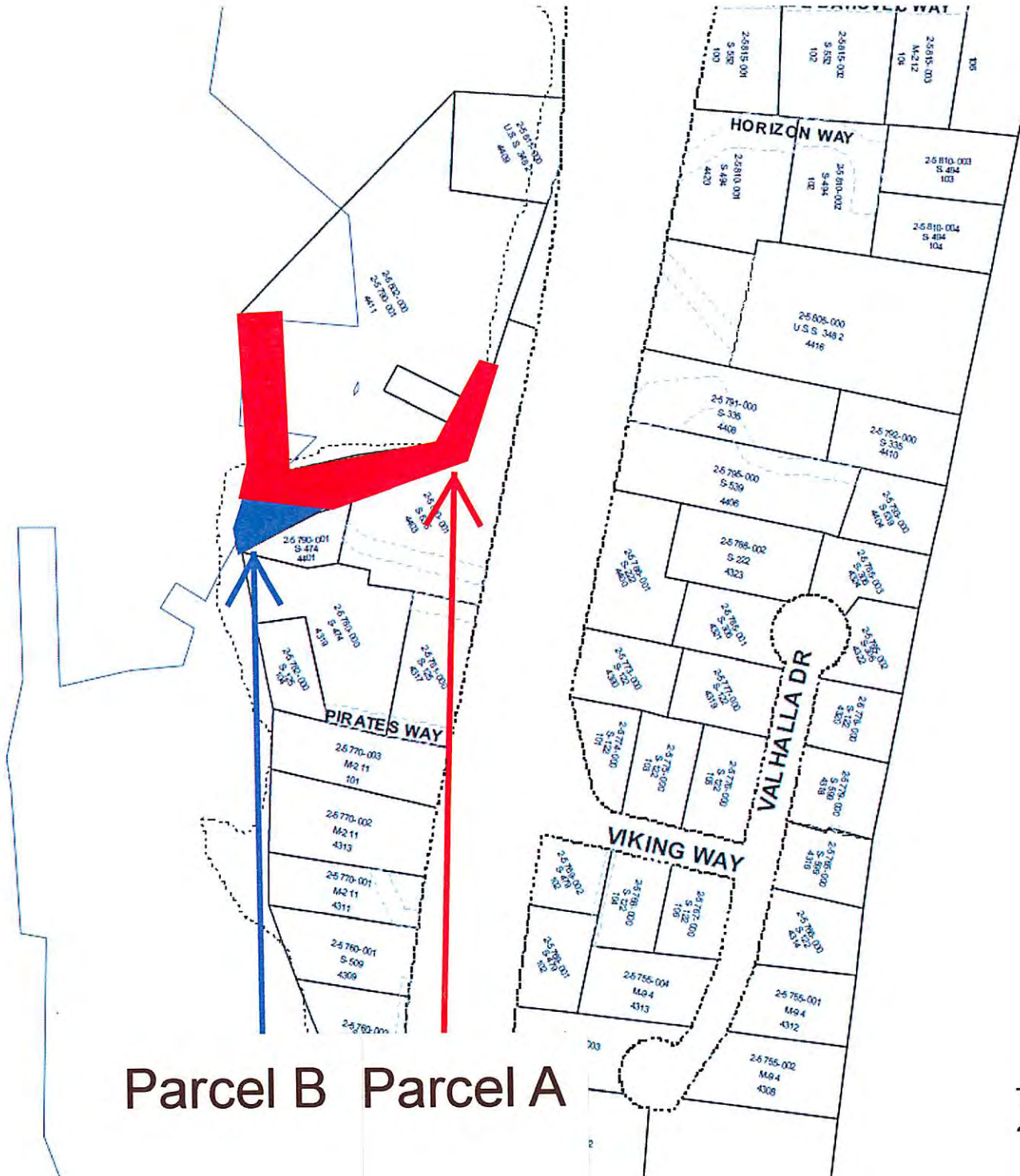
Assessor Wendy Lawrence determined a fee simple assessed value of \$152,900.00. Code assigns an annual lease rate of 4.5%, resulting in an annual lease payment of \$6880.50.

At their October 19, 2016 meeting, the Planning Commission recommended approval 4-0.

Following preliminary Assembly approval, the applicant will then come back to the Assembly for a final tideland lease ordinance.

RECOMMENDED ACTION: Pass a motion granting preliminary approval.

Providing for today...preparing for tomorrow

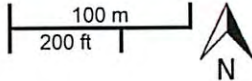


Parcel B Parcel A

McNamee
Tideland Lease Request
4401 Halibut Point Road



City & Borough of Sitka, Alaska
 Selected Parcel: 4401 HALIBUT POINT ID: 25790001



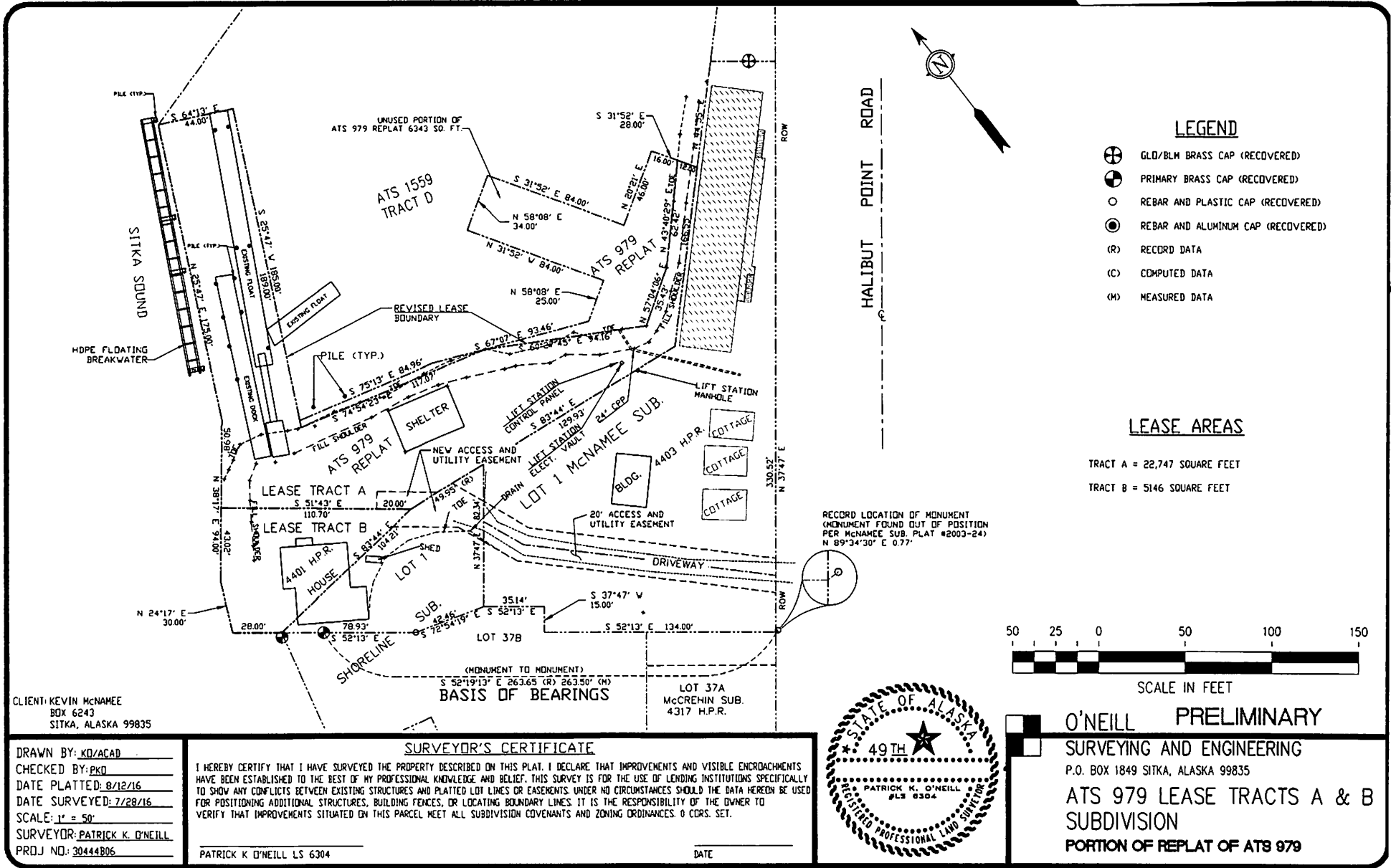
Printed on 8/18/2016 from <http://www.mainstreetmaps3.com/ak/sitka/internal.asp>

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.

Parcel B

Parcel A

McNamee
 Tideland Lease Request
 4401 Halibut Point Road



McNamee
Tideland Lease Request
4401 Halibut Point Road





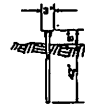
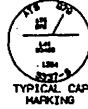






OWNERSHIP CERTIFICATE

I, THE UNDERSIGNED, HEREBY CERTIFY THAT I AM THE DIRECTOR, DIVISION OF TECHNICAL SERVICES AND THAT THE STATE OF ALASKA IS OWNER OF ABOVE DESCRIBED MONUMENT. I HEREBY APPROVE THIS SURVEY AND REPLY FOR THE STATE OF ALASKA.
DATE: 3/19/91 *James B. Anderson*
DIRECTOR
DIVISION OF TECHNICAL SERVICES

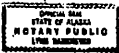


TYPICAL PRIMARY MONUMENT

MONUMENT SET THIS SURVEY CONSISTED OF A 4" DIAMETER METAL PIPE, 20" LONG WITH A 2" FLANGE ON THE BOTTOM. A 2" DIAMETER METAL MONUMENT CAP WAS PLACED ON TOP.

NOTARY'S ACKNOWLEDGEMENT

RECORDED AND SHOWN BEFORE ME THIS 17th DAY OF March
FOR *James B. Anderson*



James B. Anderson
NOTARY PUBLIC FOR ALASKA
MY COMMISSION EXPIRES 11/21/91

CERTIFICATE OF APPROVAL BY THE BOARD

I HEREBY CERTIFY THAT THE REPEAT SHOWN HEREON HAS BEEN FOUND TO CONFORM WITH THE SUBDIVISION REGULATIONS OF THE CITY AND BOROUGH OF SITKA PLATTING BOARD AND THAT SAID REPEAT HAS BEEN APPROVED BY THE BOARD BY RESOLUTION NO. 100-100 DATED 03/19/91 AND THAT THE REPEAT SHOWN HEREON HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE DISTRICT COURT, EX OFFICIO RECORDER, SITKA, ALASKA.

DATE: *3/19/91*
ATTEST:
Clayton A. Johnson
SECRETARY

LESSEE CERTIFICATE

I, THE UNDERSIGNED, HEREBY CERTIFY THAT I AM THE LESSEE AS SHOWN HEREON. I HEREBY APPROVE THIS SURVEY AND PLAT.

DATE: 12/19/90
WITNESSED BY:
Maxwell J. Munn *Ray A. Sch*
PRESIDENT SECRETARY

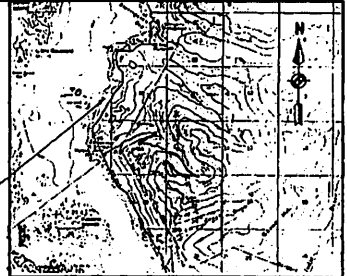
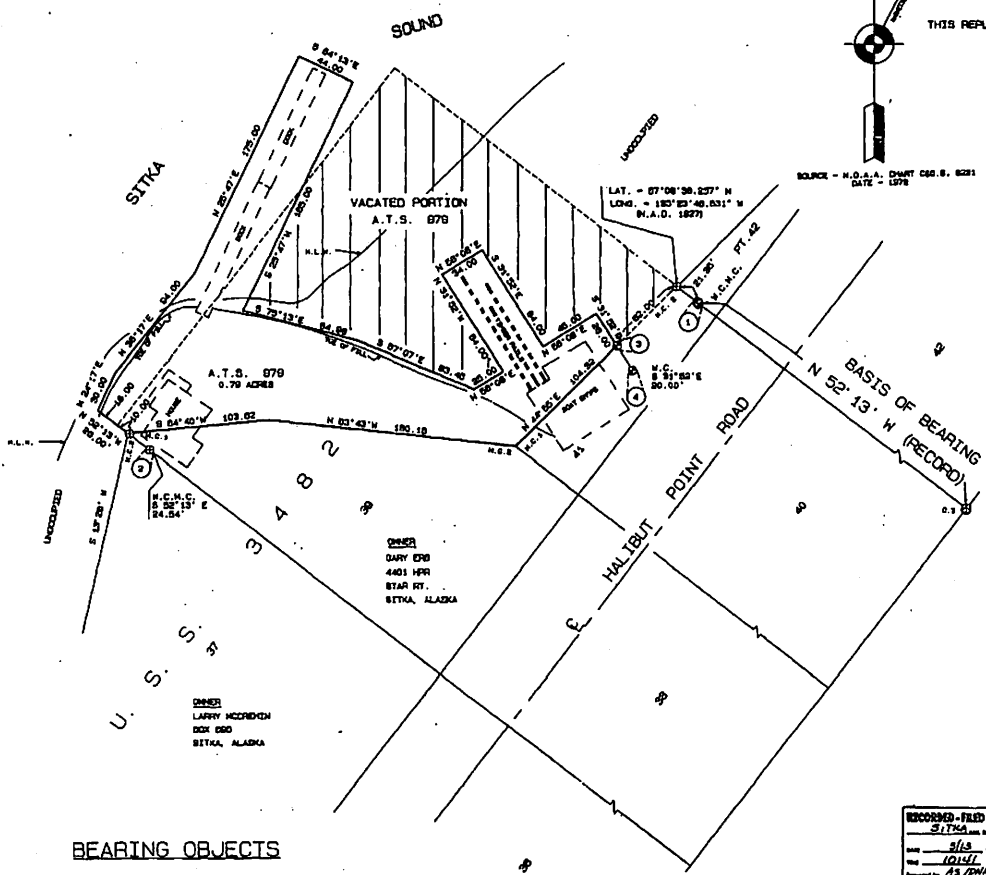
NOTARY'S ACKNOWLEDGEMENT

RECORDED AND SHOWN BEFORE ME THIS 19 DAY OF December 1990
FOR *Ray A. Sch*

Ray A. Sch
NOTARY PUBLIC FOR ALASKA
MY COMMISSION EXPIRES 11-1-96

BEARING OBJECTS

EAST CORNER OF BOAT SHOP BEARS S 17° 01' E, 48.35' FROM MON. 3
NORTH CORNER OF BOAT SHOP BEARS N 80° 50' W, 23.48' FROM MON. 3
EAST CORNER OF BOAT SHOP BEARS S 04° 15' W, 30.78' FROM MON. 4
NORTH CORNER OF BOAT SHOP BEARS W 08° 30' E, 35.30' FROM MON. 4



VICINITY MAP
USGS QUAD SITKA A-5 & A-4, 1951
1" = 1 MILE

BASIS OF BEARING

THE BASIS OF BEARING FOR THIS SURVEY IS THE TRUE LINE BETWEEN THE MERIDIAN OF 151° 00' 00" W AND N 52° 13' 00" W, OFFICIALLY REPORTED AS N 52° 13' W.

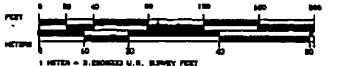
NOTES:

- 1. ALL BEARINGS SHOWN ARE TRUE BEARINGS AS ORIENTED TO THE BASIS OF BEARING.
- 2. ALL DISTANCES SHOWN ARE REDUCED TO HORIZONTAL FIELD DISTANCES.

LEGEND

- ⊙ GLO-BLM MONUMENT RECOVERED
- ⊙ PRIMARY BRASS CAP MONUMENT RECOVERED
- ⊙ PRIMARY MONUMENT SET THIS SURVEY

SCALE: 1" = 40'



RECORDED - FILED
5/17/91
DATE: 5/15/91
BY: *AS/PLB*
ALASKA DEPARTMENT OF REVENUE

DATE OF SURVEY 5/13/90	NAME OF SURVEYOR FRANKLIN BUCKINGHAM SERVICES P.O. BOX 468 SITKA, ALASKA 99581
STATE OF ALASKA DEPARTMENT OF NATURAL RESOURCES DIVISION OF TECHNICAL SERVICES SITKA, ALASKA	

REPLAT OF A.T.S. NO. 979
LOCATED WITHIN PROTRACTED SECTION 8, T 20 S, R 63 E, C.R.N.

OWNER BY CODE DATE: 1/2/91	APPROVAL RECEIVED DATE: 1/2/91
SCALE: 1" = 40'	SECTION N.P.S. FILE NO. ATS-979

SURVEYOR'S CERTIFICATE

I HEREBY CERTIFY THAT I AM PROPERLY REGISTERED AND LICENSED TO PRACTICE LAND SURVEYING IN THE STATE OF ALASKA, AND THAT THIS PLAT REPRESENTS A SURVEY MADE BY ME OR UNDER MY DIRECT SUPERVISION AND THAT THE MONUMENTS SHOWN THEREON ACTUALLY EXIST AS DESCRIBED AND THAT ALL DIMENSIONS AND OTHER DETAILS ARE CORRECT.
DATE: 05/13/90 REGISTRATION NO.: 8372-B
BY: *Franklin Buckingham*
REGISTERED LAND SURVEYOR



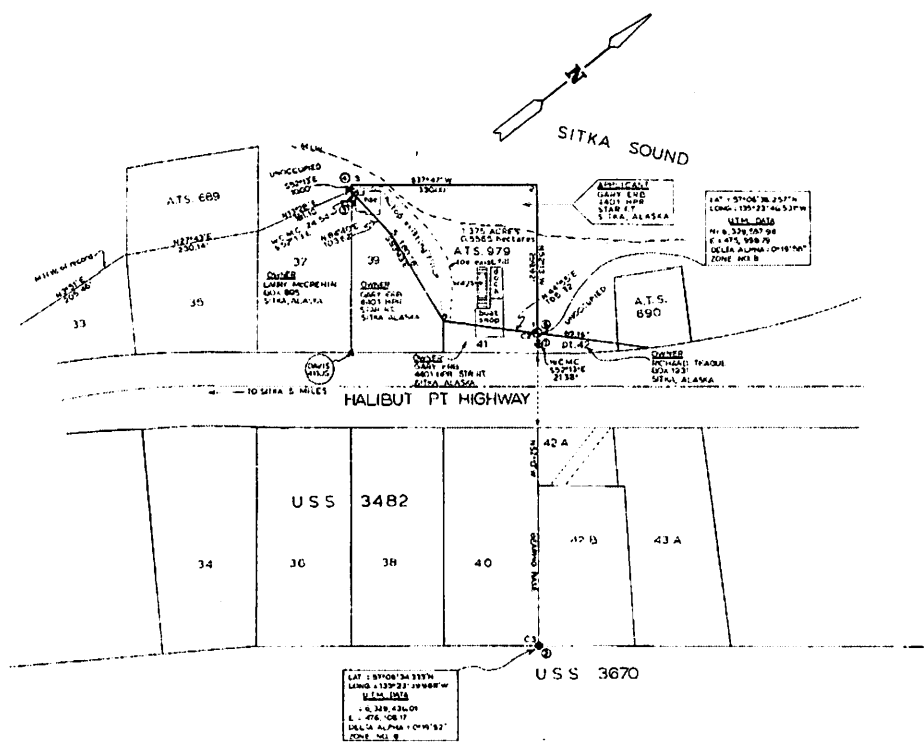
McNamee
Tideland Lease Request
4401 Halibut Point Road

PLAT 86-6

NOTES

THE U.S.M AND METRIC DATA IS BEING SHOWN HEREON FOR INFORMATION PURPOSES ONLY

TRACT A SUBJECT TO A 50 FOOT LINEAR PEDESTAL ACCESS EASEMENT EXTENDING ALONG THE SEABARD SIDE OF THE LOTS OF MEAN HIGH WATER, AT LESSEE'S OPTION AND WITH CONCURRENCE OF LESSOR, ALTERNATE REASONABLE ACCESS MAY BE DELIVERED AND PROVIDED FOR ON UPLANDS.



BASIS OF BEARING

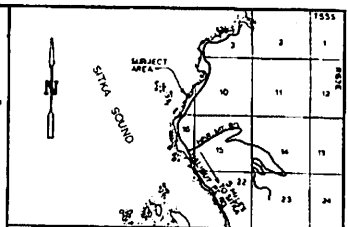
THE BASIS OF BEARING FOR THIS SURVEY IS THE TRUE LINE BETWEEN CORNER NO. 3, LOT 40 AND W.C.M.C. NO. 2, LOT 41, U.S. 3482, OFFICALLY REPORTED AS 85°21'37\"

LEGAL DESCRIPTION OF A.T.S. 979

A PARCEL OF LAND LYING WITHIN THE FIRST JUDICIAL DISTRICT STATE OF ALASKA, WITHIN PROTRACTED SECTION 9, T55N, R83E; COPPER RIVER WATERSHED, AT CORNER NO. 1, LOTS 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, LONG 122°23'48.93\"

BEGINNING AT PRIME CORNER (W.C.M.C. NO. 2 OF LOT 41, U.S. SURVEY 3482) THENCE 80°21'37\"

1 U.S. ACRE = 0.4047 HECTARE



VICINITY MAP
 LEGS. QUAD, SITKA (A-5)
 SCALE 1" = 1 MILE

LESSEE CERTIFICATE

I, THE UNDERSIGNED, HEREBY CERTIFY THAT I AM THE LESSEE AS SHOWN HEREON. I HEREBY APPROVE THIS SURVEY AND PLAT.
 DATE: 1-20-81
 WITNESSES: *Dorena Rogers, Gary C. Erb*

OWNERSHIP CERTIFICATE

I, THE UNDERSIGNED, HEREBY CERTIFY THAT I AM THE DIRECTOR, ALASKA DIVISION OF TECHNICAL SERVICES, AND THAT THE TITLE OF ALASKA'S OWNER OF ALL RIGHTS AS SHOWN HEREON. I HEREBY APPROVE THIS SURVEY AND PLAT FOR THE STATE OF ALASKA.
 DATE: 1-20-81
James J. Johnson
 DIRECTOR DIVISION OF TECHNICAL SERVICES

NOTARY'S ACKNOWLEDGEMENT

SUBSCRIBED AND SWORN TO BEFORE ME THIS 20th DAY OF JANUARY, 1981, BY *Dorena Rogers* and *Gary C. Erb*.
 MY COMM. EXPIRES 12-10-84

NOTARY'S ACKNOWLEDGEMENT
 I, *James J. Johnson*, Notary Public for the State of Alaska, do hereby certify that this instrument was duly executed before me on the 20th day of January, 1981, at Sitka, Alaska.
 MY COMMISSION EXPIRES 12-10-84

SURVEYOR'S CERTIFICATE

I HEREBY CERTIFY THAT I AM REGISTERED TO PRACTICE LAND SURVEYING IN ALASKA AND THAT THIS PLAT REPRESENTS A SURVEY MADE BY ME OR UNDER MY DIRECT SUPERVISION AND THE MONUMENTS SHOWN THEREON ACTUALLY EXIST AS LOCATED AND THAT ALL DIMENSIONS AND OTHER DETAILS ARE CORRECT.
 UNIT: 8-11-81
 REGISTERED NO. 4310-C
James J. Johnson
 REGISTERED LAND SURVEYOR
 DAVIS & ASSOC. INC.

- LEGEND**
- OLD AND/OR BLM MON REVEALED
 - PRIMARY BRASS CAP WITH SET THIS SURVEY
 - ▲ REBAR & PLASTIC (FOUND)
 - ① MONUMENT IDENTIFICATION NUMBER

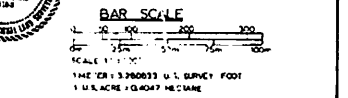
MONUMENT ACCESSORIES

- MON. NO. 1**
 S.W. COR. OF HOUSE BEARS N22°0'W A DIST. OF 133 FEET
 S.E. COR. OF HOUSE BEARS S80°0'E A DIST. OF 135 FEET
- MON. NO. 2**
 N.E. COR. BOAT SHOP BEARS S20°0'W A DIST. OF 99.0 FEET
 NORTH COR. BOAT SHOP BEARS S40°0'W A DIST. OF 93.0 FEET
 W.W. COR. BOAT SHOP BEARS S60°0'W A DIST. OF 106.0 FEET



81-2031
 RECEIVED - FILED
 1/20/81
Dorena Rogers
Gary C. Erb
James J. Johnson
 Notary Public
 Office: Sitka, Alaska

Plat # 81-42



ALaska TIDELANDS SURVEY NO. 979 WITHIN PROTRACTED SEC. 9, T55N, R83E, CRM.	
SEARCH BY NO. 31 JAN 1981	DATE: 1/20/81
SCALE: 1" = 100'	PLAT NO. ATS-979

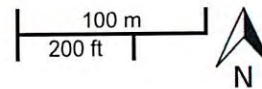
McNamee
 Tideland Lease Request
 4401 Halibut Point Road



City & Borough of Sitka, Alaska

Selected Parcel: 4401 HALIBUT POINT ID: 25790001

Printed on 8/18/2016 from <http://www.mainstreetmaps3.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.

McNamee
Tideland Lease Request
4401 Halibut Point Road

Memorandum

TO: Maegan Bosak, Planning and Community Development Director

FROM: Wendy Lawrence, Assessing Director *Wendy Lawrence*

SUBJECT: City and Borough of Sitka Tidelands Lease Application – ATS 979 (which is adjacent and ancillary to:
PID: 2-5790-001 – 4401 HPR (6,000sf owned filled tidelands)
PID: 2-5800-001 – 4403 HPR (31,681 sf owned filled tidelands)

DATE: September 7, 2016

The real property described below was inspected on November 30, 2015, for the tideland lease application noted above. The City and Borough of Sitka owns 34,412sf of ATS 979 consisting of a combination of filled and submerged city-owned tidelands addressed as 4401 HPR. This parcel is located due north and directly adjacent to two other filled tideland lots owned by the lease applicants which are noted as 4401 HPR (PID 2-5790-001) and 4403 HPR (PID 2-5800-001 aka Island View Lodge). Island View Lodge is owned and operated by the lease applicants, and this leased parcel is necessary and ancillary to this business. This leased parcel contains floating docks and rock fill area which is used for guest parking and dock access.

The applicant is requesting a lease renewal of 27,893 square feet of ATS 979 outlined as Parcels A & B within the lease application. Parcel A has been classified to consist of approximately 12,322sf of filled tidelands, 3,525sf of sloping tidelands, and 6,900sf of submerged tidelands. Parcel B consists of 5,146sf of tidelands classified as filled for this valuation.

Tidelands within the City and Borough of Sitka are valued according to their classification and upland land modeling, with value ranges for uplands at \$7.70-\$25.85/sf. Upland and filled tidelands are valued according to the regular land modeling of the area, sloping tidelands are valued at thirty percent of the upland rate, and submerged tidelands are valued at fifteen percent of the upland rate. This standard of valuation is used throughout assessment departments in Alaska, with price variances according to upland land values. This property falls within the lower end of this range with the following per square foot prices: \$7.82/sf per upland/filled, \$2.35/sloping, and \$1.17/submerged.

Recommended conclusion of value is as follows: land modeling for the Halibut Point Rd-North area yields an assessed valuation of \$152,900 for this parcel, on which the annual lease rate shall be determined according to CBS code.

McNamee
Tideland Lease Request
4401 Halibut Point Road

Samantha Pierson

From: Lindsey Vilandre
Sent: Thursday, August 18, 2016 2:11 PM
To: Samantha Pierson
Subject: Re: McNamee Tideland Lease

Good Afternoon,

The current payment is \$2,415.00 per year. Yes he paid in 2015 for a year. Next billing is in October of this year.

**Thank you
Have a great day
Lindsey ☺**

From: Samantha Pierson
Sent: Thursday, August 18, 2016 9:36:12 AM
To: Lindsey Vilandre
Subject: McNamee Tideland Lease

Lindsey,

Could you tell me the current payment amount for Kevin McNamee's tideland lease at 4403 Halibut Point Road, and if he is current on his payments?

Sam

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

McNamee
Tideland Lease Request
4401 Halibut Point Road

in significant additional rain runoff on the adjacent property;
c. The granting of the variance furthers an appropriate use of the property, specifically, by creating safe access for a single-family home.

Motion PASSED 4-0.

Hughey/Windsor moved to APPROVE a variance request for 109 Darrin Drive. The variance is for the reduction of the front setback from 20 feet to 5 feet and the side setback from 8 feet to 2 feet for the construction of stairs and rails. The property is also known as Lot 5 Darrin Subdivision. The request is filed by Cory and Brenna Picotte. The owner of record is Cory and Brenna Picotte.

Motion PASSED 4-0.

G

Public hearing and consideration of a tideland lease renewal application filed by Kevin McNamee for tidelands adjacent 4401 Halibut Point Road. The property is also known as a portion of ATS 979. The request is filed by Kevin McNamee. The owner of record is the City and Borough of Sitka.

Scarcelli reviewed the request for tideland lease renewal. The requested term is for 50 years. The lease payment would approximately triple from the current payment, according to a valuation provided by the municipal assessor. The lease renewal would allow a currently operating business to continue these operations.

Pohlman asked about the lease portion that is not being renewed. Pohlman stated concern that the unleased portion be protected and not polluted. Scarcelli stated that it would be unlikely that the unleased portion would be leased by another party, without the addition of an easement. Hughey stated that public access to the unleased portion would be limited. Scarcelli stated that a condition of approval could be the inclusion of a clause preserving public access to the tidelands. Pohlman stated that the land use and comprehensive plan process have addressed not disposing of land in a manner that leaves small unusable parcels left. Scarcelli stated that this is the process prescribed by code. While staff is working on a future policy and code process, absent a moratorium, this is the current process in effect. Hughey stated that the parcel should remain in one piece, and it is not logical to exclude the third portion.

Kevin McNamee pointed to the concept plan and explained the request. The portion that he requests to not rent was used by the prior owner to launch boats that he built. McNamee stated that he wanted to separate the residence from the business so that he could possibly sell the business in the future. McNamee stated that the surveyor followed the toe line.

Scott Saline stated that this request is similar to the Petro Marine lease. Petro is only leasing what their float sets on, and it could be argued that Petro's lease portion will block access to some municipal tidelands.

Hughey stated that he better understands the request. Pohlman asked if others along Halibut Point Road could stop paying for leases and still use the waterfront as a public access. Hughey stated that he doesn't believe there is useable land on the unleased portion, and does not see a need to ensure public access to that portion. Pohlman stated that environmental effects could still arise from the U-shaped lease. Pohlman stated that humans tend to take

better care of things that they buy or lease than when they do not have any vested interest. Spivey stated that boat owners are responsible for cleaning up spills they cause regardless of where the spills result.

Hughey/Windsor moved to **RECOMMEND** preliminary approval of the proposed tideland lease adjacent to 4401 Halibut Point Road by Kevin McNamee.

Motion **PASSED 4-0**.

H

Public hearing and consideration of a variance request for 424 Katlian Avenue. The request is for the reduction of the side setbacks from 8 feet to 0 feet, the reduction of the front setback adjacent Kogwanton Street from 20 feet to 8 feet, the reduction of the front setback adjacent Katlian Street from 20 feet to 18 feet, substandard parking, substandard lot size, and substandard lot width for the construction of a new house and ice shop. The property is also known as Lot 50 Block 2 US Survey 2542 A&B. The request is filed by Scott Saline. The owner of record is Scott Saline.

Scarcelli stated that the applicant received a variance approximately one year ago; however, substantial construction did not occur within one year and the site plan and gross square footage of the structure changed, requiring a new variance approval. The lot is zoned Waterfront but is surrounded on 3 sides by R-1 residential lots. Pierson stated that Historic Preservation Commission heard the item at last week's meeting and voted 4-0 to recommend the project. Scarcelli stated that the parking variance is a judgement call for the commission to make. Scarcelli read a letter of objection by Allen Bell, Sitka Tribe of Alaska's attorney, on behalf of a tribal citizen who owns a restricted deed property. Scarcelli stated that Bell did not identify any detrimental effects, but said that closer setbacks could result in impacts to noise, fire, and traffic. Scarcelli stated that building requirements are more strenuous when building within 5 feet of the property line. Scarcelli stated that staff recommend approval.

Scott Saline stated that he intends to have 19 feet along Katlian but he's requesting 18 feet in case of error when the foundation is poured. Hughey asked about the appearance of the building, and Saline stated that he intends to make it fit in with the neighborhood. Windsor asked about the height of the proposed structure. Scarcelli stated that it is 35 feet high, has a footprint of 28 feet by 18 feet, and results in a 33% building lot coverage on an approximately 1500 square foot lot.

Windsor stated that the proposed structure would be an improvement on the lot.

Windsor/Pohlman moved to **APPROVE** and adopt findings as discussed in the staff report.

Required Findings for Variances Involving Major Structures or Expansions.
Before any variance is granted, it shall be shown:

- a) That there are special circumstances to the intended use that do not apply generally to the other properties, specifically, that the lot is one-quarter of the minimum lot size in the zone;
- b) The variance is necessary for the preservation and enjoyment of a substantial property right of use possessed by other properties but are denied to this parcel, specifically, the ability to economically develop a



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

Planning and Community Development Department

Date: September 14, 2016

From: PCDD Staff

To: Planning Commission

Re: McNamee Tideland Lease Renewal Request

GENERAL INFORMATION

Applicant: Kevin McNamee

Property Owner: City and Borough of Sitka

Property Address: Adjacent 4401 Halibut Point Road

Legal Description: 27,893 of ATS 979

Parcel ID Number: Adjacent to 2-5790-001 & 2-5800-001

Size of Existing Lot: 34,412 square feet

Zoning: C-2 General Commercial

Existing Land Use: Commercial

Utilities: City utilities

Access: Halibut Point Road and by water

Surrounding Land Use: Commercial and residential

MEETING FLOW

- Report from Staff
- Applicant comes forward
- Applicant identifies him/herself – provides comments
- Commissioners ask applicant questions
- Staff asks applicant any questions
- Floor opened up for Public Comment
- Applicant has opportunity to clarify or provide additional information
- Comment period closed - brought back to the board
- Findings
- Motion of recommendation

ATTACHMENTS

Attachment A: Vicinity Map
Attachment B: Aerial Vicinity Map
Attachment C: Zoning Map
Attachment D: Survey
Attachment E: Parcel Pictures
Attachment F: Application
Attachment G: Current Lease
Attachment H: Mailing List
Attachment I: Proof of Ownership
Attachment J: Proof of Payment

PROJECT DESCRIPTION

Kevin McNamee approached the Planning and Community Development Department with a request to renew a lease of tidelands adjacent 4401 Halibut Point Road for 50 years. The request includes 27,893 square feet of ATS 979, divided into two tracts, for the purpose of continuing operations at Island View Lodge.

Following the Planning Commission meeting, the request will be presented to the Assembly for preliminary approval. After the Assembly grants preliminary approval, the proposal will return to Planning Commission for a final recommendation of approval. A final lease ordinance will be authorized by the Assembly.

BACKGROUND

In 1986, the State of Alaska leased ATS 979, approximately 0.79 acres of tidelands, to Gary Erb for \$2300 per year. In 1997, the State of Alaska transferred the tidelands to the City and Borough of Sitka, so CBS became Erb's landlord. In 2003, Erb sold the upland property, 4401 Halibut Point Road, to Kevin and Tina McNamee. At this time, Erb also transferred the tideland lease to Mr. and Mrs. McNamee. The current lease amount is \$2415 per year. McNamee is current on lease payments. The current lease expires September 30, 2016.

McNamee requests to lease two portions of the prior lease tract, and does not wish to lease a third portion. Parcel A is a 27,893 square foot portion which houses an existing float and a shelter. Parcel B is a 5146 square foot portion that contains approximately half of the main house. The applicant does not wish to lease a third portion of 6343 square feet. McNamee requests a 50 year lease for Parcel A and Parcel B.

McNamee has informally requested to purchase the tidelands; however, due to the details of the tidelands conveyance, CBS is not permitted to sell ATS 979 tidelands.

A competitive bid process will not be required, as McNamee is the upland property owner.

No city staff have expressed concern about the proposed tideland lease.

ANALYSIS

Project / Site: The proposed tidelands are immediately adjacent 4401 Halibut Point Road. It is approximately 27,893 square feet of occupied submerged tidelands that are next to the current Island View Lodge.

Amount of vehicular traffic to be generated and impacts of the traffic on nearby land uses: Same amount of vehicular traffic as currently observed. No increase is expected.

Amount of noise to be generated and its impacts on surrounding land use: As the proposed lease is a renewal, noise would be similar to present use.

Odors to be generated by the use and their impacts: Odors from gas and boat exhaust should be anticipated. No increase expected.

Hours of operation: A lodge is a 24 hour operation.

Effects of vehicular and pedestrian safety: No concerns.

Ability of the police, fire and EMS personnel to respond to emergency calls on the site: Same as present.

Effects of signage on nearby uses: No change to signage.

Conformity with Comprehensive Plan: Conforms to Comprehensive Plan Section 2.6.2(K), which supports facilities to accommodate visitors that do not impact surrounding residential neighborhoods any more than typical residential uses, by facilitating the continued operation of a long-standing lodge.

RECOMMENDATION

It is recommended that the Planning Commission adopt staff's analysis and move to recommend preliminary approval of the tideland lease adjacent 4401 Halibut Point Road.

If the Planning Commission recommends preliminary approval of the proposed tideland lease renewal the process would be: 1) preliminary Assembly approval, 2) recommendation of Planning Commission approval, 3) land lease ordinance by Assembly.

Recommended Motions:

- 1) I move to recommend preliminary approval of the proposed tideland lease adjacent to 4401 Halibut Point Road by Kevin McNamee.



CITY AND BOROUGH OF SITKA

PLANNING AND COMMUNITY DEVELOPMENT DEPAR
LAND MANAGEMENT APPLICATION FORM

Attachment F

1. Request projects at least FOURTEEN (14) days in advance of next meeting date.
2. Review guidelines and procedural information.
3. Fill form out completely. No request will be considered without a completed form.
4. Submit all supporting documents and proof of payment.

APPLICATION FOR:

TIDELAND

LEASE

LAND

PURCHASE

BRIEF DESCRIPTION OF REQUEST: Applying to renew tideland ~~the~~ lease for another 50 years. Requesting to separate the portion that falls under the house (4401 HPR) and the parking/dock section. See drawing attached for detail on Lease tract A & B.

PROPERTY INFORMATION:

CURRENT ZONING: C-2 ARE YOU THE UPLAND PROPERTY OWNER? Yes

CURRENT LAND USE(S): Residential/Commercial PROPOSED LAND USES (if changing): Same

APPLICANT INFORMATION:

PROPERTY OWNER: Kevin McNamee

PROPERTY OWNER ADDRESS: 4403 HPR Cabin "D" 99835

STREET ADDRESS OF PROPERTY: 4401 / 4403 / 4405 HPR SITKA, AK. 99835

APPLICANT'S NAME: Kevin McNamee

MAILING ADDRESS: Box 6243 SITKA, AK. 99835

EMAIL ADDRESS: Kevin-mcNamee@yahoo.com DAYTIME PHONE: (907) 738-6541

PROPERTY LEGAL DESCRIPTION:

TAX ID: 2-5800-001 LOT: _____ BLOCK: _____ TRACT: _____

SUBDIVISION: _____ US SURVEY: ATS 979

OFFICE USE ONLY

COMPLETED APPLICATION		SITE PLAN	
NARRATIVE		CURRENT PLAT	
FEE		OWNERSHIP	

REQUIRED SUPPLEMENTAL INFORMATION:

- Completed application form
- Narrative
- Site Plan showing all existing and proposed structures with dimensions and location of utilities (See Plat).
- Proof of filing fee payment (See S.P.)
- Proof of ownership (If claiming upland preference)
- Copy of current plat

CERTIFICATION:

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



Applicant



Date

McNamee
Tideland Lease Request
4401 Halibut Point Road

Consent to Assignment


The City and Borough of Sitka, a municipal corporation of 100 Lincoln Street, Sitka, Alaska 99835 as Successor Lessor, pursuant to a transfer to the Successor Lessor from the State of Alaska DNR, hereby consents to the assignment by Assignor above to Assignee above of the right, title and interest of Gary H. Erb in said lease (ADL No. 6550) recorded April 6, 1987 in Book 77 at Page 718, the following parcel of land described as follows:

Alaska Tidelands Survey 979, located within protracted Section 9, township 55 South, Range 63 East, Copper River Meridian, according to Plat No. 86-6, Sitka Recording District, First Judicial District, State of Alaska.

Dated this 6th day of August, 2003

All terms of original lease apply to McNamee.

CITY AND BOROUGH OF SITKA



HUGH BEVAN
Its:

On this day personally appeared before me THE CITY AND BOROUGH OF SITKA, by and through its City Administrator, ~~Gary Paxton~~ ^{HUGH BEVAN}, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed as in his official capacity as the duly authorized agent of, and as the free and voluntary act and deed of the City and Borough of Sitka, for the uses and purposes therein mentioned.

Given under my hand and official seal this 6th day of August, 2003.



Notary Public in and for Alaska
My Commission expires: 4-15-07



McNamee
Tideland Lease Request
4401 Halibut Point Road

Assignment of Lease

This assignment is made this ___ day of _____, 2003 by and between Gary H. Erb and Ann C. Erb of 3820 Q Avenue, Anacortes, WA 98221 and Kevin McNamee and Tina McNamee of P.O. Box 6243, Sitka, Alaska 99835


In consideration of the sum of Ten dollars (\$10.00) and other valuable consideration, receipt of which is hereby acknowledged, the Assignor hereby assigns to the Assignee all rights, title and interest, held by Assignor in a certain Tidelands Lease Agreement, being ADL No. 65550, dated October 1, 1986, wherein Gary H. Erb is the lease holder and the City and Borough of Sitka is the Lessor, covering the following property:

Alaska Tidelands Survey 979, located within protracted Section 9, Township 55 South, Range 63 East, Copper River Meridian and contains .79 acres more or less, according to the survey plat filed in the Sitka Recording District, on March 13, 1986 as Plat 86-6, First Judicial District, State of Alaska.

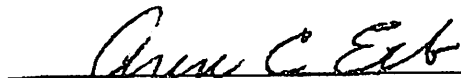
The parties agree that this assignment is made for the purpose of allowing Assignees, their heirs and assigns for the remainder of the above mentioned term, to have and enjoy all rights of possession and use, and to undertake all responsibilities and obligations, which might otherwise flow to or be incumbent upon the Assignor under said lease, subject to the rents, covenants, conditions and provisions therein stated.

If at any time a default shall be made by the Assignees in payment of any sum due hereunder upon that Deed of Trust for security purposes between the parties of even date, it shall be lawful for the Assignor to foreclose thereunder as permitted by law. The Assignor may maintain such other remedies as the law and this instrument may afford.

Assignor:




Gary H. Erb




Ann C. Erb

Assignee:



Kevin McNamee



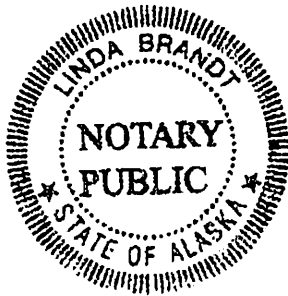
Tina McNamee

McNamee
Tidelands Lease Request
4401 Halibut Point Road

STATE OF ALASKA)
) ss,
First _____ Judicial District)

THIS IS TO CERTIFY that on this 7th day of April, 2003, before me the undersigned Notary Public, personally appeared Kevin McNamee and Tina McNamee known to me and to me known to be the individual(s) described in and who executed the foregoing instrument and they acknowledged to me that they signed the same freely and voluntarily for the uses and purposes therein set forth.

WITNESS my hand and official seal.

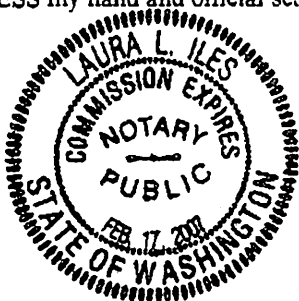


Linda Brandt
Notary Public in and for Alaska
My commission expires: 6/07/2006

STATE OF WASHINGTON)
) ss:
County of Skagit)

THIS IS TO CERTIFY that on this 31st day of March, 2003, before me the undersigned Notary Public, personally appeared Gary H. Erb and Ann C. Erb, individually known to me and to me known to be the individual(s) described in and who executed the foregoing instrument and they acknowledged to me that they signed the same freely and voluntarily for the uses and purposes therein set forth.

WITNESS my hand and official seal.



Laura L. Iles
Notary Public in and for Washington
My commission expires: 2-17-07

McNamee
Tideland Lease Request
4401 Halibut Point Road

ATS 979

TONY KNOWLES, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

SOUTHEAST REGIONAL OFFICE
DIVISION OF LAND

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

August 20, 1997

Gary Erb
3820 Q. Ave.
Anacortes, WA 98221

Re.: Transfer of Tideland Lease **ADL 65550** to the City and Borough of Sitka


Dear Lessee:

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

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

Sincerely,

Andrew W. Pekovich,
Southeast Regional Manager

by: 
Elizaveta H.C. Shadura
Natural Resource Manager

cc: City and Borough of Sitka

McNamee
Tideland Lease Request
4401 Halibut Point Road

STATE OF ALASKA Sitka Recording District
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF LAND AND WATER MANAGEMENT
Pouch 7-005
Anchorage, Alaska 99510

ADL No. 65550

LEASE AGREEMENT

This Lease Agreement is made and entered into this 1st day of October, 1986, between the State of Alaska, by and through the Director of the Division of Land and Water Management with the consent and concurrence of the Commissioner of Natural Resources (hereinafter referred to as "the Lessor"), and Gary H. Erb

whose address is 4401 Halibut Point Road, Sitka, Alaska 99835

(hereinafter referred to as "the Lessee").

WITNESSETH:

WHEREAS, the Lessor has undertaken the necessary administrative actions under applicable laws and regulations to fully authorize and enable the lease of the Parcel described herein, which is acknowledged by the Lessee by his signature hereto;

WHEREAS, the Lessee is aware of the provisions of Title 38, Alaska Statutes, Title 11, Alaska Administrative Code, and other applicable laws, regulations, and ordinances, and fully understands the duties and obligations of the Lessee under this Lease, and the rights and remedies of the Lessor,

NOW THEREFORE, the Lessor and the Lessee, in consideration of the mutual covenants and conditions stated in this Lease, agree as follows:

The Lessor agrees to lease to the Lessee the following parcel of land (hereinafter referred to as "the Parcel") which is situated in the State of Alaska and is described as follows:

Alaska Tidelands Survey 979, located within protracted Section 9, Township 55 South, Range 63 East, Copper River Meridian and contains .79 acre more or less, according to the survey plat filed in the Sitka Recording District on March 13, 1986 as plat 86-6.

Handwritten notes and stamps at the bottom right of the page.

EXCEPTING AND RESERVING THEREFROM, to the Lessor and its assigns during the term of this Lease, the following specific interests, which shall be in addition to and not in derogation of any general reservations to the Lessor which are required by law and which may be stated elsewhere in this Lease:

Subject to all platted easements and reservations and further subject to the Special Stipulations noted on Attachment A and made a part of this lease agreement.

TO HAVE AND TO HOLD the said demised premises for a term of thirty (30) years commencing on the 1st day of October, 19 86 and ending at 12 o'clock midnight on the 30th day of September, ~~XX~~ 2016, unless sooner terminated as hereinafter provided.

The Lessee shall pay to the Lessor rental as follows: Equal annual payments, in advance, on or before the _____ day of _____ of every year during said term at the rate of two thousand three hundred dollars (\$ 2,300.00) per annum, such annual rental payments to be subject to adjustment following expiration of the initial 25-year period of this lease and at each 10-year period thereafter pursuant to AS 38.05 as enacted, or as may be hereafter amended.

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

THE LESSOR AND THE LESSEE FURTHER COVENANT AND AGREE AS FOLLOWS:

1. Use of Parcel. The Lessee shall use and occupy the Parcel in compliance with all applicable laws, regulations, ordinances, and orders which a public authority has promulgated or may promulgate, including those of a building or zoning authority and those relating to pollution and sanitation control. The Lessee shall not permit any unlawful occupation, business, or trade to be conducted on the Parcel. The Lessee shall properly locate himself and his improvements on the Parcel, and shall not commit waste of the Parcel, whether ameliorated or otherwise. Notwithstanding such laws, regulations, ordinances, and orders, the Lessee shall maintain the Parcel in a reasonably neat and clean condition, and take all prudent precautions to prevent or suppress pollution of the ground, surface water, air, or land, and to prevent or suppress grass, brush, or forest fires, and to prevent erosion or destruction of the land.

2. Permanent Improvements. The Lessee must within 90 days of completion of any site improvements including, but not limited to, structural improvements, clearing, leveling, excavation, and backfill, file with the Lessor adequate and reasonable documentation of such improvements, setting forth all applicable costs and quantities. Failure to provide such documentation will result in loss of credit for such improvements in determination of the original condition of the Parcel for reappraisal purposes.

McNamee
Tideland Lease Request
4401 Halibut Point Road

3. Encumbrance of Parcel. The Lessee, during the term of this Lease, shall not encumber or cloud the Lessor's title to the Parcel, or any portion thereof, nor enter into any lease, easement, or other obligation of the Lessor's title without the prior written consent of the Lessor; and any such act or omission, without the prior written consent of the Lessor, shall be void against the Lessor.

4. Assignment of Parcel. The Lessee may not assign or sublet the Parcel, without the prior written approval of the Lessor. The Lessor may approve such assignment or subletting if the Lessor finds it to be in the best interest of the State. No assignment or subletting of the Parcel shall be approved until the assignee agrees to be subject to and governed by the provisions of this Lease in the same manner as the original Lessee. No such assignment or subletting will be effective until approved by the Lessor in writing. No assignment or subletting of the Parcel, or any portion thereof, by the Lessee shall annul the Lessee's obligation to pay the rent herein required for the full term of this lease. Except as provided in this lease, no subdivision of the leasehold interest, including any exposed airspace thereon, shall occur.

5. Denial of Warranty Regarding Conditions. The Lessor makes no warranty, express or implied, nor assumes any liability whatsoever, regarding the social, economic, or environmental aspects of the Parcel, to include, without limitation, the soil conditions, water drainage, natural or artificial hazards which may exist, or the profitability or fitness of the Parcel for any use.

6. Agreement to Terms of Lease Documents. (a) The Lessor and the Lessee agree and recognize that each of the covenants and conditions in this Lease and any attachments thereto are merged and incorporated into this agreement and shall be binding upon themselves and upon their respective successors and assigns and shall inure to their benefit. The Lessor and the Lessee further agree and recognize that this Lease shall be conditioned upon satisfactory performance by the Lessor and the Lessee of all covenants contained herein.

(b) If all or part of said Parcel has been tentatively approved, but not yet patented, by the United States to the Lessor, then this Lease shall be conditioned upon receipt by the Lessor of such patent. If for any reason the Lessor does not receive patent, any rental payments made to the Lessor under this Lease will not be refunded. Any prepaid lease rentals on lands to which patent is denied the Lessor shall be refunded to the Lessee of record and any properly recorded lienholder, if any, jointly. The money refunded shall, however, be limited to the prorata portion of the unexpired term. The Lessor shall have no further liability to the Lessee for the termination of the Lease.

7. Payment of Taxes and Assessments. The Lessee shall pay all taxes and assessments accruing against the Parcel during the term of the Lease.

8. Right-of-Way for Public Highways and Utilities. In the event that the Parcel borders or includes one or more section lines, the Lessor hereby expressly reserves unto itself and its successors and assigns a right-of-way 100 feet wide and centered on such section line or lines.

9. Navigable and Public Waters. The Lessor reserves an easement 50 feet wide for public access along the mean high water line or ordinary high water mark of all water bodies listed in this Lease which are bordering on or included within the Parcel. Public easements to and along listed water bodies are reserved for all of those uses and purposes normally associated with or incident to an easement for access to the public resources of the water body to and along which the easement has been reserved. No public access easement may be obstructed or otherwise rendered by the Lessee incapable of reasonable use by the public for the purposes for which it was reserved. No public access easement may be vacated, abandoned, or extinguished without approval of the Lessor.

10. Reservation of Easements. The Lessor expressly reserves the right to take for the use of the State of Alaska and the right to grant to third parties, easements or rights-of-way of unlimited size across the Parcel herein leased if it is determined to be in the best interests of the State to do so, even though the creation of the easement or right-of-way terminates the entire leasehold estate; provided, however, that the Lessee shall be entitled to compensation for all improvements or crops which are damaged or destroyed as a direct result of such easement or right-of-way.

11. Condemnation of Leasehold or Improvements. With the exception of the taking of easements or rights-of-way which is governed by paragraph 10 above, if the whole or any part of the Parcel is taken by any authorized body or person vested with the power of eminent domain, by negotiation, court action, or otherwise, the following provisions control:

(a) Taking of the entire premises. If all of the premises are taken by condemnation, the terms of the Lease and all rights of the Lessee will immediately terminate, and the rent must be adjusted so that it is due only until the date the Lessee is required to surrender possession of the premises. The Lessor is entitled to all the condemnation proceeds, except that the Lessee will be paid the portion of the proceeds attributable to the fair market value of the buildings or improvements placed on the condemned premises by the Lessee.

(b) Taking of substantial part of premises. If the taking is of a substantial part of premises, the following rules apply:

(1) If the taking by condemnation reduces the ground area of the Parcel by at least 30 percent or materially affects the use being made by the Lessee of the Parcel, the Lessee has the right to elect to terminate or not to terminate the Lease by written notice to the Lessor not later than 180 days after the date of taking.

(2) If the Lessee elects to terminate, the provisions in (a) of this subsection govern the condemned portion of the Parcel and the terms of the Lease govern disposal of the remainder of any buildings or improvements made by the Lessee.

(3) If the Lessee elects not to terminate, the Lease continues and the Lessor is entitled to the full condemnation proceeds except the portion attributable to the fair market value of the buildings or improvements placed on the condemned portion of the premises by the Lessee. Rent at the existing rate will terminate on the date of taking. Except as it may be adjusted from time to time under the terms of the Lease and applicable statutes, rent for the balance of the term will be adjusted by the Lessor to reflect the taking.

(c) Taking of insubstantial part of premises. If the taking by condemnation reduces the ground area of the Parcel by less than 30 percent and the Lessor determines that the taking is of such an insubstantial portion that the Lessee's use of the Parcel is not materially affected, the provisions of (b)(3) of this subsection will govern.

12. Access. The Lessor makes no representations or warranty that it will construct or maintain access to the Parcel.

13. Valid Existing Rights. This Lease is entered into and made subject to all valid existing rights, including easements, rights-of-way, reservations, or other interests in land in existence on the date of execution of this Lease.

14. Inspection. The Lessor shall have reasonable access to the Parcel for purposes of inspection regarding the faithful performance of the covenants and conditions of this Lease and for the performance of other lawful requirements.

McNamee
Tideland Lease Request
4401 Halibut Point Road

15. Mineral Reservations. The Lessor hereby expressly saves, excepts, and reserves out of the grant hereby made, unto itself, its lessees, successors, and assigns forever, all oils, gases, coal, ores, minerals, fissionable materials, geothermal resources, and fossils of every name, kind or description, and which may be in or upon said lands above described, or any part thereof, and the right to explore the same for such oils, gases, coal, ores, minerals, fissionable materials, geothermal resources, and fossils. The Lessor also hereby expressly saves and reserves out of the grant hereby made, unto itself, its lessees, successors, and assigns forever, the right to enter by itself, its or their agents, attorneys, and servants upon said lands, or any part or parts thereof, at any and all times, for the purpose of opening, developing, drilling and working mines or wells on these or other lands and taking out and removing therefrom all such oils, gases, coal, ores, minerals, fissionable materials, geothermal resources, and fossils, and to that end it further expressly reserves out of the grant hereby made, unto itself, its lessees, successors, and assigns forever, the right by its or their agents, servants and attorneys at any and all times to erect, construct, maintain, and use all such buildings, machinery, roads, pipelines, powerlines, and railroads, sink such shafts, drill such wells, remove such soil, and to remain on said lands or any part thereof for the foregoing purposes and to occupy as much of said lands as may be necessary or convenient for such purposes, hereby expressly reserving to itself, its lessees, successors, and assigns, as aforesaid, generally all rights and power in, to and over said land, whether herein expressed or not, reasonably necessary or convenient to render beneficial and efficient the complete enjoyment of the property and rights hereby expressly reserved.

Provided, however, that no rights reserved hereunder shall be exercised by the Lessor or its subsurface lessees, until provision has been made by the Lessor or its subsurface lessees to pay to the Lessee of the land upon which the rights are herein reserved, full payment for all damages sustained by said Lessee by reason of entering upon said land; and provided that, if said Lessee for any cause whatever refuses or neglects to settle said damages, the Lessor or its subsurface lessees, or any applicant for a subsurface lease, contract or option from the Lessor or its subsurface lessee for the purpose of exploring for or extracting valuable minerals, coal, petroleum, natural gas, or geothermal resources shall have the right, after posting a surety bond with the Lessor issued by a corporation qualified to do business in Alaska and licensed to sell insurance in Alaska, or after posting with the Lessor a sufficient bond executed by one or more individual sureties approved by the Lessor and after due notice and an opportunity to be heard, to exercise rights granted to it for reasonable use of the surface required for the full enjoyment of the reserved subsurface rights which it holds. Each surety bond shall be sufficient in amount and security to secure the affected rights of the surface Lessee, and such Lessee and the Lessor or its subsurface lessee shall have the standing which may be necessary to determine the damages which the surface Lessee of such lands may suffer, and the security appropriate to hold the surface Lessee harmless in relation thereto.

16. Surface Reservations. Unless otherwise stated in this Lease or in an attachment or amendment hereto, the Lessee shall not sell or remove for use elsewhere any of the surface resources of the parcel, e.g., stone, gravel, sand, peat, topsoil, timber, or any other material valuable for building or commercial purposes; provided, however, the Lessee may make reasonable personal use of such materials on the site.

17. Appropriation or Disturbance of Waters. (a) During the term of this Lease, the Lessee shall have the right to apply for an appropriation of ground or surface water on the Parcel in accordance with the Alaska Water Use Act. All water applied for and appropriated during the term of this Lease shall remain appurtenant to the Parcel during said term, and such water and water rights shall not be severed or transferred from the Parcel or any part thereof during said term without the prior consent of the Lessor. The Lessee's rights under any permit or certificate of appropriation shall revert to the Lessor upon termination of the Lease or forfeiture of the Lease for cause.

(b) If the Lessee desires to use the Parcel to construct any form of hydraulic project or employ any equipment or engage in any activity which will use, divert, obstruct, pollute, or change the natural flow or bed of any anadromous fish river, lake or stream, the Lessee shall, prior to the commencement of any such operation, procure the approval of the Commissioner of the Department of Fish and Game.

McNamee
Tideland Lease Request
4401 Halibut Point Road

18. Acquisition of Rights or Interests. Any right or interest acquired during the term of this Lease and accruing to the benefit of the Parcel shall remain appurtenant to the Parcel during that term, and shall not be severed or transferred from the Parcel without the prior consent of the Lessor. In the event of termination or forfeiture of this Lease, any such right or interest shall revert to the Lessor along with the Parcel.

19. Land Alterations Due to Natural or Artificial Causes. The Parcel described herein shall constitute the entire Parcel of property to be leased by the Lessor to the Lessee pursuant to this agreement. If, through natural or artificial causes, accretion or reliction of land occurs contiguous to the Parcel, the Lessee shall have no right to occupy or use such accreted land unless a separate lease is entered with the Lessor with respect to such lands. The parties agree and stipulate that the rules of law usually applicable to accretion or reliction of land shall not apply to this Lease, nor to the Parcel leased hereunder, in order that the parties may give effect to the provision agreed upon herein.

20. Waiver or Forebearance. The receipt of rent by the Lessor, with or without knowledge of any breach of the Lease by the Lessee, or of any default on the part of the Lessee in the observance or performance of any of the terms, conditions or covenants of this Lease, shall not be deemed to be a waiver of any provision of this Lease. No failure on the part of the Lessor to enforce a condition or covenant of this Lease, nor the waiver of any right hereunder by the Lessor, unless in writing, shall discharge or invalidate the application of such term or covenant; nor shall any forbearance or written waiver affect the right of the Lessor to enforce any term or covenant in the event of any subsequent breach or default. The receipt by the Lessor of rent or any other sum of money, or the termination in any manner of the Lease, or the giving by the Lessor of any notice hereunder to effect such termination, shall not reinstate, continue, or extend this Lease nor destroy or in any manner impair the validity of any such notice of termination which may have been given hereunder by the Lessor to the Lessee prior to the receipt of any such sum of money or other consideration, unless the contrary effect shall be expressed in writing and signed by the Lessor.

21. Breach and Remedies. (a) Time is of the essence in the Lease Agreement. If the Lessee shall breach the performance of any of the terms, covenants, conditions or stipulations contained herein or attached hereto, and said breach shall not be remedied within 60 days after written notice of such breach has been served upon the Lessee and the holder of a security interest by the Lessor, the Lessee shall be subject to such legal action as the Lessor shall deem appropriate, including, but not limited to, the termination of this Lease, provided that no improvements now upon the Parcel, or which may be placed thereon during the term of this Lease, may be removed therefrom during any time in which the Lease may be in breach. In the event that this Lease is terminated for breach of any of the covenants or conditions contained herein or attached hereto, all rents paid by the Lessee shall be forfeited to and retained by the Lessor not as a penalty but as liquidated damages. The Lessor shall not be liable for any expenditures made by the Lessee or undertaken by the Lessee under this Lease prior to termination.

(b) If the Lessee fails to cure or remedy a breach of default within the time allowed in (a) of this paragraph, the holder of a security interest who has received notice under (a) of this paragraph may cure or remedy the breach or default if the breach or default can be cured by the payment of money or, if this cannot be done, by performing or undertaking in writing to perform the terms, covenants, restrictions and conditions of the lease capable of performance by the holder. The holder shall act within 60 days from the date of receipt of notice under (a) of this paragraph, or within any additional period which the Lessor may allow for good cause.

(c) In the event that this Lease is terminated, or in the event that the Parcel, or any part thereof is abandoned by the Lessee during the term of this Lease, the Lessor may immediately, or at any time thereafter, enter or re-enter and take possession of said Parcel, or any part thereof, and without liability for any damage therefor, remove all persons and property therefrom either by summary proceedings or by suitable action at law; provided, however, that the words "enter" and "re-enter" as used herein are not restricted to their

McNamee
Tideland Lease Request
4401 Halibut Point Road

technical legal meaning. Any entry or re-entry, possession, repossession, or dispossession by the Lessor, whether taken by summary proceedings or otherwise, shall not be deemed to absolve, relieve, release or discharge the Lessee, either in whole or part, for any monetary liability under the Lease.

22. Disposition of Improvements and Chattels After Termination. (a) The Lessee shall, within 60 days after termination of the Lease by the Lessor or by operation of law, remove all improvements and chattels located on the Parcel, provided that the Lessor first determines that such removal will not cause injury or damage to the Parcel or seriously impair its redisposal. Following such removal, the Lessee shall leave the Parcel in a safe and clean condition acceptable to the Lessor. The Lessor may, in its discretion, extend the time for removal of improvements under this subparagraph where undue hardship is demonstrated.

(b) If any improvements or chattels having an appraised value exceeding \$10,000.00, as determined by the Lessor, are not removed from the Parcel within the time allowed, they shall, upon 30 days prior written notice to the Lessee, be sold at public auction under the direction of the Lessor. The proceeds of sale shall inure to the Lessee who placed the improvements or chattels on the land, after deduction for the benefit of the Lessor of all monies due and owing under this Lease and all expenses incurred in administering the termination and conducting the sale. If there are no other bidders at such sale, the Lessor is authorized to bid on such improvements or chattels. In such event, the Lessor shall acquire all rights, both legal and equitable, which any other purchaser could acquire by reason of said sale and purchase.

(c) Any chattels or improvements having a total appraised value of \$10,000.00 or less, as determined by the Lessor, and which are authorized for removal by the Lessor but are not removed within the time allowed, shall become the absolute property of the Lessor upon the expiration of the time allowed.

(d) Authorized improvements of the Lessee which the Lessor determines have become fixtures of the Parcel shall be purchased by the subsequent purchaser or lessee. There will be no compensation to the Lessee for improvements which were not authorized under the Lease.

23. Indemnity to Lessor. During the term of the Lease the Lessee shall indemnify and hold the Lessor harmless from and against all claims and demands for loss or damage, including property damage, personal injury, wrongful death, and wage or employment claims, arising out of or in connection with the use or occupancy of the Parcel by the Lessee or by any other person holding under the Lessee, or at its sufferance or invitation; and from any accident or fire on the Parcel; and from any nuisance made or suffered thereon; and from any failure by the Lessee to keep the Parcel in a safe and lawful condition consistent with applicable laws, regulations, ordinances, or orders; and from any assignment, sublease, or conveyance, attempted or successful, by the Lessee of the Parcel or any part thereof or interest therein contrary to the conditions and covenants of this Lease. The Lessee will hold all goods, materials, furniture, fixtures, equipment, machinery and other property whatsoever on the Parcel at the sole risk of the Lessee, and will save the Lessor harmless from any claim of loss or damage thereto by any cause whatsoever.

24. Surrender of Leasehold. Upon the expiration, termination or cancellation of this Lease the Lessee shall quietly and peaceably leave, surrender and yield up unto the Lessor all of the Parcel.

25. Notices. All notices required or permitted under this Lease Agreement shall be made by certified mail, postage prepaid, to the parties at the following addresses:

To the Lessor: Alaska Division of Land and Water Management
Pouch 7-005
Anchorage, Alaska 99510

To the Lessee: Gary H. Erb
4401 Halibut Point Road
Sitka, Alaska 99835

McNamee
Tideland Lease Request
4401 Halibut Point Road

Any notice or demand which must be given or made by the Lessor or the Lessee shall be in writing and shall be complete if sent by United States certified mail to the address shown in the Lease Agreement, or to such other address as each of the parties may designate in writing from time to time. A copy of any such notice shall be forwarded to the Lessor, and to the holder of any security interest in the Parcel who has properly recorded its interest in the Lease with the Lessor.

26. Service Charges. The Lessee shall pay a service charge for any late payment or returned check issued by it as follows:

(a) Late Payment Penalty: A service charge plus annual interest (twice the interest rate charged on installment payments at the prevailing rate for real estate mortgage loans made by the Federal Land Bank for the farm credit district for Alaska) on the amount due will be charged on a past-due account until payment is received by the Lessor or until the Lease Agreement termination date is reached. Acceptance of a late payment or of a service charge for a late payment is subject to the Lessor's rights under paragraphs 20 and 21 of this Lease.

(b) Returned Check Penalty: A service charge of \$10.00 will be assessed for any check on which the bank refuses payment. If the bank refuses payment, the default termination date remains the same. Late penalties under (a) of this paragraph shall continue to accumulate.

27. Integration and Modification. This Lease, including all attachments and documents which by reference are incorporated herein or made a part hereof, contains the entire agreement between the parties hereto.

This lease may not be modified or amended except by a document signed by both parties hereto, and any purported amendment or modification shall be without legal effect until reduced to writing and signed by both parties hereto.

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

IN WITNESS WHEREOF the State of Alaska, as Lessor, acting through the Director of the Division of Land and Water Management of the Department of Natural Resources or his lawfully-designated representative, and otherwise being lawfully authorized, and the Lessee have caused these presents to be executed in duplicate, and have hereunto set their respective hands, agreeing to keep, observe and perform the applicable statutes, as amended, the rules and regulations promulgated thereunder, and the terms, conditions and provisions herein contained or attached, which on the Lessor's or the Lessee's respective parts are to be kept, observed and performed.

LESSEE:
Darryl H. Sil

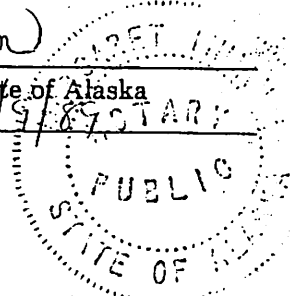
LESSOR:
Paula Bryner
by Paula Bryner
DIRECTOR
Division of Land and Water Management

APPROVED:
Paula Bryner
COMMISSIONER
Department of Natural Resources

McNamee
Tideland Lease Request
4401 Halibut Point Road

STATE OF ALASKA)
) ss.
First Judicial District)

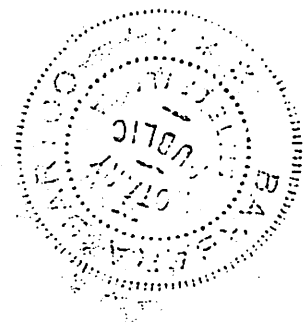
THIS IS TO CERTIFY that on this 17 day of March, 1987,
before me appeared Gary H. Erb, to me known
and known to me to be the person named in and who executed the Lease and acknowledged voluntarily signing
the same.

Margaret Inun
Notary Public in and for the State of Alaska
My Commission expires: 4/9/87


STATE OF ALASKA)
) ss.
Third Judicial District)

THIS IS TO CERTIFY that on this 31st day of March, 1987,
before me personally appeared Paula Burgess of the Division
of Land and Water Management of the Department of Natural Resources of the State of Alaska, who
executed the foregoing Lease and acknowledged voluntarily signing the same.

Barbara W. Barto
Notary Public in and for the State of Alaska
My Commission expires: June 7, 1988



APPROVED AS TO FORM:

Barbara J. Miracle
Assistant Attorney General

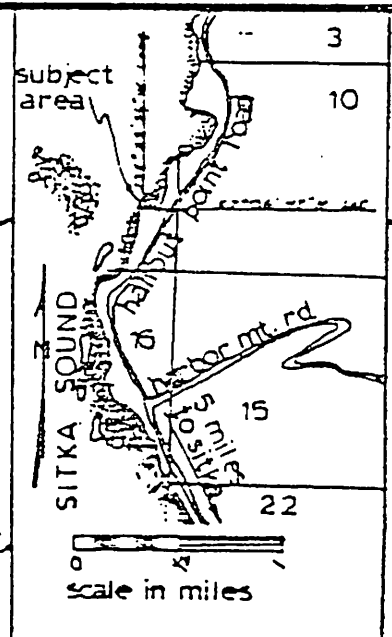
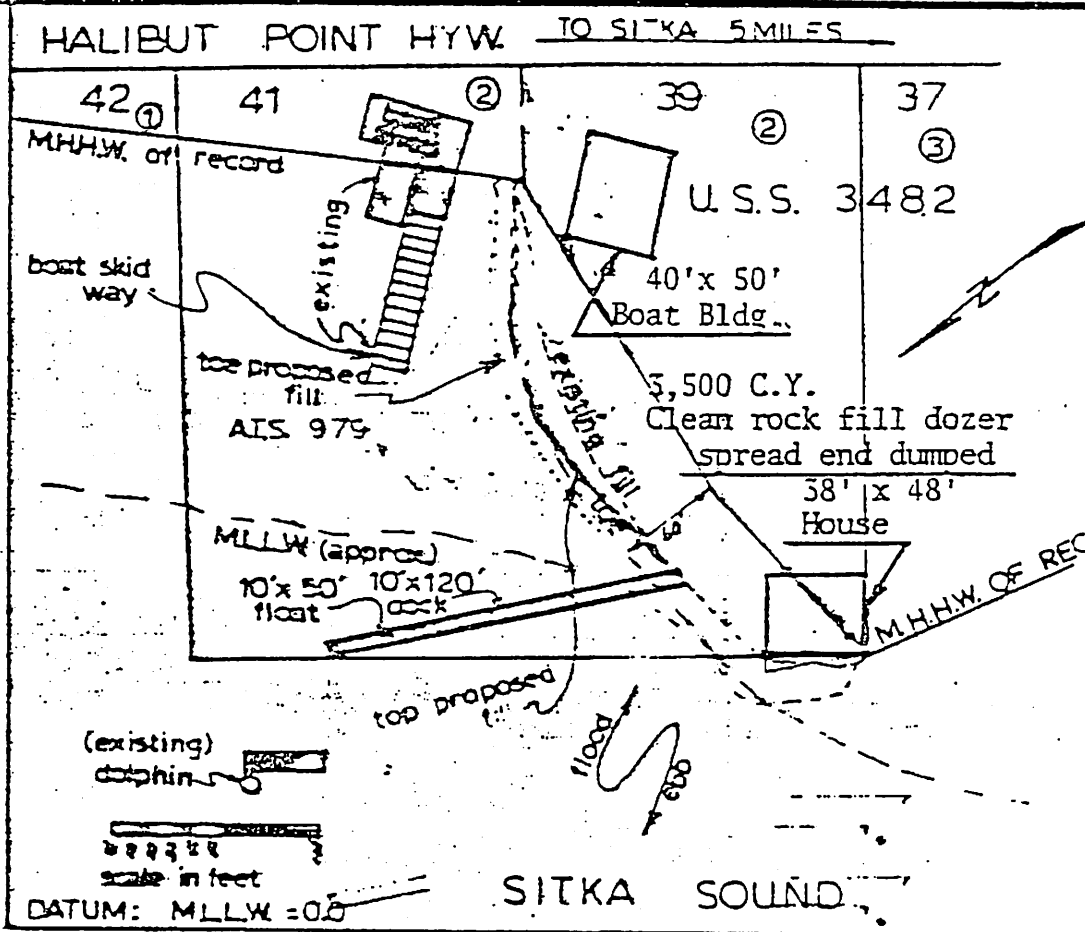
Date: 7/3/80

ATTACHMENT A
TO
LEASE AGREEMENT ADL 65550

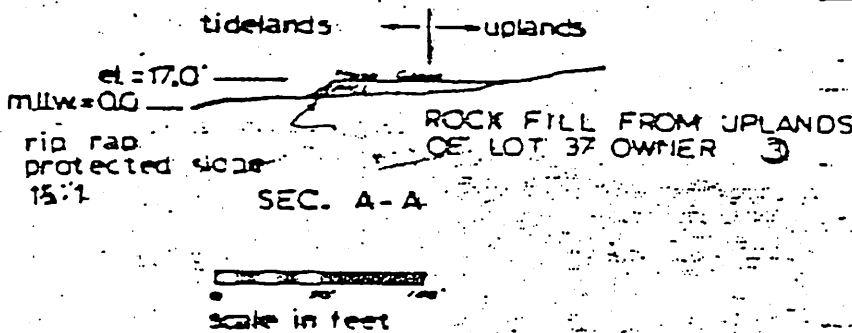
1. For the purpose of this lease, the development plan shall be limited in form and scope to those improvements shown on Attachment B, unless approved in writing by the lessor prior to the installation or construction. Use of the area for purposes other than those specified herein shall constitute a breach of this lease.
2. This lease shall be utilized for the purpose described in the development plan. Failure to make substantial use of the land, consistent with the development plan, within 5 years, shall, in the Director's discretion, constitute grounds for cancellation of this lease agreement. (11 AAC 58.510)
3. Upon issuance of this lease the 10 foot pedestrian access easements along the easterly and westerly boundaries of Lot 41 of USS 3482 will be in effect. These access easements will be in effect until the lease expires or is terminated. (Attachment C)

McNamee
Tideland Lease Request
4401 Halibut Point Road

ATTACHMENT B



VICINITY MAP



SITKA SOUND 153

ADJACENT PROPERTY OWNERS	
①	RICHARD TEAGUE BOX 1231 SITKA ALASKA
②	GARY ERB STAR ROUTE SITKA ALASKA

McNamee
 Tideland Lease Request
 4401 Halibut Point Road

— PROPOSED FILL, FLOAT & RAMP, AND DOCK

SITKA SOUND
 SITKA, ALASKA
 DRAWN BY: GARY ERB
 STAR ROUTE

For and in consideration of the sum of one dollar (\$1.00) in hand paid and other valuable consideration received, I (We) Ann C Erb and Gary H. and

lawful owners of Lot 41 of U.S.S. 3482, grant to the State of Alaska the temporary right to use of a portion of said Lot 41 for the sole purpose of two (2) pedestrian access ways each being ten feet in width; one located within and along the easterly side boundary of Lot 41, the other located within and along the westerly side boundary of Lot 41 as shown on the attached map made part hereof. The right herein granted shall commence upon date of issue and shall expire upon termination or expiration of that certain tideland lease serialized ADL 65550 and further described as A.T.S. 979.

The State of Alaska by action of issuing the tideland lease agrees that no permanent rights shall vest to the State, public, or individuals, by reason of use made hereunder.

Tom J Hawkins
State of Alaska
22 Sept 86
Date

Ann C Erb
* Gary H. Erb
Owner(s) Signature
* July 21, 1976
Date

UNITED STATES OF AMERICA)
State of Alaska) ss.

THIS IS TO CERTIFY that on the 22nd day of September, 1986, before me, the undersigned Notary Public, personally appeared Tom J. Hawkins known to me and known by me to be the Director of the Division of Lands of the Department of Natural Resources, and acknowledged to me that he executed the foregoing lease for and on behalf of said State, freely and voluntarily for the use and purposes therein set forth.

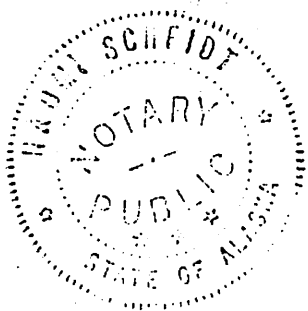
IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

Karen J. Wood
Notary Public in and for the State of Alaska
My commission expires November 19, 1989

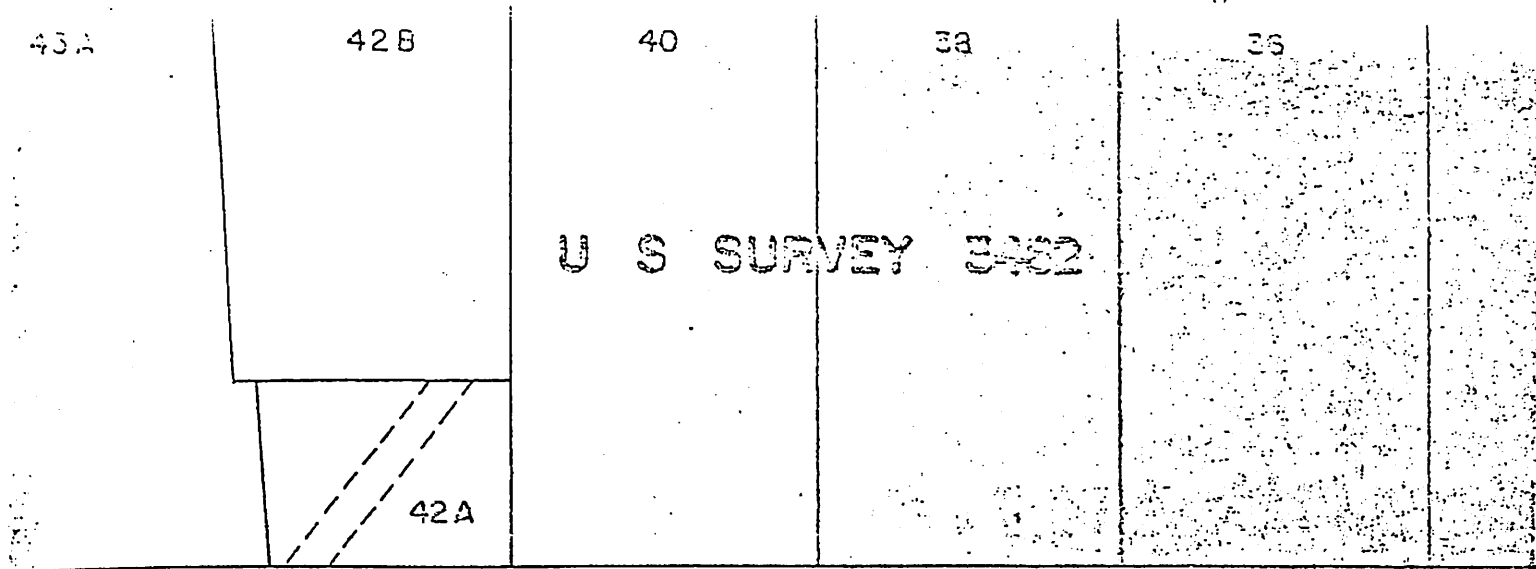
UNITED STATES OF AMERICA)
State of Alaska) ss.

x THIS IS TO CERTIFY that on this 21st day of July, 1976, before me, the undersigned, a Notary Public in and for Alaska duly commissioned and sworn, personally appeared Ann C. and Gary H. Erb to me personally known to be one of the persons described in and who executed the within instrument and the said persons acknowledged to me that he signed and executed the same freely and voluntarily for the uses and purposes therein mentioned.

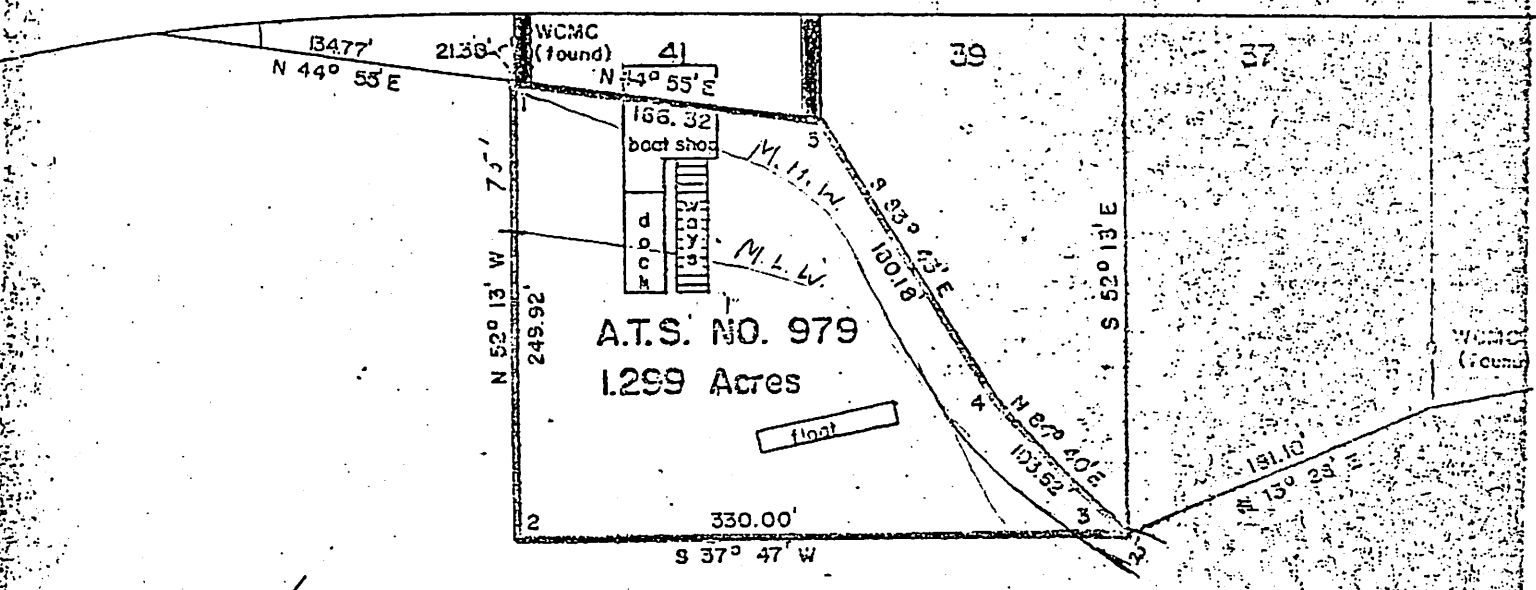
IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.



Naomi Scheidt
Notary Public in and for the State of Alaska
My commission expires 11-14-76



HALIBUT POINT STATE HIGHWAY



A.T.S. NO. 979
1.299 Acres

McNamee
Tideland Lease Request
4401 Halibut Point Road

1" = 100'

SURVEYOR'S STATEMENT
I hereby certify that I am

Return To:

Southeast Regional Office
Division of Land & Water Management
400 Willoughby Avenue
Juneau, Alaska 99801

8 7-0 7 5 1

N/C

~~RECORDED-FILED~~
SITKA REC.
DISTRICT

APR 6 12 10 PM '87

REQUESTED BY *AS/DNR*

ADDRESS *Jnu*

Parcel ID: 25755003
KERRY TOMLINSON
TOMLINSON, KERRY
P.O. BOX 672
SITKA AK 99835-0672

Parcel ID: 25755004
BRYAN BERTACCHI
BERTACCHI, BRYAN, J.
P.O. BOX 1373
SITKA AK 99835-1373

Parcel ID: 25760001
MYRON OEN
OEN, MYRON, J.
4309 HALIBUT POINT RD
SITKA AK 99835

Parcel ID: 25760002
KENNETH/ALICE CAMERON
CAMERON, KENNETH/ALICE
4307 HALIBUT POINT RD
SITKA AK 99835

Parcel ID: 25765000
BRIAN V. BLANKENSHIP
BLANKENSHIP, BRIAN, V.
4316 VALHALLA DR
SITKA AK 99835

Parcel ID: 25766000
ROXANNE/MONTE RICHTER/MC
FARLAND
RICHTER, ROXANNE & MC FARLAND,
MONTE
4314 VALHALLA DR.
SITKA AK 99835

Parcel ID: 25767000
PATRICK/CATHARI WEAVER
WEAVER, PATRICK, L./CATHARINE, L.
106 VIKING WAY
SITKA AK 99835

Parcel ID: 25768000
HARLAN/LAVINA ADAMS
ADAMS, HARLAN, J./LAVINA, H.
P.O. BOX 2652
SITKA AK 99835

Parcel ID: 25769001
ROBERT/MELINDA PARSONS/MC
ADAMS
PARSONS, ROBERT, F./MCADAMS,
MELINDA, J.
P.O. BOX 6325
SITKA AK 99835-6325

Parcel ID: 25769002
AMYEE OEN
OEN, AMYEE, M.
P.O. BOX 938
ARCATA CA 99518-0938

Parcel ID: 25770001
RONALD/BARBARA WORKMAN
C/O O.P.A.
WORKMAN, RONALD, W./BARBARA
P.O. BOX 110225
JUNEAU AK 99811

Parcel ID: 25770002
RONALD/BARBARA WORKMAN
C/O O.P.A.
WORKMAN, RONALD, W./BARBARA, E.
P.O. BOX 110225
JUNEAU AK 99811

Parcel ID: 25770003
LARRY/ROBYN MCCREHIN
MCCREHIN, LARRY, W./ROBYN, J.
P.O. BOX 895
SITKA AK 99835-0895

Parcel ID: 25773000
DENTON PEARSON
PEARSON, DENTON
713-B SAWMILL CREEK RD
SITKA AK 99835

Parcel ID: 25774000
JEFFREY KELLY
KELLY, JEFFREY, D.
P.O. BOX 2306
SITKA AK 99835-2306

Parcel ID: 25775000
GALE KEHRES
KEHRES, GALE, E.
103 VIKING WAY
SITKA AK 99835

Parcel ID: 25776000
KARIN JOHNSON
JOHNSON, KARIN, M.
105 VIKING WAY
SITKA AK 99835

Parcel ID: 25777000
GERALD DZUGAN
DZUGAN, GERALD, W.
4319 VALHALLA DR
SITKA AK 99835

Parcel ID: 25778000
JEANETTE/JAMES BERRY
BERRY, JEANETTE & JAMES
307 MARINE ST.
SITKA AK 99835

Parcel ID: 25779000
BRIAN/ANNETTE BLANKENSHIP
BLANKENSHIP, BRIAN/ANNETTE
2166 HALIBUT POINT RD, #A
SITKA AK 99835

Parcel ID: 25780000
LARRY/ROBYN MCCREHIN
MCCREHIN, LARRY, W./ROBYN, J.
P.O. BOX 895
SITKA AK 99835-0895

Parcel ID: 25781000
LARRY/ROBYN MCCREHIN
MCCREHIN, LARRY, W./ROBYN, J.
P.O. BOX 895
SITKA AK 99835-0895

Parcel ID: 25782000
LARRY/ROBYN MCCREHIN
MCCREHIN, LARRY, W./ROBYN, J.
P.O. BOX 895
SITKA AK 99835-0895

Parcel ID: 25785001
JAMES/EILEEN SWIFT/GALLAGHER
SWIFT, JAMES/GALLAGHER, EILEEN
P.O. BOX 1193
SITKA AK 99835-1193

Parcel ID: 25785002
DEL STENGL
STENGL, DEL, M.
4322 VALHALLA DR
SITKA AK 99835

Parcel ID: 25785003
DEL STENGL
STENGL, DEL, M.
4322 VALHALLA DR
SITKA AK 99835

Parcel ID: 25786001
J & S PROPERTIES, LLC
J & S PROPERTIES, LLC
P.O. BOX 936
SITKA AK 99835-0936

Parcel ID: 25786002
DEL STENGL
STENGL, DEL
4322 VALHALLA DR
SITKA AK 99835

Parcel ID: 25790001
KEVIN/TINA MCNAMEE
MCNAMEE, KEVIN & TINA
P.O. BOX 6243
SITKA AK 99835-6243

Parcel ID: 25791000
ARTWIN/LINDA SCHMIDT
SCHMIDT, ARTWIN/LINDA BERGDOLL
4406 HALIBUT POINT RD
SITKA AK 99835

Parcel ID: 25792000
ARTWIN/LINDA SCHMIDT
SCHMIDT, ARTWIN, E./LINDA
4406 HALIBUT POINT RD
SITKA AK 99835

Parcel ID: 25800001
KEVIN/TINA MCNAMEE
MCNAMEE, KEVIN & TINA
P.O. BOX 6243
SITKA AK 99835-6243

Parcel ID: 25810002
BRUCE/MARGARET GIPPLE
GIPPLE, BRUCE, A./MARGARET, L.
2210 W. MAIN ST, STE 107-312
BATTLE GROUND WA 98604

Parcel ID: 25811000
BRUCE/MARGARET GIPPLE
GIPPLE, BRUCE, A./MARGARET, L.
2210 W. MAIN ST STE, 107-312
BATTLE GROUND WA 98604

Parcel ID: 25815003
WAYNE/SHAUNA UNGER
UNGER, WAYNE & SHAUNA
P.O. BOX 833
SITKA AK 99835-0833

Parcel ID: 25821000
DCI PROPERTIES, LLC
C/O BARANOF PROPERTIES
DCI PROPERTIES, LLC
315 SEWARD ST
SITKA AK 99835

Parcel ID: 25825000
JOHN/JANICE STRALEY
STRALEY, JOHN & JANICE
P.O. BOX 273
SITKA AK 99835-0273

Parcel ID: 25832000
DIRK/TRISH WHITE
WHITE, DIRK, T./TRISH, D.
117 GRANITE CREEK RD, STE 201
SITKA AK 99835

Parcel ID: 25845000
RICHARD/VICTORI BAUDER/VOSBURG
BAUDER, R. BURGESS/VOSBURG,
VICTORIA
1300 HALIBUT POINT RD
SITKA AK 99835

Parcel ID: 25793000
BRIAN SCHMIDT
SCHMIDT, BRIAN, C.
4404 HALIBUT POINT RD
SITKA AK 99835

Parcel ID: 25805000
ERIC/JEANNINE HOLMLUND/KIVISTO
HOLMLUND, ERIC/KIVISTO, JEANNINE
4416 HALIBUT POINT RD
SITKA AK 99835

Parcel ID: 25810003
JOSHUA/KATHERIN JOHNSON/GLUTH
JOHNSON, JOSHUA & GLUTH,
KATHERINE
103 HORIZON WAY
SITKA AK 99835

Parcel ID: 25815001
S. E. REGION EMS COUNCIL
SOUTHEAST REGION EMS COUNCIL
100 CLOTHILDE BAHOVEC WAY
SITKA AK 99835

Parcel ID: 25815004
CAROL GOULARTE
GOULARTE, CAROL, A.
106 CLOTHILDE BAHOVEC WAY
SITKA AK 99835

Parcel ID: 25823000
KENNETH/NORMA CREAMER
CREAMER, KENNETH, R./NORMA, L.
101 SUNSET DR.
SITKA AK 99835

Parcel ID: 25826000
JOHN/JAN STRALEY
STRALEY, JOHN & JAN
P.O. BOX 273
SITKA AK 99835-0273

Parcel ID: 25835000
THOMAS JACOBSEN
JACOBSEN, THOMAS, E.
P.O. BOX 2695
SITKA AK 99835-2695

Parcel ID: 25795000
ARTWIN/LINDA SCHMIDT/BERGDOLL
SCHMIDT, ARTWIN/BERGDOLL, LINDA
4406 HALIBUT POINT RD
SITKA AK 99835

Parcel ID: 25810001
BRUCE/MARGARET GIPPLE
GIPPLE, BRUCE, A./MARGARET, L.
2210 W. MAIN ST, STE 107-312
BATTLE GROUND WA 98604

Parcel ID: 25810004
CHRIS/KASI HEIM
HEIM, CHRISTOPHER/KASI
P.O. BOX 6246
SITKA AK 99835-6246

Parcel ID: 25815002
HAROLD KALVE REVOCABLE TRUST
KALVE TRUST, HAROLD
102 CLOTHILDE BAHOVEC WAY
SITKA AK 99835

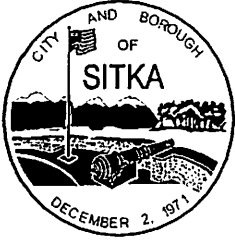
Parcel ID: 25820000
JUSTIN ALBEE
ALBEE, JUSTIN, L.
102 SUNSET DR
SITKA AK 99835

Parcel ID: 25824000
JACK FREDRICKSON
FREDRICKSON, JACK, W.
223 SMITH STREET
SITKA AK 99835

Parcel ID: 25831001
GREGORY KAIN
KAIN, GREGORY, A.
9113 20TH ST E.
EDGEWOOD WA 98371

Parcel ID: 25840000
GREGORY KAIN
KAIN, GREGORY
9113 20TH ST E.
EDGEWOOD WA 98371

Assembly Mailing
October 28, 2016



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

Notice of Public Hearings

The Assembly of the City and Borough of Sitka will hold a public hearing during a regular meeting scheduled Tuesday, November 8, 2016 on the following item:

- A. Public hearing and consideration of a tideland lease renewal application filed by Kevin McNamee for tidelands adjacent 4401 Halibut Point Road. The property is also known as a portion of ATS 979. The request is filed by Kevin McNamee. The owner of record is the City and Borough of Sitka.

The Assembly may take action on November 8, 2016. The Assembly meeting will begin at 6:00 pm at Harrigan Centennial Hall at 330 Harbor Drive in Sitka.

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

Attachment H

Parcel ID: 25769002
AMYEE OEN
OEN, AMYEE, M.
P.O. BOX 938
ARCATA CA 99518-0938

Parcel ID: 25770002
RONALD/BARBARA WORKMAN
C/O O.P.A.
WORKMAN, RONALD, W./BARBARA, E.
P.O. BOX 110225
JUNEAU AK 99811

Parcel ID: 25770003
LARRY/ROBYN MCCREHIN
MCCREHIN, LARRY, W./ROBYN, J.
P.O. BOX 895
SITKA AK 99835-0895

Parcel ID: 25773000
DENTON PEARSON
PEARSON, DENTON
713-B SAWMILL CREEK RD
SITKA AK 99835

Parcel ID: 25774000
JEFFREY KELLY
KELLY, JEFFREY, D.
P.O. BOX 2306
SITKA AK 99835-2306

Parcel ID: 25775000
GALE KEHRES
KEHRES, GALE, E.
103 VIKING WAY
SITKA AK 99835

Parcel ID: 25777000
GERALD DZUGAN
DZUGAN, GERALD, W.
4319 VALHALLA DR
SITKA AK 99835

Parcel ID: 25780000
~~LARRY/ROBYN MCCREHIN
MCCREHIN, LARRY, W./ROBYN, J.
P.O. BOX 895
SITKA AK 99835-0895~~

Parcel ID: 25781000
~~LARRY/ROBYN MCCREHIN
MCCREHIN, LARRY, W./ROBYN, J.
P.O. BOX 895
SITKA AK 99835-0895~~

Parcel ID: 25782000
~~LARRY/ROBYN MCCREHIN
MCCREHIN, LARRY, W./ROBYN, J.
P.O. BOX 895
SITKA AK 99835-0895~~

Parcel ID: 25785001
JAMES/EILEEN SWIFT/GALLAGHER
SWIFT, JAMES/GALLAGHER, EILEEN
P.O. BOX 1193
SITKA AK 99835-1193

Parcel ID: 25786001
J & S PROPERTIES, LLC
J & S PROPERTIES, LLC
P.O. BOX 936
SITKA AK 99835-0936

Parcel ID: 25786002
DEL STENGL
STENGL, DEL
4322 VALHALLA DR
SITKA AK 99835

Parcel ID: 25790001
KEVIN/TINA MCNAMEE
MCNAMEE, KEVIN & TINA
P.O. BOX 6243
SITKA AK 99835-6243

Parcel ID: 25791000
ARTWIN/LINDA SCHMIDT
SCHMIDT, ARTWIN/LINDA BERGDOLL
4406 HALIBUT POINT RD
SITKA AK 99835

Parcel ID: 25795000
ARTWIN/LINDA SCHMIDT/BERGDOLL
SCHMIDT, ARTWIN/BERGDOLL, LINDA
4406 HALIBUT POINT RD
SITKA AK 99835

Parcel ID: 25800001
~~KEVIN/TINA MCNAMEE
MCNAMEE, KEVIN & TINA
P.O. BOX 6243
SITKA AK 99835-6243~~

Parcel ID: 25805000
ERIC/JEANNINE HOLMLUND/KIVISTO
HOLMLUND, ERIC/KIVISTO, JEANNINE
4416 HALIBUT POINT RD
SITKA AK 99835

Parcel ID: 25810001
BRUCE/MARGARET GIPPLE
GIPPLE, BRUCE, A./MARGARET, L.
2210 W. MAIN ST, STE 107-312
BATTLE GROUND WA 98604

Parcel ID: 25811000
~~BRUCE/MARGARET GIPPLE
GIPPLE, BRUCE, A./MARGARET, L.
2210 W. MAIN ST STE, 107-312
BATTLE GROUND WA 98604~~

McNamee
Tideland Lease Request
4401 Halibut Point Road

P&Z Mailing
October 7, 2016



CITY AND BOROUGH OF SITKA

Meeting Agenda

Planning Commission

Chris Spivey, Chair
Darrell Windsor, Vice Chair
Debra Pohlman
Randy Hughey

Wednesday, October 19, 2016

7:00 PM

Harrigan Centennial Hall

I. CALL TO ORDER AND ROLL CALL

II. CONSIDERATION OF THE AGENDA

III. CONSIDERATION OF THE MINUTES

A Approval of the October 5, 2016 meeting minutes.

IV. REPORTS

B Planning Regulations and Procedures.

V. THE EVENING BUSINESS

C Public hearing and consideration of a conditional use permit for a short term rental located on a boat in Crescent Harbor 1-24, 500 Lincoln Street, in the P Public zone. The property is also known as a portion of ATS 15. The application is filed by Bruce and Ann-Marie Parker. The owner of record is the City and Borough of Sitka.

D Public hearing and consideration of a final plat of a minor subdivision on Whale Island, zoned GI General Island. The request would result in 3 lots. The property is also known as Lot 2 Tract A US Survey 3556. The request is filed by David Russell. The owner of record is John W. Williams.

E Public hearing and consideration of a final plat of a minor subdivision on Whale Island, zoned GI General Island. The request would result in 2 lots. The property is also known as Lot 5 Tract A US Survey 3556. The request is filed by Donald and Patricia Lehman and Eric Speck. The owners of record are Donald and Patricia Lehman and Eric Speck.

- F Public hearing and consideration of a variance request for 109 Darrin Drive. The request is for the reduction of the front setback from 20 feet to 5 feet and the side setback from 8 feet to 2 feet for the construction of stairs and rails. The property is also known as Lot 5 Darrin Subdivision. The request is filed by Cory Picotte. The owners of record are Cory and Brenna Picotte.
- G Public hearing and consideration of a tideland lease renewal application filed by Kevin McNamee for tidelands adjacent 4401 Halibut Point Road. The property is also known as a portion of ATS 979. The request is filed by Kevin McNamee. The owner of record is the City and Borough of Sitka.
- H Public hearing and consideration of a variance request for 424 Katlian Avenue. The request is for the reduction of the side setbacks from 8 feet to 0 feet, the reduction of the front setback adjacent Kogwanton Street from 20 feet to 8 feet, the reduction of the front setback adjacent Katlian Street from 20 feet to 18 feet, substandard parking, substandard lot size, and substandard lot width for the construction of a new house and ice shop. The property is also known as Lot 50 Block 2 US Survey 2542 A&B. The request is filed by Scott Saline. The owner of record is Scott Saline.
- I Public hearing and consideration of a minor subdivision request for 1402 Sawmill Creek Road. The subdivision would reconfigure three existing lots into three proposed lots. The property is also known as a portion of US Survey 1947, a portion of US Survey 2365, and ATS 511 Tract A. The request is filed by Thomas and Danine Williamson. The owners of record are Thomas and Danine Williamson.
- J Public hearing and consideration of a conditional use permit request for a short-term rental at 1933 Dodge Circle. The property is also known as Lot 1 of Ocean Heights Subdivision. The request is filed by David and Janelle Lass. The owners of record are David and Janelle Lass.

VI. PLANNING DIRECTOR'S REPORT

VII. PUBLIC BUSINESS FROM THE FLOOR

VIII. ADJOURNMENT

NOTE: Individuals having concerns or comments on any item are encouraged to provide written comments to the Planning Office or make comments at the Planning Commission meeting. Written comments may be dropped off at the Planning Office in City Hall, emailed to planning@cityofsitka.org, or faxed to (907) 747-6138. Those with questions may call (907) 747-1814.

Publish: October 10 and 12



2003

Recording Di
4/8/2003 10:

Attachment I

A
L
A
S
K
A



cc

STATUTORY WARRANTY DEED

203-0092

THE GRANTOR, GARY H. ERB and ANN C. ERB, husband and wife, individually and as Trustees of the GARY H. ERB AND ANN C. ERB LIVING TRUST, of 3820 "Q" Avenue, Anacortes, Washington 98221 for and in consideration of Ten Dollars (\$10.00) and other valuable consideration, in hand paid, conveys and warrants to KEVIN McNAMEE and TINA McNAMEE, husband and wife as tenants by the entirety, of P.O. Box 6243, Sitka, Alaska 99835, the following described real property to-wit:

Lots One (1) and Two (2), Shoreline Subdivision according to Plat 98-24, and Lot Forty-one (41), U. S. Survey 3482, and A leasehold estate in and to Alaska Tidelands Survey 979, according to Plat 86-6,

All in the Sitka Recording District, First Judicial District, State of Alaska.

Commonly referred to as 4401, 4403 and 4405 Halibut Point Road, Sitka, Alaska 99835.

SUBJECT TO:

U. S. Patent reservations, State of Alaska patent reservations, easements, conditions of record, and 2003 City and Borough of Sitka taxes.

DATED this 3~~1~~ day of March, 2003.

GARY H. ERB and ANN C. ERB LIVING TRUST

By: Gary H. Erb, trustee
Gary H. Erb, Trustee

By: Ann C. Erb, trustee
Ann C. Erb, Trustee

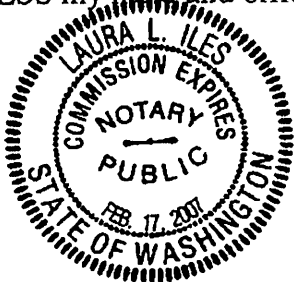
Gary H. Erb
Gary H. Erb, individually

Ann C. Erb
Ann C. Erb, individually

STATE OF WASHINGTON)
)
) : ss.
)
COUNTY OF Skagit)

THIS IS TO CERTIFY that on this 31st day of March, 2003, before me, the undersigned, a notary public in and for the State of Washington, duly commissioned and sworn, personally appeared **GARY H. ERB and ANN C. ERB, individually and as Trustees of the GARY H. ERB AND ANN C. ERB LIVING TRUST**, to me known and known to me to be the persons named in and who executed the within and foregoing instrument, and they individually acknowledged to me that they signed the same freely and voluntarily for the uses and purposes therein mentioned.

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



Laura L. Iles
Notary Public, State of Washington
My commission expires: 2-17-07

After recording return to:

GRANTEE
Mr. and Mrs. Kevin McNamee
P.O. Box 6243
Sitka, AK 99835



2 of 2

2003-000855-0

Attachment J

CITY & BOROUGH OF SITKA
100 LINCOLN STREET
SITKA, AK 998357540

Merchant ID: 000000002754907
Term ID: 04000014
409200114085

8/10/2016
-00007177
t Counter
N MCNAMEE

Phone Order

VISA	300.00
XXXXXXXXXXXX7877	18.00
Entry Method: Manual	318.00
Apprvd: Online Batch#: 000965	318.00
08/10/16 09:36:32	318.00
CVV2 Code: H	318.00

Inv #: 000004 Appr Code: 072756

Total: \$ 318.00

Customer Copy

McNamee
Tideland Lease Request
4401 Halibut Point Road



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 16-196 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 11/1/2016 In control: City and Borough Assembly

On agenda: 11/8/2016 Final action:

Title: Approve a one year lease agreement between Alaska & Pacific Packing and the City and Borough of Sitka as recommended by the Gary Paxton Industrial Park Board and authorize the Municipal Administrator to execute the document - the subject property is Block 4, Lot 4, of the Gary Paxton Industrial Park

Sponsors:

Indexes:

Code sections:

Attachments: [APP Lease.pdf](#)

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

POSSIBLE MOTION

I MOVE TO approve a one year lease agreement between Alaska & Pacific Packing and the City and Borough of Sitka as recommended by the Gary Paxton Industrial Park Board and authorize the Municipal Administrator to execute the document. The subject property is Block 4, Lot 4, of the Gary Paxton Industrial Park, consisting of 26,031 square feet of land and a 6,900 square foot building.



329 Harbor Drive, Suite 212
Sitka, AK 99835
Phone: 907-747-2660

October 27th, 2016

MEMORANDUM

To: Mark Gorman, CBS Administrator
From: Garry White, Director
Subject: Alaska & Pacific Packing Lease Request

Introduction

G. Pat Glaab, doing business as Alaska & Pacific Packing (APP), requests to lease the building and property of Lot 4 at the Gary Paxton Industrial Park (GPIP). APP plans to use the building for design and fabrication of a floating dock and floating barge refit. APP is requesting a lease for a term of 1 year.

The GPIP Board of Directors met on July 13, 2016 and approved the following motion:

MOTION: M/S Jones/Horan moved to recommend that the Assembly approve a 1-year lease term between Alaska Pacific & Packing and CBS for a rate of \$49,860 annually. APP is responsible for its own utilities.

ACTION: Motion PASSED 4/0 on a voice vote

Background

Pat Glaab, owner of 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.

Mr. Glaab is currently leasing other 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 of \$15,300 per year (9% of appraised value of property annually);
 - 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.

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.

NOTE: Upon meeting the required benchmarks above, APP may purchase Lot 8 for the 2014 appraised value of \$170,000.

Property

APP proposes to lease lot 4 and the building located on the waterfront lot.

Lot 4 is a 26,031 SF waterfront parcel containing a 6,900 SF building located near the northern portion of the waterfront.

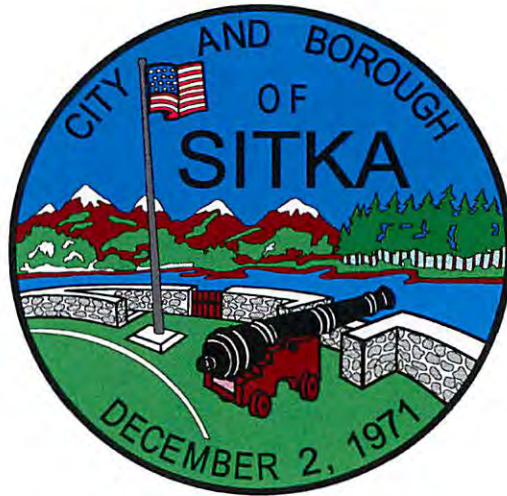
2014 Appraised Value (Full GPIP appraisal available at www.sawmillcove.com)

• Lot 4 Land (26,031 SF)	\$209,000
• <u>Lot 4 Bldg (6,900 SF)</u>	<u>\$345,000</u>
Total	\$554,000

Lot 4 raw land	\$209,000 @9% = \$18,810 per year
<u>Lot 4 building</u>	<u>\$345,000 @9% = \$31,050 per year</u>
	\$49,860 per year or \$4,155 monthly

Action

- CBS Assembly approval of attached 1-year lease between the CBS and Alaska Pacific and Packing.



LEASE AGREEMENT

BETWEEN

**THE
CITY AND BOROUGH OF SITKA**

AND

**ALASKA AND PACIFIC PACKING LLC
609 Oja Street, Sitka, Alaska 99835**

**LEASE AGREEMENT BETWEEN
CITY AND BOROUGH OF SITKA AND
ALASKA & PACIFIC PACKING**

Contents

PREAMBLE.....	1
SPECIAL PROVISIONS	1
ARTICLE I: LEASE, TERM OF LEASE, AND TERMINATION OF LEASE.....	1
Section 1.1 Conveyance of Estate in Lease.....	1
Section 1.2 Reserved.....	1
Section 1.3 Disposition of Improvements and Lessee's Personal Property Following Term of Lease Agreement.....	1
Section 1.4 Covenants to Perform.....	2
ARTICLE II: RENT AND OTHER OBLIGATIONS OF LESSEE	2
Section 2.1 Calculation & Method of Payment of Rent.....	2
Section 2.2 Property Tax Responsibility.....	2
ARTICLE III: RESTRICTIONS UPON USE OF SUBJECT PROPERTY	2
Section 3.1 Lessee's Obligations as to Construction, Maintenance, Repair and Safety.....	2
Section 3.2 Rights of Access to Property.....	3
Section 3.3 Additional Conditions of Leasing.....	3
Section 3.4 Control of Rodents and Other Creatures on Subject Property.....	5
ARTICLE IV: POSSESSION AND CONSTRUCTION OF IMPROVEMENTS.....	5
Section 4.1 Lessee's Construction Obligations.....	5
ARTICLE V: UTILITY SERVICES & RATES.....	6
Section 5.1 Provision of Utility Services	6
Section 5.2 Reserved.....	6
Section 5.3 Lessor Not Limited Liability and Non-Liability	6
Section 5.4 Requirement Regarding Potable Water Services	6
ARTICLE VI: LIABILITY AND INDEMNIFICATION	7
Section 6.1 Liability of Lessee and Indemnification of Lessor.....	7
Section 6.2 Liability of Lessor and Indemnification of Lessee.....	7
Section 6.3 Reimbursement of Costs of Obtaining Possession.....	8
GENERAL PROVISIONS	8
ARTICLE VII: DEFINITIONS	8
Section 7.1 Defined Terms.....	8
ARTICLE VIII: INSURANCE	9
Section 8.1 Insurance.....	9
Section 8.2 Notification of Claim, Loss, or Adjustment.....	9
Section 8.3 Waiver of Subrogation.....	9
ARTICLE IX: RESTRICTIONS REGARDING ASSIGNMENT, SUBLEASES, AND TRANSFERS OF SUBJECT PROPERTY	10
Section 9.1 Lessee Without Power to Assign Lease or Transfer or Encumber Subject Property.....	10

Section 9.2 Limitations on Subleases.....	10
ARTICLE X: USE AND PROTECTION OF THE SUBJECT PROPERTY	10
Section 10.1 Property As Is - Repairs.	10
Section 10.2 Compliance with Laws.....	110
Section 10.3 Notification of City and Borough of Sitka's Public Works Director of Discovery of Contamination.....	11
ARTICLE XI: LESSOR'S RIGHT TO PERFORM LESSEE'S COVENANTS; REIMBURSEMENT OF LESSOR FOR AMOUNTS SO EXPENDED	11
Section 11.1 Performance of Lessee's Covenants To Pay Money.	11
Section 11.2 Lessor's Right To Cure Lessee's Default.....	12
Section 11.3 Reimbursement of Lessor and Lessee.....	12
ARTICLE XII: DAMAGE OR DESTRUCTION.....	12
Section 12.1 Repair and Replacement of Structures and Improvements Following Damage....	12
ARTICLE XIII: MECHANIC'S LIENS	13
Section 13.1 Discharge of Mechanics' Liens.	13
ARTICLE XIV: LIEN FOR RENT AND OTHER CHARGES	13
Section 14.1 Lien for Rent.	13
ARTICLE XV: DEFAULT PROVISIONS.....	14
Section 15.1 Events of Default.....	14
Section 15.2 Assumption or Assignment of Lease to Bankruptcy Trustee.....	14
Section 15.3 Remedies in Event of Default.	15
Section 15.4 Waivers and Surrenders To Be In Writing.....	16
ARTICLE XVI: LESSOR'S TITLE AND LIEN	16
Section 16.1 Lessor's Title and Lien Paramount.....	16
Section 16.2 Lessee Not To Encumber Lessor's Interest.	17
ARTICLE XVII: REMEDIES CUMULATIVE.....	17
Section 17.1 Remedies Cumulative.	17
Section 17.2 Waiver of Remedies Not To Be Inferred.	17
Section 17.3 Right to Terminate Not Waived.....	17
ARTICLE XVIII: SURRENDER AND HOLDING OVER	18
Section 18.1 Surrender at End of Term.....	18
Section 18.2 Rights Upon Holding Over.	18
ARTICLE XIX: MODIFICATION.....	18
Section 19.1 Modification.	18
ARTICLE XX: INVALIDITY OF PARTICULAR PROVISIONS.....	19
Section 20.1 Invalidity of Provisions.	19
ARTICLE XXI: APPLICABLE LAW AND VENUE.....	19
Section 21.1 Applicable Law.	19
ARTICLE XXII: NOTICES.....	19
Section 22.1 Manner of Mailing Notices.	19
Section 22.2 Notice to Leasehold Mortgagee and Secured Parties.....	19
Section 22.3 Sufficiency of Service.	20
Section 22.4 When Notice Deemed Given or Received.	20
ARTICLE XXIII: MISCELLANEOUS PROVISIONS	20
Section 23.1 Captions.....	20
Section 23.2 Conditions and Covenants.....	20

Section 23.3 Entire Agreement.	20
Section 23.4 Time of Essence as to Covenants of Lease Agreement.	21
ARTICLE XXIV: COVENANTS TO BIND AND BENEFIT RESPECTIVE PARTIES AND TO RUN WITH THE SUBJECT PROPERTY	21
Section 24.1 Covenants to Run with the Subject Property.	21
Section 24.2 Interest in Deposits Automatically Transferred.	21
ARTICLE XXV: ADDITIONAL GENERAL PROVISIONS	21
Section 25.1 Absence of Personal Liability.	21
Section 25.2 Lease Agreement Only Effective As Against Lessor Upon Approval.....	22
Section 25.3 Binding Effects and Attorneys Fees.....	22
Section 25.4 Duplicate Originals.	22
Section 25.5 Declaration of Termination.	22
Section 25.6 Authority.	22
Section 25.7 Personal Guarantor.....	22

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
ALASKA & PACIFIC PACKING**

PREAMBLE

This Lease Agreement (“Lease Agreement”) between City and Borough of Sitka and Alaska & Pacific Packing 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 Alaska & Pacific Packing LLC, 609 Oja Street, 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. This Lease Agreement was recommended for approval by GPIP Board of Directors on July 13, 2016 and approved by the Assembly on _____, 2016.

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 1 (one) year, commencing upon December 1, 2016, or such modified date as the parties may agree.

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 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.

ARTICLE III: RESTRICTIONS UPON USE OF SUBJECT PROPERTY

Section 3.1 Lessee's Obligations as to 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 purchase, construct, develop, repair, and/or maintain any Improvements, using materials of good quality and matching existing finishes.

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 GPIP 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.

ALASKA & PACIFIC PACKING LLC

CITY AND BOROUGH OF SITKA

Gene Glaas, Guarantor

Mark Gorman, Municipal Administrator

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

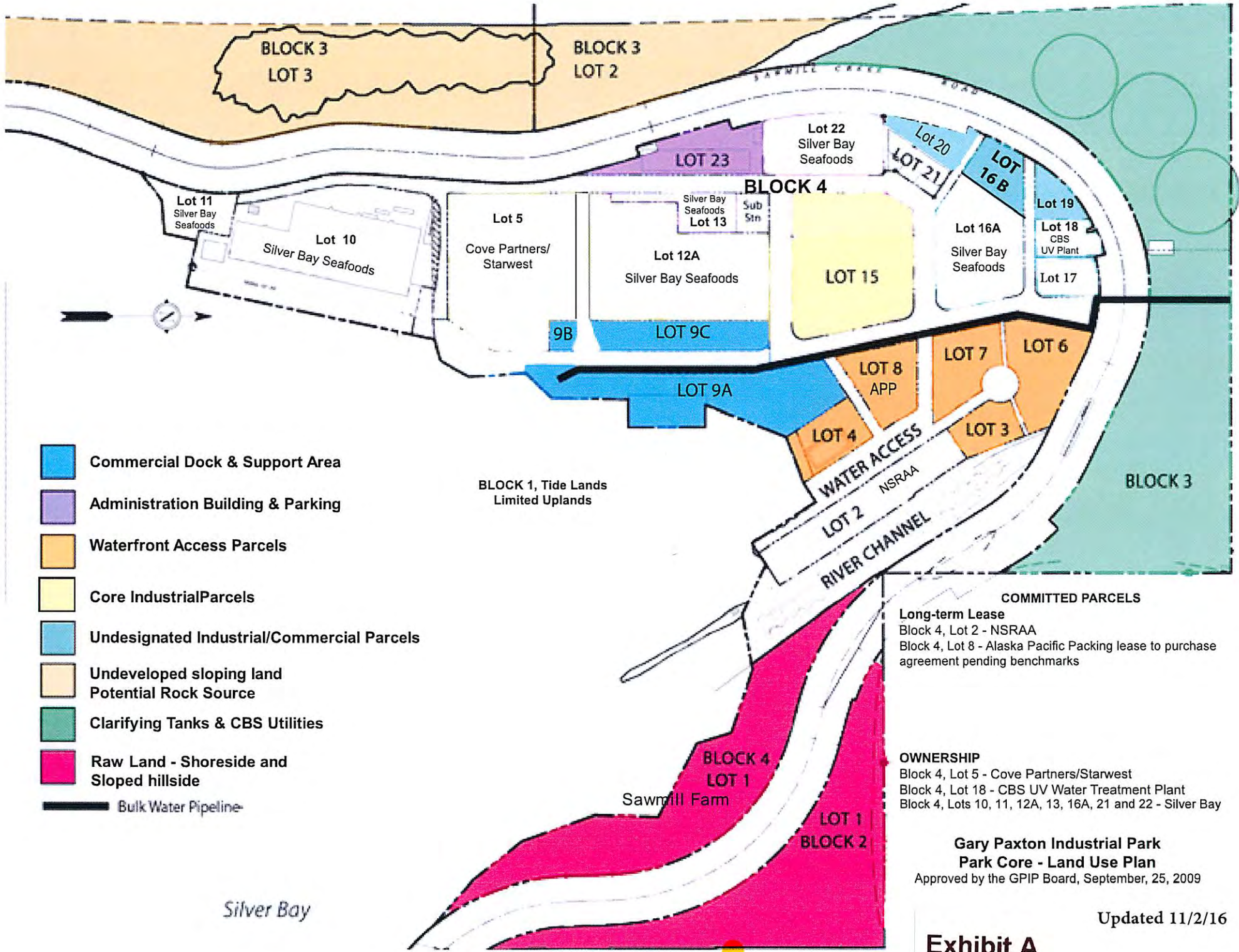
On this ____ day of _____, 2016, Gene Glaab, whose identity is personally known to me or proved to me on the basis of satisfactory evidence, signs this Lease Agreement individually as Guarantor and on behalf of Alaska & Pacific Packing LLC, and affirms by signing this document to be authorized to sign on behalf of Alaska & Pacific Packing LLC, and does so freely and voluntarily.

Notary Public for the State of Alaska
My Commission Expires: _____

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

On this ____ day of _____, 2016, MARK GORMAN, MUNICIPAL ADMINISTRATOR of the City and Borough of Sitka, Alaska, a municipal corporation organized under the laws of the State of Alaska, signs this Lease Agreement on its behalf, and affirms by signing this document to be authorized to sign on its behalf, and does so freely and voluntarily.

Notary Public for the State of Alaska
My Commission Expires: _____



- Commercial Dock & Support Area
- Administration Building & Parking
- Waterfront Access Parcels
- Core Industrial Parcels
- Undesignated Industrial/Commercial Parcels
- Undeveloped sloping land
Potential Rock Source
- Clarifying Tanks & CBS Utilities
- Raw Land - Shoreside and
Sloped hillside
- Bulk Water Pipeline

COMMITTED PARCELS

Long-term Lease
 Block 4, Lot 2 - NSRAA
 Block 4, Lot 8 - Alaska Pacific Packing lease to purchase agreement pending benchmarks

OWNERSHIP
 Block 4, Lot 5 - Cove Partners/Starwest
 Block 4, Lot 18 - CBS UV Water Treatment Plant
 Block 4, Lots 10, 11, 12A, 13, 16A, 21 and 22 - Silver Bay

**Gary Paxton Industrial Park
 Park Core - Land Use Plan**
 Approved by the GPIB Board, September, 25, 2009

Exhibit A

Updated 11/2/16

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 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.