



CITY AND BOROUGH OF SITKA

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

Meeting Agenda

City and Borough Assembly

*Mayor Steven Eisenbeisz
Deputy Mayor Thor Christianson,
Vice Deputy Mayor Valorie Nelson,
Kevin Knox, Kevin Mosher, Crystal Duncan, Rebecca Himschoot*

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

Tuesday, April 27, 2021

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

IV. CORRESPONDENCE/AGENDA CHANGES

[21-078](#) Reminders, Calendars, and General Correspondence

Attachments: [Calendars and Reminders](#)
[Sitka Alaska- Update 4.9.2021](#)

V. CEREMONIAL MATTERS

[21-069](#) Alaska Legislature Certificate - In Memoriam Richard Nelson

Attachments: [In Memoriam Richard Nelson](#)

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

[21-070](#) Special Report - Blank Rome Government Relations LLC

Attachments: [Special Report Blank Rome Government Relations LLC](#)

VII. PERSONS TO BE HEARD

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

VIII. CONSENT AGENDA

All matters under Item VIII 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** [21-071](#) Approve the minutes of the April 13 and 20 Assembly meetings
- Attachments:** [Consent and Minutes](#)
- B** [21-072](#) Approval of liquor license applications: 1) renewal application for Allen Marine Tours, Inc at Lot 6 Finn Island, and 2) transfer of ownership application, restaurant designation permit application, and premises diagram application for Pizza Express, LLC dba Pizza Express at 1321 Sawmill Creek Road Suite E, F, G, H, I
- Attachments:** [Motion Liquor License Apps](#)
 [Memo and Allen Marine Documents](#)
 [Memo and Pizza Express Documents](#)

IX. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

None.

X. UNFINISHED BUSINESS:

- C** [ORD 21-06](#) Making supplemental appropriations for fiscal year 2021 (Harrigan Centennial Hall A/V Upgrades)
- Attachments:** [Motion Ord 2021-06](#)
 [Memo and Ord 2021-06](#)
- D** [ORD 21-07](#) Amending Ordinance No. 2020-30 passed and approved on June 9, 2020; and establishing an effective date (extension of expiration date for refinancing AEA loan)
- Attachments:** [Motion Ord 2021-07](#)
 [Memo and Ord 2021-07](#)
 [APPROVED Ord 2020-30](#)

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

- E [ORD 21-08](#) Making supplemental appropriations for fiscal year 2021 (Sitka Community Hospital Dedicated Fund)

Attachments: [Motion Ord 2021-08](#)
 [Memo and Ord 2021-08](#)

Additional New Business Items

- F [21-073](#) Approve the agreement to terminate lease between the City and Borough of Sitka and Christian A. Scantling / Deborah N. Wynsen for 725 Sigina Way

Attachments: [Motion](#)
 [Assembly Memo_Early Termination of Lease Christian Scantling and Deborah](#)
 [Agreement to Terminate Lease by CBS and Scantling and Wynsen](#)
 [Original April Wheldon - William Akan Lease Agreement Assigned to Christian S](#)
 [Executed Consent to Assignment- Assignment and Assumption of Lease](#)
 [Letter Requesting to be Let Out Of Lease Christian Scantling Deborah Wynsen](#)
 [Reply Acknowledging Request to be Let Out Of Lease Christian Scantling Debo](#)

- G [21-074](#) Approve the Sitka Marine Services Center General Terms and Conditions related to Seafood Producers Cooperative lease activities

Attachments: [Motion](#)
 [Marine Service Center - 2022 Rates \(SPC\)](#)

- H [21-077](#) Approve the Request for Proposals for Rental of Marine Services Center Cold Storage Space at 600 Katlian Street

Attachments: [Motion](#)
 [Memo Marine Service Center RFP](#)

- I [21-076](#) Discussion / Direction / Decision on the plan by Norwegian Cruise Line Holdings, Ltd., to donate One Million Dollars (\$1M) to the City and Borough of Sitka, to help mitigate the economic impact from the ongoing cruise suspension, with no strings attached and no quid pro quo, leaving the decisions as to distribution of the donation entirely up to the City

Attachments: [Motion](#)

- J [21-068](#) Discussion / Decision on the "assembly@cityofsitka.org" group email address

Attachments: [Discussion Decision group email address](#)

XII. PERSONS TO BE HEARD:

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

XIII. REPORTS

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

XIV. EXECUTIVE SESSION

Not anticipated.

XV. ADJOURNMENT

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

*Sara Peterson, MMC, Municipal Clerk
Publish: April 23*



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 21-078 **Version:** 1 **Name:**
Type: Item **Status:** AGENDA READY
File created: 4/22/2021 **In control:** City and Borough Assembly
On agenda: 4/27/2021 **Final action:**
Title: Reminders, Calendars, and General Correspondence
Sponsors:
Indexes:
Code sections:
Attachments: [Calendars and Reminders](#)
[Sitka Alaska- Update 4.9.2021](#)

Date	Ver.	Action By	Action	Result
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REMINDERS

DATE

EVENT

TIME

Tuesday, April 27

Regular Meeting

6:00 PM

Thursday, April 29

Work Session
*RFP-For the sale of the
former Sitka Community
Hospital*

6:00 PM

Tuesday, May 11

Regular Meeting

6:00 PM



Assembly Calendar

2020 Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2022

April 2021

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
28 Mar	29	30	31	1 Apr	2	3
		12:00pm Health Needs and Human Services Commission - Liaison Duncan 6:00pm Town Hall Meeting at HCH: Sale of former Sitka Community Hospital bldg/property		6:00pm Special Budget Meeting: All Funds		
4	5	6	7	8	9	10
		7:00pm Climate Action Task Force	6:00pm Library Commission - Liaison Nelson 6:00pm School Board - Liaison Himschoot 7:00pm Planning Commission - Liaison Christianson	12:00pm LEPC - Liaison Nelson		
11	12	13	14	15	16	17
		12:00pm Parks & Recreation - Liaison Mosher 5:00pm Tentative - Assembly/Planning Commission Joint Work Session: Tourism Master Plan 6:00pm Regular Assembly Mtg	5:00pm Tree & Landscape - Liaison Himschoot 6:00pm Historic Preservation - Liaison Duncan 6:00pm Port & Harbors Commission - Liaison Knox 6:00pm School Board Budget - Liaison Himschoot	6:00pm Govt to Govt Dinner - Westmark Banquet Room		
18	19	20	21	22	23	24
		6:00pm Special Meeting: Evaluations of Municipal Attorney and Municipal Administrator 7:00pm Climate Action Task Force	12:00pm Health Needs & Human Services - Liaison Duncan 6:00pm School Board Budget - Liaison Himschoot 7:00pm Planning Commission - Liaison Christianson			
25	26	27	28	29	30	1 May
		6:00pm Regular Assembly Mtg	5:30pm Police and Fire - Liaison Nelson	2:00pm - 4:00pm Investment Committee Meeting-Liaison Christianson 6:00pm Work Session: RFP for the sale of the former SCH site		

Display: Navigation Bar:

Calendar: [Add/Edit](#) [Options](#) [Settings](#)

Time zone: America/Anchorage

Assembly Calendar

[2020](#)
 [Jan](#)
 [Feb](#)
 [Mar](#)
 [Apr](#)
 [May](#)
 [Jun](#)
 [Jul](#)
 [Aug](#)
 [Sep](#)
 [Oct](#)
 [Nov](#)
 [Dec](#)
 [2022](#)

May 2021

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
25 Apr	26	27	28	29	30	1 May
		6:00pm Regular Assembly Mtg	5:30pm Police and Fire - Liaison Nelson	2:00pm - 4:00pm Investment Committee Meeting-Liaison Christianson 6:00pm Work Session; RFP for the sale of the former SCH site		
2	3	4	5	6	7	8
		7:00pm Climate Action Task Force	6:00pm Library Commission - Liaison Nelson 6:00pm School Board - Liaison Himschoot 7:00pm Planning Commission - Liaison Christianson			
9	10	11	12	13	14	15
		12:00pm Parks & Recreation - Liaison Mosher 6:00pm Regular Assembly Mtg	5:00pm Tree & Landscape - Liaison Himschoot 6:00pm Historic Preservation - Liaison Duncan 6:00pm Port & Harbors Commission - Liaison Knox	12:00pm Health Needs & Human Services - Liaison Duncan 12:00pm LEPC - Liaison Nelson		
16	17	18	19	20	21	22
		7:00pm Climate Action Task Force	12:00pm Health Needs & Human Services - Liaison Duncan 7:00pm Planning Commission - Liaison Christianson			
23	24	25	26	27	28	29
		6:00pm Regular Assembly Mtg	5:30pm Police and Fire - Liaison Nelson			
30	31	1 Jun	2	3	4	5
		7:00pm Climate Action Task Force	6:00pm Library Commission - Liaison Nelson 6:00pm School Board - Liaison Himschoot 7:00pm Planning Commission - Liaison Christianson			

Display: Navigation Bar: [Absolute](#) [Relative](#) [Both](#) [Neither](#)

Calendar: [Add/Edit](#) [Options](#) [Settings](#)

Time zone: America/Anchorage



54 S. Dawson St.
Seattle, WA 98134
www.republicservices.com

April 9, 2021

Mr. John Leach
Municipal Administrator
100 Lincoln St.
Sitka, Alaska 99835

Subject: Update on Alaska Marine Lines Mandate for MSW Shipment

Dear Mr. Leach,

Republic Services has recently received a letter dated March 10th, 2021 from Alaska Marine Lines (AML) to serve as a reminder of the upcoming June 1st, 2021 deadline for the City and Borough of Sitka (CBS) and other Southeast Alaska Partners to adopt plans that will provide for a transition of their Solid Waste systems to accommodate Compacted Waste in Closed Top Containers for shipment on AML Barges.

AML has re-iterated that they will continue working with communities to extend this deadline to allow for the planning, acquisition and installation of compaction equipment, with reasonable and mutually agreeable timelines to be adopted by the local assembly, prior to the June 1st deadline.

If agreeable plans are not adopted, AML is prepared to refuse shipment of Municipal Solid Waste in Open Top Containers beginning on June 1st, 2021.

Our team has continued to work with AML, CBS Staff, and other Stakeholders to explore all feasible alternatives to assist in making a transition to compacted waste in closed top containers to comply with the AML Mandate.

This may include Republic Services having to seek alternative transportation for trucking and barge services. In the event CBS were to elect to not make the transition to compacted waste as part of the Solid Waste Transfer System and AML delivers notification of refusal to accommodate MSW in Open Top Containers on their Barges, Republic Services will seek the approval of an Alternative Service Arrangement and provide all associated costs as a pass through to the City and Borough of Sitka, as prescribed in Article 8.3 and Article 9.1 the Transportation and Disposal agreement.

We continue to encourage the City and Borough of Sitka to pursue plans to make the transition to compacted MSW as the safest, most environmentally secure, and efficient means of handling Solid Waste generated in the region. We are committed to continuing our work with the Sitka Stakeholders group and are confident that reasonable solutions can be achieved in meeting all your Solid Waste needs.

Sincerely,

Joe Allen-Thompson
General Manager, Washington Post Collection
54 S. Dawson St.
Seattle, WA 98134
Office: 206.332.7701|Cell: 425.305.6142
jallen-thompson@republicservices.com



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 21-069 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 4/21/2021 In control: City and Borough Assembly

On agenda: 4/27/2021 Final action:

Title: Alaska Legislature Certificate - In Memoriam Richard Nelson

Sponsors:

Indexes:

Code sections:

Attachments: [In Memoriam Richard Nelson](#)

Date	Ver.	Action By	Action	Result
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ALASKA LEGISLATURE

IN MEMORIAM

RICHARD NELSON

The members of the Thirty-Second Alaska State Legislature join Alaskans in celebrating the memory and legacy of Richard “Nels” Nelson, of Sitka, who passed from this earth on November 4, 2019.

Richard Nelson was a cultural anthropologist, a naturalist, an author, a creator, an advocate, a teacher and, above all, a beloved friend. Raised in Wisconsin, Nels first came to Alaska in the 1960s. During his early sojourns in the state he lived with and apprenticed himself to the residents of Iñupiaq, Gwich’in, and Koyukon Athabascan communities. These developed deep and respectful relationships that informed his gentle and attentive way of moving in the world. He authored several books that reflected his experiences in those years — *Hunters of the Northern Ice*, *Hunters of the Northern Forest*, *Shadow of the Hunter* and *Make Prayers to the Raven*. A subsequent book, *The Island Within*, published in 1991, was recognized with the John Burroughs Medal for distinguished natural history writing, and is a remarkable reflection on a life lived within and adjacent to the natural world. Additionally, in 1997, *Heart and Blood: Living with Deer in America* was published. Nels also served as Alaska’s writer laureate from 1999 to 2001. In 2019, he was honored as the Distinguished Artist of the Year by the Rasmuson Foundation.

Nels was an inspired human being who carried delight and curiosity through each moment of his life. He listened with a keen ear, looked with an attentive eye, and transformed that attention into a series of creative works offered to multiple generations of Alaskans. His *Encounters* radio program aired on public radio stations for a decade. The program featured Nels’ enthusiastic observations of the creatures and complexities of nature. It was married to gorgeous audio he harvested from the wild soundscapes of Alaska and his other favorite land, the Australian Outback. His passion for wild sounds resulted in an audio archive spanning from Gates of the Arctic and Glacier Bay National Parks to the forests and waterways of Southeast Alaska. He also collaborated on bodies of work — through films, writings, and lectures — which celebrate the complex and rich ecosystems of his Southeast Alaska rainforest home with focus on the foundational importance of salmon to coastal Alaska’s marine, estuarine, and terrestrial ecosystems.

Nels embodied a special blend of kindness, passion, and humility. Inspired, extemporaneous oratory on Alaska’s ecosystems, salmon, or the natural world could flow effortlessly from him in any setting, sparking something akin to revelation in the gathered group. He was able to give full attention to anyone who crossed his path, inviting conversation and exchange of ideas that left the conversation partner feeling heard and honored. He readily shared his knowledge and careful observations of the world around him, from the smallest trailside plant to the great swirl of ten thousand salmon entering a stream. He was utterly at home in the outdoors and brought others along into its comfort and mysteries.

Nels displayed an effortless kindness to everyone he met. Despite the laudable achievements of his life, he lived humbly and gently, and shared his wonder at the gifts of the natural world and his Native teachers with everyone around him.

Richard “Nels” Nelson lived a remarkable, inspired life, and will be remembered by so many. The members of the Thirty-Second Alaska State Legislature applaud his contributions and honor his memory.



Louise Stutes
LOUISE STUTES
SPEAKER OF THE HOUSE

Jonathan Kreiss-Tomkins
REP. JONATHAN KREISS-TOMKINS
SPONSOR

P.A. Micciche
PETER MICCICHE
PRESIDENT OF THE SENATE

Date: March 1, 2021



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 21-070 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 4/21/2021 In control: City and Borough Assembly

On agenda: 4/27/2021 Final action:

Title: Special Report - Blank Rome Government Relations LLC

Sponsors:

Indexes:

Code sections:

Attachments: [Special Report Blank Rome Government Relations LLC](#)

Date	Ver.	Action By	Action	Result
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SPECIAL REPORT

Blank Rome Government Relations, LLC
C.J. Zane, Managing Principal

- Earmark/Surface Transportation Reauthorization Update
- Infrastructure Update (American Jobs Plan)
- American Rescue Plan COVID-19 Relief (State and Muni Funding) Update
- AK Cruise line Update
- Grant Deadlines – PIDP and RAISE
- Status of Power site Land Withdrawal – BLM/USFS

BLANKROME
Government Relations LLC



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 21-071 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 4/21/2021 In control: City and Borough Assembly

On agenda: 4/27/2021 Final action:

Title: Approve the minutes of the April 13 and 20 Assembly meetings

Sponsors:

Indexes:

Code sections:

Attachments: [Consent and Minutes](#)

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

POSSIBLE MOTION

I MOVE TO approve the minutes of the
April 13 and 20 Assembly meetings.

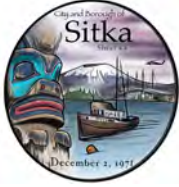
CONSENT AGENDA

POSSIBLE MOTION

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

I wish to remove Item(s) _____

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



CITY AND BOROUGH OF SITKA

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

Minutes - Draft

City and Borough Assembly

Mayor Steven Eisenbeisz
Deputy Mayor Thor Christianson,
Vice Deputy Mayor Valorie Nelson,
Kevin Knox, Kevin Mosher, Crystal Duncan, Rebecca
Himschoot

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

Tuesday, April 13, 2021

6:00 PM

Assembly Chambers

JOINT WORK SESSION 5:00PM

[21-065](#)

Joint Work Session - Tourism Master Plan

The Assembly met with the Planning Commission regarding the development of a Tourism Master Plan to address the 2022 tourist season.

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Nelson participated via videoconference.

Present: 7 - Christianson, Knox, Mosher, Nelson, Eisenbeisz, Himschoot, and Duncan

IV. CORRESPONDENCE/AGENDA CHANGES

[21-064](#)

Reminders, Calendars, and General Correspondence

Administrator Leach read a letter dated April 9 from Republic Services reminding of the upcoming June 1st Alaska Marine Lines (AML) deadline for adoption of plans to transport municipal solid waste. It was noted if agreeable plans were not adopted, AML was prepared to refuse shipment of municipal solid waste in open top containers beginning June 1. Leach said the change could result in higher rates to the citizens/ratepayers. He also said Republic Services was scheduled to present to the Assembly on May 11.

V. CEREMONIAL MATTERS

[21-058](#)

1) Alaska Legislature Certificate Honoring Dave Miller's Service to Sitka, and 2) Service Award Loyd Platson - Health Needs and Human Services Commission

Mayor Eisenbeisz read and presented a certificate from the Alaska Legislature to Dave Miller in honor of his years of service to the City and Borough of Sitka as Fire Chief. In addition, the Mayor read and presented a service award to Loyd Platson for his service on the Health Needs and Human Services Commission.

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

None.

VII. PERSONS TO BE HEARD

SEARHC Senior Vice President and Chief Medical Officer, Dr. Bruhl, provided an update on COVID-19 testing and availability, vaccination clinics, and encouraged the public to be part of the solution and adhere to prevention measures. He also commented on the specialty clinics and services available through SEARHC.

Richard Wein thanked Dave Miller, Loyd Platson, and Dr. Bruhl for their service, spoke to the need for a comprehensive solid waste solution and commented on the City quarterly financial statements.

Doug Osborne spoke about possible ways in which to honor former Utility Director Chris Brewton who had recently passed.

Lisa Busch provided an update on the landslide warning system.

VIII. CONSENT AGENDA

A [21-059](#)

Approve the minutes of the March 4, 9, 18, 23, and April 1 Assembly meetings

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

Yes: 7 - Christianson, Knox, Mosher, Nelson, Eisenbeisz, Himschoot, and Duncan

B [21-060](#)

Approve the Health Needs and Human Services Commission 2021 goals

Richard Wein wanted to hear an explanation from the Health Needs and Human Services Commission (HNHSC) of goal #1 (People of the Global Majority in Sitka 2021 Health report).

Mosher and Nelson spoke to inequalities and requested more information on goal #1. Knox acknowledged the work of the HNHSC and reiterated the intent was to develop a document for presentation to the Assembly in the latter part of 2021. Duncan, liaison to the HNHSC, said the report (goal #1) would focus on health, and ways to improve health, in particular with communities of color.

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

Yes: 5 - Christianson, Knox, Eisenbeisz, Himschoot, and Duncan

No: 2 - Mosher, and Nelson

IX. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- C** [21-061](#) Appoint Lexi Fish Hackett to a three-year term on the Health Needs and Human Services Commission

Richard Wein spoke in support of the appointment.

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

Yes: 7 - Christianson, Knox, Mosher, Nelson, Eisenbeisz, Himschoot, and Duncan

- D** [21-062](#) Reappoint 1) Shauna Thornton to a three-year term on the Port and Harbors Commission, and 2) Trish White to a three-year term on the Local Emergency Planning Committee under Category 5 "Owners/Operators of Facilities"

Richard Wein spoke in support of the reappointments. Nelson thanked White for her continued service.

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

Yes: 7 - Christianson, Knox, Mosher, Nelson, Eisenbeisz, Himschoot, and Duncan

X. UNFINISHED BUSINESS:

- E** [ORD 21-05](#) Making supplemental appropriations for fiscal year 2021 (Pet Adoption - Veterinary Services)

Richard Wein spoke in support.

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

Yes: 7 - Christianson, Knox, Mosher, Nelson, Eisenbeisz, Himschoot, and Duncan

XI. NEW BUSINESS:

New Business First Reading

- F** [ORD 21-06](#) Making supplemental appropriations for fiscal year 2021 (Harrigan Centennial Hall A/V Upgrades)

Laurie Booyse and Richard Wein spoke in support.

Administrator Leach said the goal was to get shelf stock to replace aging parts and

create an annual service contract. He explained the upgrade would have been allowed under CARES funding, however, the unspent CARES funding was being closed out and this project would delay that process. Also the unspent CARES money was allocated to public safety costs.

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

Yes: 7 - Christianson, Knox, Mosher, Nelson, Eisenbeisz, Himschoot, and Duncan

G [ORD 21-07](#)

Amending Ordinance No. 2020-30 passed and approved on June 9, 2020; and establishing an effective date (extension of expiration date for refinancing AEA loan)

Richard Wein spoke in support.

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

Yes: 7 - Christianson, Knox, Mosher, Nelson, Eisenbeisz, Himschoot, and Duncan

Additional New Business Items

H [RES 21-08](#)

Supporting Sitka Maritime Heritage Society's application under the FY21 Historic Preservation Fund Grant program for Certified Local Governments

Rebecca Poulson spoke in support.

Planning Director Amy Ainslie spoke to the required covenant. She explained that the City, as property owners, would be required to sign a two year extension to the covenant that would expire in December 2026.

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

Yes: 7 - Christianson, Knox, Mosher, Nelson, Eisenbeisz, Himschoot, and Duncan

I [RES 21-09](#)

Supporting Alaska Arts Southeast's application under the FY21 Historic Preservation Fund Grant program for Certified Local Governments

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

Yes: 7 - Christianson, Knox, Mosher, Nelson, Eisenbeisz, Himschoot, and Duncan

J [21-063](#)

Discussion / Direction / Decision on the RFP for the sale of the former Sitka Community Hospital site and associated properties

From the public, Karen Lucas spoke in support of a public vote and Richard Wein supported a lease option.

Administrator Leach told of the work to date, town hall attendance/comments, and survey results/comments. He spoke to the draft RFP, and recommended a work session or special meeting be held if the Assembly wished to incorporate additional details in the RFP. Consensus of the Assembly was to schedule a future meeting for

further review of the RFP. It was mentioned that the need for an assessment, addition of a minimum bid, reconsideration of a public vote, scoring criteria, and a long-term lease option. Eisenbeisz reminded the Assembly had the right to postpone a decision, withdraw the RFP, reject all offers, and negotiate contract terms with the best value responsible bidder.

XII. PERSONS TO BE HEARD:

Richard Wein questioned about the rush with regards to the Sitka Community Hospital RFP, reminded the lease with SEARHC didn't expire until July 2024, and stated the best purpose for the building was SEARHC.

Emma Thompson spoke to the Health Needs and Human Services Commission (HNHSC) goals and told of the definition of equality and equity.

Martina Kurzer spoke to the use of the words equity, equality, and privilege relating to the previously discussed HNHSC goals.

XIII. REPORTS

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

Mayor - Eisenbeisz told of his invitation to view the Elizabeth Peratrovich bench, attendance at the School District strategic planning sessions, and herring gathering held at Totem Square on April 10.

Administrator - Leach provided an update on the work of the Public & Government Relations Director, American Rescue Act, and the CARES Act funding report.

Liaisons - Knox stated the Port and Harbors Commission meeting for April 14 was cancelled. Nelson reported on the meetings of the Local Emergency Planning Commission and Library Commission. Duncan reported on the meetings of the Historic Preservation Commission and Health Needs and Human Services Commission.

Clerk - Peterson read the list of vacancies on CBS Boards/Commissions and reviewed upcoming meeting dates.

XIV. EXECUTIVE SESSION

None.

XV. ADJOURNMENT

A motion was made by Knox to ADJOURN. Hearing no objections, the meeting ADJOURNED at 8:10pm.

ATTEST: _____

**Sara Peterson, MMC
Municipal Clerk**



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ASSEMBLY CHAMBERS
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Sitka, AK
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Municipal Administrator: John Leach
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson

Tuesday, April 20, 2021

6:00 PM

Assembly Chambers

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 6 - Christianson, Knox, Mosher, Eisenbeisz, Himschoot, and Duncan

Absent: 1 - Nelson

IV. CORRESPONDENCE/AGENDA CHANGES

None.

V. PERSONS TO BE HEARD

None.

VI. NEW BUSINESS:

A [21-066](#)

Annual evaluation for Municipal Attorney Brian Hanson (requests evaluation to be held in executive session)

A motion was made by Christianson to go into executive session under the statutory categories of discussing subjects that 1) may tend to prejudice the reputation and character of an individual, and, 2) may have an adverse effect upon the finances of the City and Borough of Sitka and invite in, when ready, Municipal Attorney Brian Hanson. In addition, pursuant to customary practice, I move to exclude the Municipal Administrator and Municipal Clerk. The motion PASSED by the following vote.

Yes: 6 - Eisenbeisz, Christianson, Knox, Mosher, Duncan, and Himschoot

Absent: 1 - Nelson

The Assembly was in executive session from 6:05pm to 6:58pm.

A motion was made by Knox to reconvene as the Assembly in regular session. The motion PASSED by unanimous consent.

Mayor Eisenbeisz stated the Assembly had issued Mr. Hanson a satisfactory review and reminded that while "satisfactory" was the metric being used, the Assembly found his performance to be exemplary. Eisenbeisz shared he would meet with Mr. Hanson to review a benefits and salary package to be brought to the Assembly for review in the near future.

B [21-067](#)

Annual evaluation for Municipal Administrator John Leach (requests evaluation to be held in executive session)

A motion was made by Knox to go into executive session under the statutory categories of discussing subjects that 1) may tend to prejudice the reputation and character of an individual, and, 2) may have an adverse effect upon the finances of the City and Borough of Sitka and invite in, when ready, Municipal Administrator John Leach. In addition, pursuant to customary practice, I move to exclude the Municipal Attorney and Municipal Clerk. The motion PASSED by the following vote.

Yes: 6 - Eisenbeisz, Christianson, Knox, Mosher, Duncan, and Himschoot

Absent: 1 - Nelson

The Assembly was in executive session from 7:04pm to 8:12pm.

A motion was made by Mosher to reconvene as the Assembly in regular session. The motion PASSED by unanimous consent.

Mayor Eisenbeisz shared the Assembly had issued Mr. Leach a satisfactory review and that while "satisfactory" was the metric being used, the Assembly was extremely happy with his performance and found Mr. Leach to be a top notch Administrator.

VII. PERSONS TO BE HEARD:

None.

VIII. ADJOURNMENT

A motion was made by Knox to ADJOURN. Hearing no objections, the meeting ADJOURNED at 8:18pm.

ATTEST: _____
Sara Peterson, MMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 21-072 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 4/21/2021 In control: City and Borough Assembly

On agenda: 4/27/2021 Final action:

Title: Approval of liquor license applications: 1) renewal application for Allen Marine Tours, Inc at Lot 6 Finn Island, and 2) transfer of ownership application, restaurant designation permit application, and premises diagram application for Pizza Express, LLC dba Pizza Express at 1321 Sawmill Creek Road Suite E, F, G, H, I

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Liquor License Apps](#)
[Memo and Allen Marine Documents](#)
[Memo and Pizza Express Documents](#)

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

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

POSSIBLE MOTION

I MOVE TO approve the following liquor license applications and forward them to the Alcoholic Beverage Control Board without objection:

1) renewal application for Allen Marine Tours, Inc at Lot 6 Finn Island, and

2) transfer of ownership application, restaurant designation permit application, and premises diagram application for Pizza Express, LLC dba Pizza Express at 1321 Sawmill Creek Road Suite E, F, G, H, I

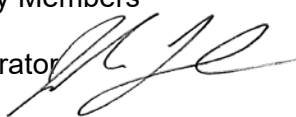


City and Borough of Sitka

PROVIDING FOR TODAY . . . PREPARING FOR TOMORROW

Coast Guard City, USA

MEMORANDUM

To: Mayor Eisenbeisz and Assembly Members
Thru: John Leach, Municipal Administrator 
From: Sara Peterson, Municipal Clerk
Date: April 19, 2021
Subject: Approve liquor license renewal application for Allen Marine Tours

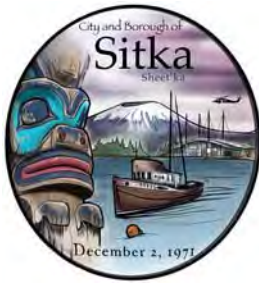
Our office has received notification of the following liquor license renewal application:

Lic #: 5746
DBA: Allen Marine Tours
License Type: Restaurant/Eating Place – Public Convenience - Seasonal
Licensee: Allen Marine Tours, Inc.
Premises Address: Lot 6, Finn Island - Sitka

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

Recommendation:

Approve a liquor license renewal application for Allen Marine Tours, Inc at Lot 6 Finn Island and forward this approval to the Alcoholic Beverage Control Board without objection.



City and Borough of Sitka

PROVIDING FOR TODAY...PREPARING FOR TOMORROW

Coast Guard City, USA

MEMORANDUM

To: Utility Billing Clerk – Erica
Collections - Carolyn
Municipal Billings – Erica
Sales Tax/Property Tax - Justin
Fire Department
Police Department
Building Official(s)

From: Sara Peterson, Municipal Clerk

Date: April 12, 2021

Subject: Liquor License Renewal Application – Allen Marine Tours

The Municipal Clerk's Office has been notified by the Alcohol and Marijuana Control Office of the following liquor license renewal application submitted by:

Lic #: **5746**
DBA: Allen Marine Tours
License Type: Restaurant/Eating Place – Public Convenience - Seasonal
Licensee: Allen Marine Tours, Inc.
Premises Address: Lot 6, Finn Island - Sitka

Please notify no later than **noon on April 19** of any reason to protest this renewal request. This request is scheduled to go before the Assembly on April 27.

Thank you.



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Commerce,
Community,
and Economic Development

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

April 9, 2021

City and Borough of Sitka

Via Email: sara.peterson@cityofsitka.org ; jessica.henshaw@cityofsitka.org

Re: Notice of Liquor License Renewal Application

License Number	DBA	Type	City	Borough	Community Council
5746	Allen Marine Tours	Restaurant/Eating Place - Public Convenience- Seaso	Sitka	Sitka	NONE

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

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

To protest the application referenced above, please submit your written protest within 60 days, and show proof of service upon the applicant and proof that the applicant has had a reasonable opportunity to defend the application before a meeting of the local governing body.

Sincerely,

Glen Klinkhart, Director

amco.localgovernmentonly@alaska.gov

STATE OF ALASKA - ALCOHOLIC BEVERAGE CONTROL BOARD

LICENSE NUMBER

FORM CONTROL

XXXX

ISSUED

3/26/2021

ABC BOARD

LIQUOR LICENSE
2021 - 2022

5746

LICENSE RENEWAL APPLICATION DUE
DECEMBER 31, 2022 (AS 04.11.270(b))

THIS LICENSE EXPIRES MIDNIGHT
FEBRUARY 28, 2023 UNLESS DATED BELOW

TYPE OF LICENSE: Restaurant/Eating
Convenience Se

04/15 - 10/15

LICENSE FEE: \$300.00

1139

CITY / BOROUGH: Sitka
Sitka

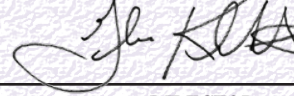
D/B/A: Allen Marine Tours
Lot 6, Finn Island, Sitka, AK 99835

Mail Address:
Allen Marine Tours, Inc.
PO Box 1049
Sitka, AK 99835

This license cannot be transferred without permission
of the Alcoholic Beverage Control Board

[] Special restriction - see reverse side

ISSUED BY ORDER OF THE
ALCOHOLIC BEVERAGE CONTROL BOARD



DIRECTOR

04-900 (REV 9/09)

THIS LICENSE MUST BE POSTED IN A VISIBLE PLACE ON THE PREMISES

STATE OF ALASKA - ALCOHOLIC BEVERAGE CONTROL BOARD

LICENSE NUMBER

FORM CONTROL

XXXX

ISSUED

3/26/2021

ABC BOARD

LIQUOR LICENSE
2021 - 2022

5746

LICENSE RENEWAL APPLICATION DUE
DECEMBER 31, 2022 (AS 04.11.270(b))

THIS LICENSE EXPIRES MIDNIGHT
FEBRUARY 28, 2023 UNLESS DATED BELOW

TYPE OF LICENSE: Restaurant/Eating
Convenience Se

04/15 - 10/15

LICENSE FEE: \$300.00

CITY / BOROUGH: Sitka
Sitka

D/B/A: Allen Marine Tours
Lot 6, Finn Island, Sitka, AK 99835

Mailing Address:
Allen Marine Tours, Inc.
PO Box 1049
Sitka, AK 99835

This license cannot be transferred without permission
of the Alcoholic Beverage Control Board

[] Special restriction - see reverse side

ISSUED BY ORDER OF THE
ALCOHOLIC BEVERAGE CONTROL BOARD

COPY

DIRECTOR

THIS LICENSE MUST BE POSTED IN A VISIBLE PLACE ON THE PREMISES

04-900 (REV 9/09)



Alaska Alcoholic Beverage Control Board

Master Checklist: Renewal Liquor License Application

Doing Business As:		License Number:	
License Type:			
Examiner:		Transaction #:	

Document	Received	Completed	Notes
AB-17: Renewal Application			
App and License Fees			

Supplemental Document	Received	Completed	Notes
Tourism/Rec Site Statement			
AB-25: Supplier Cert (WS)			
AB-29: Waiver of Operation			
AB-30: Minimum Operation			
AB-33: Restaurant Affidavit			
COI / COC / 5 Star			
FP Cards & Fees / AB-08a			
Late Fee			

Names on FP Cards:	
--------------------	--

	Yes	No
Selling alcohol in response to written order (package stores)?	<input type="checkbox"/>	<input type="checkbox"/>
Mailing address and contact information different than in database (if yes, update database)?	<input type="checkbox"/>	<input type="checkbox"/>
In "Good Standing" with CBPL (skip this and next question for sole proprietor)?	<input type="checkbox"/>	<input type="checkbox"/>
Officers and stockholders match CBPL and database (if "No", determine if transfer necessary)?	<input type="checkbox"/>	<input type="checkbox"/>

LGB 1 Response: City & Borough of Sitka

LGB 2 Response:

☐ Waive☐ Protest☐ Lapsed☐ Waive☐ Protest☐ Lapsed



Alaska Alcoholic Beverage Control Board

Form AB-17: 2021/2022 License Renewal Application

- This form and any required supplemental forms must be completed, signed by the licensee, and postmarked no later than 12/31/2020 per AS 04.11.270, 3 AAC 304.160, with all required fees paid in full, or a non-refundable \$500.00 late fee applies.
- Any complete application for renewal or any fees for renewal that have not been postmarked by 02/28/2021 will be expired per AS 04.11.540, 3 AAC 304.160(e).
- All fields of this application must be deemed complete by AMCO staff and must be accompanied by the required fees and all documents required, or the application will be returned without being processed, per AS 04.11.270, 3 AAC 304.105
- Receipt and/or processing of renewal payments by AMCO staff neither indicates nor guarantees in any way that an application will be deemed complete, renewed, or that it will be scheduled for the next ABC Board meeting.

Establishment Contact Information

Licensee (Owner):	Allen Marine Tours, Inc.	License #:	5746
License Type:	Restaurant/Eating Place - Public Convenience - Seasonal		
Doing Business As:	Allen Marine Tours		
Premises Address:	Lot 6, Finn Island, Sitka, AK 99835		
Local Governing Body:	City & Borough of Sitka		
Community Council:			

If your mailing address has changed, write the NEW address below:

Mailing Address:					
City:		State:		ZIP:	

Section 1 – Licensee Contact Information

Contact Licensee: The individual listed below must be listed in Section 2 or 3 as an Official/Owner/Shareholder of your entity and must be listed on CBPL with the same name and title.

This person will be the designated point of contact regarding this license, unless the Optional contact is completed.

Contact Licensee:	David C. Allen	Contact Phone:	907-747-8100
Contact Email:	dallen@allenmarine.com		

Optional: If you wish for AMCO staff to communicate with anyone other than the Contact Licensee about your license, list them below:

Name of Contact:	Susan Ginn	Contact Phone:	907-747-8100
Contact Email:	sginn@allenmarine.com		

Name of Contact:		Contact Phone:	
Contact Email:			

Name of Contact:		Contact Phone:	
Contact Email:			

**Form AB-17: 2021/2022 License Renewal Application****Section 2 – Entity or Community Ownership Information****Sole Proprietors should skip this Section.**

Use the link from Corporations, Business and Professional Licensing (CBPL) below to assist you in finding the Entity #.

<https://www.commerce.alaska.gov/cbp/main/search/entities>

Alaska CBPL Entity #:	50333D
-----------------------	--------

READ BEFORE PROCEEDING: Any new or changes to Shareholders (10% or more), Managers, Corporate Officers, Board of Directors, Partners, Controlling Interest or Ownership of the business license must be reported to the ABC Board within 10 days of the change and must be accompanied by a full set of fingerprints on FBI-approved card stock, AB-08a's, payment of \$48.25 for each new officer with a date-stamped copy of the CBPL change per AS 04.11.045, 50 & 55, or a Notice of Violation will be issued to your establishment and your application will be returned.

The only exception to this is a Corporation who can meet the requirements set forth in AS 04.11.050(c).

DO NOT LIST OFFICERS OR TITLES THAT ARE NOT REQUIRED FOR YOUR ENTITY TYPE.

- **Corporations of any type including non-profit** must list **ONLY** the following:
 - All shareholders who own 10% or more stock in the corporation
 - Each President, Vice-President, Secretary, and Managing Officer regardless of percentage owned
- **Limited Liability Corporations, of any type** must list **ONLY** the following:
 - All Members with an ownership interest of 10% or more
 - All Managers (of the LLC, not the DBA) regardless of percentage owned
- **Partnerships of any type, including Limited Partnerships** must list **ONLY** the following:
 - Each Partner with an interest of 10% or more
 - All General Partners regardless of percentage owned

Important Note: All entries below must match our records, or your application will be returned per AS 04.11.270, 3 AAC 304.105. You **must** list full legal names, all required titles, phone number, percentage of shares owned (if applicable) and a full mailing address for each official of your entity whose information we require. **If more space is needed: attach additional completed copies of this page. Additional information not on this page will be rejected.**

Name of Official:	David C. Allen				
Title(s):	Director, President, Secretary, Treasurer	Phone:	907-747-8100	% Owned:	100
Mailing Address:	PO Box 1049				
City:	Sitka	State:	AK	ZIP:	99835

Name of Official:					
Title(s):		Phone:		% Owned:	
Mailing Address:					
City:		State:		ZIP:	

Name of Official:					
Title(s):		Phone:		% Owned:	
Mailing Address:					
City:		State:		ZIP:	

AMCO

**Form AB-17: 2021/2022 License Renewal Application****Section 3 – Sole Proprietor Ownership Information**

Corporations, LLC's and Partnerships of ALL kinds should skip this section.

READ BEFORE PROCEEDING: Any new or changes to the ownership of the business license must be reported to the ABC Board within 10 days of the change and must be accompanied by a full set of fingerprints on FBI approved cardstock, AB-08a's, payment of \$48.25 for each new owner or officer and a date stamped copy of the CBPL change per AS 04.11.045, or a Notice of Violation will be issued to your establishment and your application will be returned.

Important Note: All entries below must match our records, or your application will be returned per AS 04.11.270, 3 AAC 304.105. You must list full legal names, phone number, and mailing address for each owner or partner whose information we require.

If more space is needed, attach additional copies of this page. Additional owners not listed on this page will be rejected.

This individual is an: ☐ Applicant ☐ Affiliate

Name:				Contact Phone:	
Mailing Address:					
City:		State:		ZIP:	
Email:					

This individual is an: ☐ Applicant ☐ Affiliate

Name:				Contact Phone:	
Mailing Address:					
City:		State:		ZIP:	
Email:					

Section 4 – License Operation

Check **ONE BOX** for EACH CALENDAR YEAR that best describes how this liquor license was operated:

- | | 2019 | 2020 |
|---|-------------------------------------|-------------------------------------|
| 1. The license was regularly operated continuously throughout each year. (Year-round) | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. The license was only operated during a specific season each year. (Seasonal)
<i>If your operation dates have changed, list them below:</i>
4/15 to 10/15 | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 3. The license was only operated to meet the minimum requirement of 240 total hours each calendar year.
<i>A complete AB-30: Proof of Minimum Operation Checklist, and all documentation must be provided with this form.</i> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. The license was not operated at all or was not operated for at least the minimum requirement of 240 total hours each year, during one or both calendar years. <i>A complete Form AB-29: Waiver of Operation Application and corresponding fees must be submitted with this application for each calendar year during which the license was not operated.</i> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

If you have not met the minimum number of hours of operation in 2020, you are not required to pay the fees, however a complete AB-29 is required with Section 2 marked "OTHER" and COVID is listed as the reason.

Section 5 – Violations and Convictions

Have ANY Notices of Violation been issued for this license OR has ANY person or entity in this application been convicted of a violation of Title 04, 3AAC 304 or a local ordinance adopted under AS 04.21.010 in 2019 or 2020?

Yes ☐ No ☒

If you checked YES, you MUST attach a list of all Notices of Violation and/or Convictions per AS 04.11.270(a)(2)

If you are unsure if you have received any Notices of Violation, contact the office before submitting this form.

AMCO

DEC 14 2020



Alaska Alcohol Beverage Control Board


Form AB-17: 2021/2022 License Renewal Application

Section 6 – Certifications

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

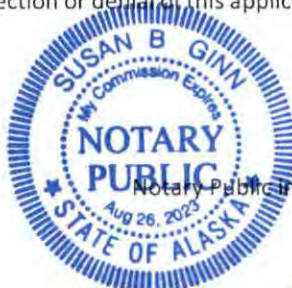
- I agree to provide all information required by the Alcoholic Beverage Control Board or requested by AMCO staff in support of this application and understand that failure to do so by any deadline given to me by AMCO staff will result in this application being returned and potentially expired if I do not comply with statutory or regulatory requirements.
- I certify that all current licensees (as defined in AS 04.11.260) and affiliates have been listed on this application, and that in accordance with AS 04.11.450, no one other than the licensee(s) has a direct or indirect financial interest in the licensed business.
- I certify that this entity is in good standing with Corporations, Business and Professional Licensing (CBPL) and that all entity officials and stakeholders are current and accurately listed, and I have provided AMCO with all required changes of Shareholders (10% or more), Managers, Corporate Officers/Board of Directors, Partners, Controlling Interest or Ownership of the business license, and have provided all required documents for any new or changes in officers.
- I certify that all licensees, agents, and employees who sell or serve alcoholic beverages or check identification of patrons have completed an alcohol server education course approved by the ABC Board and keep current, valid copies of their course completion cards on the licensed premises during all working hours, if applicable for this license type as set forth in AS 04.21.025 and 3 AAC 304.465.
- I certify that I have not altered the functional floor plan or reduced or expanded the area of the licensed premises, and I have not changed the business name from what is currently approved and on file with the Alcoholic Beverage Control Board.

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



Signature of licensee
David C. Allen

Printed name of licensee





Signature of Notary Public

Notary Public in and for the State of: Alaska

My commission expires: Aug. 26, 2023

Subscribed and sworn to before me this 19th day of October, 2020.

Restaurant/Eating Place applications must include a completed AB-33: Restaurant Receipts Affidavit

Recreational Site applications must include a completed Recreational Site Statement

Tourism applications must include a completed Tourism Statement

Wholesale applications must include a completed AB-25: Supplier Certification

All renewal and supplemental forms are available online

Any application that is not complete or does not include **ALL** required completed forms and fees will not be processed and will be returned per AS 04.11.270, 3 AAC 304.105.

FOR OFFICE USE ONLY

License Fee:	\$ <u>300</u>	Application Fee:	\$ 300.00	Misc. Fee:	\$
Total Fees Due:					\$ <u>600</u>

AMCO

DEC 14 2020

Department of Commerce, Community, and Economic Development

CORPORATIONS, BUSINESS & PROFESSIONAL LICENSING

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

ENTITY DETAILS

Name(s)

Type	Name
Legal Name	ALLEN MARINE TOURS, INC.

Entity Type: Business Corporation

Entity #: 50333D

Status: Good Standing

AK Formed Date: 9/24/1992

Duration/Expiration: Perpetual

Home State: ALASKA

Next Biennial Report Due: 1/2/2022

Entity Mailing Address: PO BOX 1049, SITKA, AK 99835

Entity Physical Address: 1512 SAWMILL CREEK RD, SITKA, AK 99835

Registered Agent

Agent Name: DAVID ALLEN

Registered Mailing Address: PO BOX 1049, SITKA, AK 99835

Registered Physical Address: 1512 SAWMILL CREEK RD, SITKA, AK 99835

Officials

☐ Show Former

AK Entity #	Name	Titles	Owned
	DAVID ALLEN	Director, President, Shareholder, Secretary, Treasurer	100.00

Filed Documents

Date Filed	Type	Filing	Certificate
9/24/1992	Creation Filing	Click to View	
10/07/1992	Initial Report	Click to View	
2/07/1994	Biennial Report	Click to View	
2/02/1996	Biennial Report	Click to View	
12/29/1997	Biennial Report	Click to View	
12/30/1999	Biennial Report	Click to View	
12/24/2001	Biennial Report	Click to View	
12/22/2003	Biennial Report	Click to View	
11/07/2005	Biennial Report	Click to View	
8/19/2010	Biennial Report	Click to View	
8/19/2010	Biennial Report	Click to View	
1/05/2011	Biennial Report	Click to View	
6/19/2013	Certificate of Compliance		Click to View
5/12/2014	Biennial Report	Click to View	
12/14/2015	Biennial Report	Click to View	
10/19/2017	Change of Officials	Click to View	
10/19/2017	Agent Change	Click to View	
11/15/2017	Biennial Report	Click to View	
2/28/2020	Biennial Report	Click to View	

Alaska Department of Commerce, Community, and Economic Development

Division of Corporations, Business, and Professional Licensing

PO Box 110806, Juneau, AK 99811-0806

This is to certify that

ALLEN MARINE TOURS, INC

PO BOX 1049, SITKA, AK 99835-1049

owned by

ALLEN MARINE TOURS, INC.

is licensed by the department to conduct business for the period

November 13, 2019 to December 31, 2021
for the following line(s) of business:

48 - Transportation and Warehousing



This license shall not be taken as permission to do business in the state without having complied with the other requirements of the laws of the State or of the United States.

This license must be posted in a conspicuous place at the business location.
It is not transferable or assignable.

Julie Anderson
Commissioner




City and Borough of Sitka

PROVIDING FOR TODAY . . . PREPARING FOR TOMORROW

Coast Guard City, USA

MEMORANDUM

To: Mayor Eisenbeisz and Assembly Members
Thru: John Leach, Municipal Administrator 
From: Sara Peterson, Municipal Clerk
Date: April 19, 2021
Subject: Approve multiple liquor license applications for Pizza Express

Our office has received notification of the following liquor license applications for Pizza Express:

Transfer of Ownership

License Type: Restaurant / Eating Place
Licensee: Hector Barragan
License #: 5204
DBA: Pizza Express
Premises Address: 1321 Sawmill Creek Road Suite E, F, G, H, and I

Transfer To: Pizza Express, LLC
Designated Licensee: Hector Barragan / Luis Acosta
DBA: Pizza Express
Premises Address: 1321 Sawmill Creek Road Suite E, F, G, H, and I

Restaurant Designation Permit Application

License #: 5204
DBA: Pizza Express
License Type: Restaurant / Eating Place
Licensee: Pizza Express, LLC
Premises Address: 1321 Sawmill Creek Road Suite E, F, G, H, and I

This request is for the request of designation as a bona fide restaurant, hotel, or eating place for purposes of AS 04.16.010(c) or AS 04.16.049, and for the request of the following designations:

- Dining by persons 16-20 year of age: AS 04.16.049(a)(2)
- Dining by persons under the age of 16 years, accompanied by a person over the age of 21: AS 04.16.049(a)(3)
- Employment for persons 16 or 17 years of age: AS 04.16.049(c)

Premises Diagram

License #: 5204
DBA: Pizza Express
License Type: Restaurant / Eating Place
Licensee: Pizza Express, LLC
Premises Address: 1321 Sawmill Creek Road Suite E, F, G, H, and I

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

Recommendation:

Approve the transfer of ownership application, restaurant designation permit application, and premises diagram application for Pizza Express, LLC dba Pizza Express at 1321 Sawmill Creek Road Suite E, F, G, H, I, and forward these approvals to the Alcoholic Beverage Control Board without objection.



City and Borough of Sitka

PROVIDING FOR TODAY...PREPARING FOR TOMORROW

Coast Guard City, USA

MEMORANDUM

To: Utility Billing Clerk – Erica
Collections - Carolyn
Municipal Billings – Erica
Sales Tax/Property Tax - Justin
Fire Department
Police Department
Building Official(s)

From: Sara Peterson, Municipal Clerk

Date: April 12, 2021

Subject: Pizza Express Liquor License - Transfer of Ownership, Restaurant Designation Permit, Premises Diagram

The Municipal Clerk's Office has been notified by the Alcohol and Marijuana Control Office of the following liquor license applications for Pizza Express:

Transfer of Ownership

License Type: Restaurant / Eating Place
Licensee: Hector Barragan
License #: 5204
DBA: Pizza Express
Premises Address: 1321 Sawmill Creek Road Suite E, F, G, H, and I

Transfer To: Pizza Express, LLC
Designated Licensee: Hector Barragan / Luis Acosta
DBA: Pizza Express
Premises Address: 1321 Sawmill Creek Road Suite E, F, G, H, and I

Restaurant Designation Permit Application

License #: 5204
DBA: Pizza Express
License Type: Restaurant / Eating Place
Licensee: Pizza Express, LLC
Premises Address: 1321 Sawmill Creek Road Suite E, F, G, H, and I

This request is for the request of designation as a bona fide restaurant, hotel, or eating place for purposes of AS 04.16.010(c) or AS 04.16.049, and for the request of the following designations:

- Dining by persons 16-20 year of age: AS 04.16.049(a)(2)
- Dining by persons under the age of 16 years, accompanied by a person over the age of 21: AS 04.16.049(a)(3)
- Employment for persons 16 or 17 years of age: AS 04.16.049(c)

Premises Diagram

License #: 5204
DBA: Pizza Express
License Type: Restaurant / Eating Place
Licensee: Pizza Express, LLC
Premises Address: 1321 Sawmill Creek Road Suite E, F, G, H, and I

Please notify no later than **noon on Monday, April 19** of any reason to protest these requests which are scheduled to go before the Assembly on April 27.



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community,
and Economic Development

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

April 2, 2021

City and Borough of Sitka

VIA Email: sara.peterson@cityofsitka.org ; jessica.earnshaw@cityofsitka.org

License Type:	Restaurant/Eating Place	License Number:	5204
Licensee:	Pizza Express LLC		
Doing Business As:	Pizza Express		
Premises Address:	1321 Sawmill Creek Road, Ste E, F, G, H, & I		

☐ New Application

☒ Transfer of Ownership Application

☐ Transfer of Location Application

☐ Transfer of Controlling Interest Application

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

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

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

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

Sincerely,

Glen Klinkhart, Director

amco.localgovernmentonly@alaska.gov



Alaska Alcoholic Beverage Control Board

Form AB-01: Transfer License Application

What is this form?

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

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

Section 1 - Transferor Information

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

Licensee:	Hector Barragan	License #:	5204		
License Type:	Restaurant / Eating Place	Statutory Reference:	4.11.100		
Doing Business As:	Pizza Express				
Premises Address:	1321 Sawmill Cr. Rd. Ste. E, F, G, H & I				
City:	Sitka	State:	AK	ZIP:	99835
Local Governing Body:	Sitka				

Transfer Type:

- ☒ Regular transfer
☐ Transfer with security interest
☐ Involuntary retransfer

OFFICE USE ONLY

Complete Date:		Transaction #:	1370660 & 1370662
Board Meeting Date:		License Years:	
Issue Date:		BRE:	



Alaska Alcoholic Beverage Control Board

Form AB-01: Transfer License Application**Section 2 – Transferee Information**Enter information for the **new** applicant and/or location seeking to be licensed.

Licensee:	Pizza Express, LLC				
Doing Business As:	Pizza Express				
Premises Address:	1321 Sawmill Cr. Rd., Ste. E, F, G, H & I				
City:	Sitka	State:	AK	ZIP:	99835
Community Council:	None				

Mailing Address:	1321 Sawmill Cr. Rd., Ste E, F, G, H & I				
City:	Sitka	State:	AK	ZIP:	99835

Designated Licensee:	Hector Barragan / Luis Acosta				
Contact Phone:	966-2428	Business Phone:	966-2430		
Contact Email:	hbarragan@acsalaska.net				

Seasonal License? ☐ Yes ☒ No If "Yes", write your six-month operating period: _____

Section 3 – Premises Information

Premises to be licensed is:

☒ an existing facility ☐ a new building ☐ a proposed building

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

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

Over 1 mile

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

Over 1 mile



Alaska Alcoholic Beverage Control Board

Form AB-01: Transfer License Application**Section 4 – Sole Proprietor Ownership Information**

This section must be completed by any sole proprietor who is applying for a license. Entities should skip to Section 5.

If more space is needed, please attach a separate sheet with the required information.

The following information must be completed for each licensee and each affiliate (spouse).

This individual is an: ☐ applicant ☐ affiliate

Name:					
Address:					
City:		State:		ZIP:	

This individual is an: ☐ applicant ☐ affiliate

Name:					
Address:					
City:		State:		ZIP:	

Section 5 – Entity Ownership Information

This section must be completed by any entity, including a corporation, limited liability company (LLC), partnership, or limited partnership, that is applying for a license. Sole proprietors should skip to Section 6.

If more space is needed, please attach a separate sheet with the required information.

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

Entity Official:	Hector Barragan				
Title(s):	Member	Phone:	907-738-2030	% Owned:	50
Address:	1321 Sawmill Creek Rd, Ste E, F, G, H, I				
City:	Sitka	State:	AK	ZIP:	99835



Alaska Alcoholic Beverage Control Board

Form AB-01: Transfer License Application

Entity Official:	Luis Acosta				
Title(s):	Member	Phone:	907-379-6259	% Owned:	50
Address:	1321 Sawmill Cr. Rd., Ste E,F,G,H&I				
City:	Sitka	State:	AK	ZIP:	99835

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

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

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

DOC Entity #:	10103715	AK Formed Date:	4/8/19	Home State:	AK
Registered Agent:	Hector Barragan	Agent's Phone:	907-966-2428		
Agent's Mailing Address:	1321 Sawmill Cr. Rd., Ste E,F,G,H&I				
City:	Sitka	State:	AK	ZIP:	99835

Residency of Agent:

Yes No

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

☒ ☐



Alaska Alcoholic Beverage Control Board

Form AB-01: Transfer License Application

Section 6 – Other Licenses

Ownership and financial interest in other alcoholic beverage businesses:

Yes No

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

☐ ☒

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

Section 7 – Authorization

Communication with AMCO staff:

Yes No

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

☒ ☐

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

Brita Speck, attorney for Pizza Express, LLC
PO Box 6458
Sitka AK 99835
907-747-3750



Alaska Alcoholic Beverage Control Board

Form AB-01: Transfer License Application

Section 8 – Transferor Certifications

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

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


Signature of transferor

Hector Barragan
Printed name of transferor

Subscribed and sworn to before me this 10th day of October, 2020



Signature of Notary Public



Notary Public in and for the State of Alaska

My commission expires: 1/10/22

Signature of transferor

Printed name of transferor

Subscribed and sworn to before me this _____ day of _____, 20____.

Signature of Notary Public

Notary Public in and for the State of _____

My commission expires: _____



Alaska Alcoholic Beverage Control Board

Form AB-01: Transfer License Application

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

Section 9 – Transferee Certifications

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

Initials

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

LMA

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

LMA

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

LMA

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

LMA

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

LMA

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

Luis Miguel Acosta
Signature of transferee

Luis Acosta
Printed name

Subscribed and sworn to before me this 16 day of October, 2020.

[Signature]

Signature of Notary Public



Notary Public in and for the State of Alaska

My commission expires: 1-18-21



Alaska Alcoholic Beverage Control Board

Form AB-01: Transfer License Application**Section 9 – Transferee Certifications**

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

Initials

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

HB

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

HB

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

HB

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

HB

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

HB

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



Signature of transferee

Hector Berragan

Printed name

Subscribed and sworn to before me this 16 day of October, 2020


Signature of Notary Public

Notary Public in and for the State of AlaskaMy commission expires: 1-18-22



Alaska Alcoholic Beverage Control Board

Form AB-02: Premises Diagram**What is this form?**

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

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

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

Yes No

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

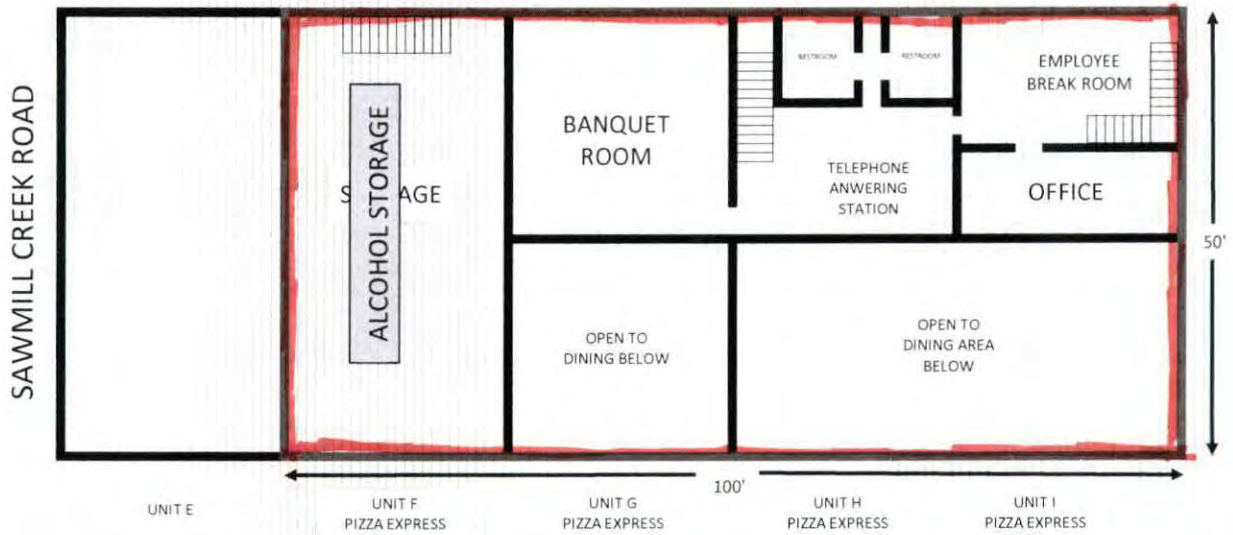
**Section 1 - Establishment Information**

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

Licensee:	Pizza Express, LLC	License Number:	5204
License Type:	Restaurant / Eating Place		
Doing Business As:	Pizza Express		
Premises Address:	1321 Sawmill Cr. Rd. Suite E, F, G, H & I		
City:	Sitka	State:	AK
		ZIP:	99835

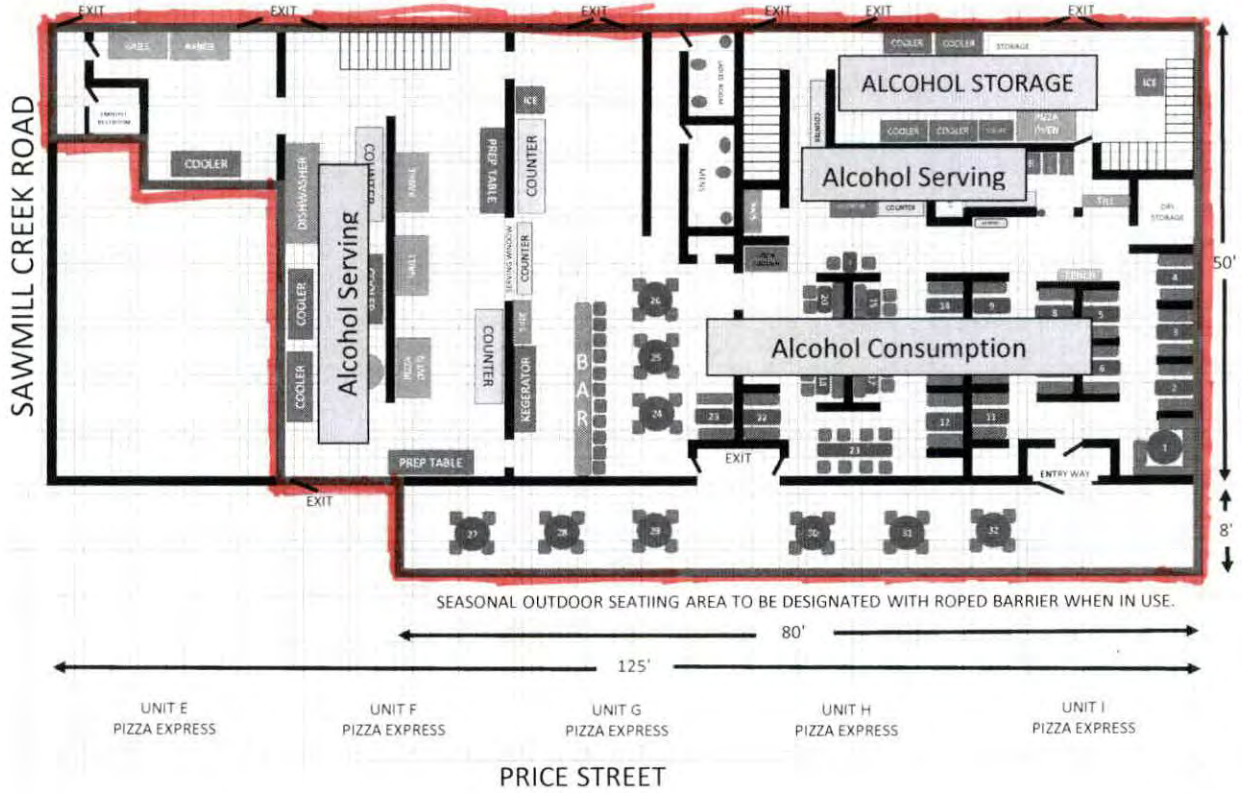
RED LINE AREA

PIZZA EXPRESS, 2ND FLOOR LAYOUT, UNITS F, G, H AND I. LOCATED AT 1321 SAWMILL CREEK ROAD SITKA, AK 99835



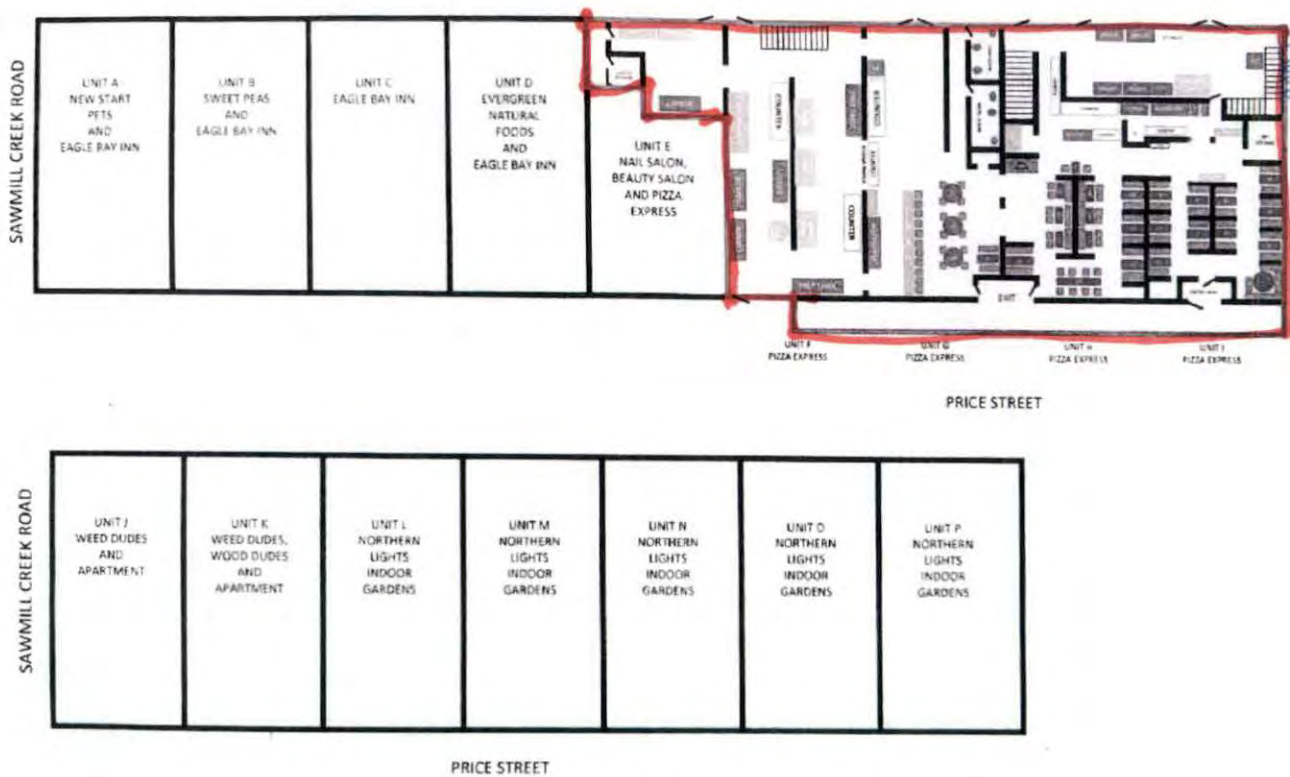
PRICE STREET

PIZZA EXPRESS, GROUND FLOOR LAYOUT, UNITS E, F, G, H AND I. LOCATED AT 1321 SAWMILL CREEK ROAD SITKA, AK 99835



AMCO NORTH

FEB 25 2021



SAWMILL CREEK PLAZA 1321 SAWMILL CREEK ROAD, Units A through P, SITKA, AK 99835

AMCO

FEB 25 2021

Pizza Express

Alcohol Policies for serving and security purposes

The following policies are effective as of 4/16/20 and may be updated or modified as needed in the future.

Servers

All servers of alcoholic beverages, their supervisors, and persons providing security must be 21 years of age or older and provide Pizza Express with proof of receiving an approved alcohol server training (TAPS) either before or within the first thirty days of employment. Each server, supervisor, or security person must renew their TAPS training certification every three years and provide Pizza Express with a copy the renewed certificate. You must have your current TAPS card on your person when working and or a copy of your current TAPS card needs to be on file at Pizza Express while you are working.

Employees ages 16-20 MAY NOT serve alcohol, they may however clear tables of and wash dishes of empty or partially emptied alcoholic containers; provided any remaining alcohol is immediately dumped into a waste drain or waste container. Employees ages 16-20 when performing these duties must also be supervised by an employee that is 21 years or older and TAPS certified.

Employees must physically check the ID of anyone ordering an alcoholic beverage that does not appear to be well over the age of 21.

No minor or intoxicated person shall be served alcoholic beverages. Employees who willfully violate this policy will be terminated immediately. Serving under aged and intoxicated persons is unlawful and can have criminal penalties.

Furthermore, if an intoxicated person, after leaving our establishment, should be involved in an accident the injured parties may file a lawsuit against the company and YOU.

AMCO

FEB 25 2021

Despite all your good efforts, a customer may become intoxicated and should not be served additional alcohol. If this occurs, every effort should be made to stop alcohol service. Here are some suggestions to use when “cutting off” a customer.

- Avoid a confrontation.
- Do not attempt any physical confrontation.
- Make the manager and all personnel aware of the problem.
- Bring menus to the table or casually suggest an appetizer.
- Suggest an alternative form of transportation. If the patron insists on driving report this to your supervisor at once.

Always remember-there is no reason over service should occur. Use your own “common sense” as well as what you have learned in your TAP Server Certification course and the above helpful hints, and there should never be a problem

SECURITY

Boundaries - No alcohol is permitted outside of the “red line”, the red line area is that area inside of the walls and doors of the establishment. *Please see attached drawing with red line location.* It is every employee’s responsibility watch for and if needed, inform patrons that they cannot take alcohol outside of the red line.

There is one outside exception to the “walls and doors” red line boundary. Seasonally or during good weather, we may (when decided by management) put up additional seating outside where alcohol service may occur. This area is also outlined in an attached redline drawing, look it over so you are familiar with all the boundaries. The outdoor seating area, when open, shall be clearly marked with roped off boundaries approximately 3’ high and signage stating no alcohol beyond this point. It is every employee’s responsibility watch for and, if needed, inform patrons that they cannot take alcohol outside of this red line area as well when open.

Cameras- several security cameras are placed throughout establishment and record continuously, 24 x 7. Copies of the recordings are backed up, in the office, if management, law enforcement or other authorities should need to review them.



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

Alaska Alcoholic Beverage Control Board

Form AB-03: Restaurant Designation Permit Application

What is this form?

A restaurant designation permit application is required for a licensee desiring designation under 3 AAC 304.715 – 3 AAC 304.795 as a bona fide restaurant, hotel, or eating place for purposes of AS 04.16.010(c) or AS 04.16.049. Designation will be granted only to a holder of a beverage dispensary, club, recreational site, golf course, or restaurant or eating place license, and only if the requirements of 3 AAC 304.305, 3 AAC 304.725, and 3 AAC 304.745, as applicable, are met. A **menu** or expected menu listing the meals, including entrees prepared onsite and offered to patrons, and copy of the DEC Food Service Permit (or corresponding DHHS documentation for licenses located in the Municipality of Anchorage) must accompany this form. Applicants should review AS 04.16.049 – AS 04.16.052 and 3 AAC 304.715 – 3 AAC 304.795. All fields of this form must be completed. The required \$50 permit fee may be made by credit card, check, or money order.

Section 1 – Establishment Information

Enter information for licensed establishment.

Licensee:	Pizza Express, LLC.				
License Type:	Resturant Eating Place	License Number:	5204		
Doing Business As:	Pizza Express				
Premises Address:	1321 Sawmill Creek Road Suite E,F,G,H,I				
City:	Sitka	State:	AK	ZIP:	99835
Contact Name:	Hector Barragan	Contact Phone:	907-966-2428		

Section 2 – Type of Designation Requested

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

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

OFFICE USE ONLY			
Transaction #:		Initials:	



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

Alaska Alcoholic Beverage Control Board

Form AB-03: Restaurant Designation Permit Application

Section 3 – Minor Access

Review AS 04.16.049(a)(2); AS 04.16.049(a)(3); AS 04.16.049(c)

List where within the premises minors are anticipated to have access in the course of either dining or employment as designated in Section 2. (Example: Minors will only be allowed in the dining area. OR Minors will only be employed and present in the Kitchen.)

Minors will only be allowed in the dining area except for employees. Employed minors will be allowed in the dining and kitchen area.

Describe the policies, practices and procedures that will be in place to ensure that minors do not gain access to alcohol while dining or employed at your premises.

See alcohol policy attached.

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

Yes No

☒ ☐

Section 4 – DEC Food Service Permit

Per 3 AAC 304.910 for an establishment to qualify as a Bona Fide Restaurant, a Food Service Permit or (for licenses within the Municipality of Anchorage) corresponding Department of Health and Human Services documentation is required.

Please follow this link to the DEC Food Safety Website: <http://dec.alaska.gov/eh/fss/food/>

Please follow this link to the Municipality Food Safety Website:

<http://www.muni.org/Departments/health/Admin/environment/FSS/Pages/fssfood.aspx>

If you are unable to certify the below statement, please discuss the matter with the AMCO office:

Initials

I have attached a copy of the current food service permit for this premises OR the plan review approval.

HB

**Please note, if a plan review approval is submitted, a final permit will be required before finalization of any permit or license application.*



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

Alaska Alcoholic Beverage Control Board

Form AB-03: Restaurant Designation Permit Application

Section 5 – Hours of Operation

Review AS 04.16.010(c).

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

Between 9am and 2am seven days a week.

Section 6 – Entertainment & Service

Review AS 04.11.100(g)(2)

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

Yes ☒ No ☐

If "Yes", describe the entertainment offered or available and the hours in which the entertainment may occur:

Live music may be offered from 3:00PM-11:00PM

Food and beverage service offered or anticipated is:

☒ table service ☐ buffet service ☐ counter service ☐ other

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



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

Alaska Alcoholic Beverage Control Board

Form AB-03: Restaurant Designation Permit Application

Section 7 – Certifications and Approvals

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

Initials

There are tables or counters at my establishment for consuming food in a dining area on the premises.

HB

I have included with this form a menu, or an expected menu, listing the meals to be offered to patrons.
This menu includes entrees that are regularly sold and prepared by the licensee at the licensed premises.

HB

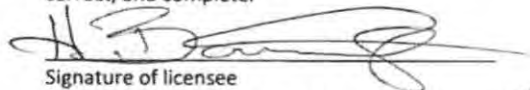
I certify that the license for which I am requesting designation is either a beverage dispensary, club, recreational site, golf course, or restaurant or eating place license.

HB

I have included with this application a copy of the most recent AB-02 or AB-14 for the premises to be permitted.
(AB-03 applications that accompany a new or transfer license application will
not be required to submit an additional copy of their premises diagram.)

HB

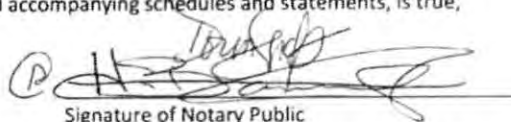
I declare under penalty of perjury that this form, including all attachments and accompanying schedules and statements, is true, correct, and complete.



Signature of licensee

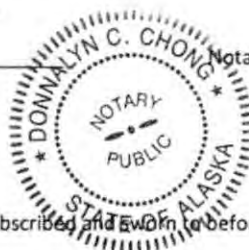
Hector Barragan

Printed name of licensee



Signature of Notary Public

Notary Public in and for the State of ALASKA



My commission expires: 12-08-2020

Subscribed and sworn to before me this 15th day of May, 2020

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

Approved

Denied

☐☐

Signature of local government official

Date

Printed name of local government official

Title



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

Alaska Alcoholic Beverage Control Board

Form AB-03: Restaurant Designation Permit Application

AMCO Enforcement Review:

Enforcement Recommendation:

Approve

Deny

☐☐

Signature of AMCO Enforcement Supervisor

Printed name of AMCO Enforcement Supervisor

Date

Enforcement Recommendations:

AMCO Director Review:

Approved

Denied

☐☐

Signature of AMCO Director

Printed name of AMCO Director

Date

Limitations:

AMCO

FEB 25 2021

Pizza Express
Authentic Mexican Food & Homemade Pizza

OPEN DAILY FOR LUNCH AND DINNER,
DINE-IN, CARRY-OUT & FREE DELIVERY

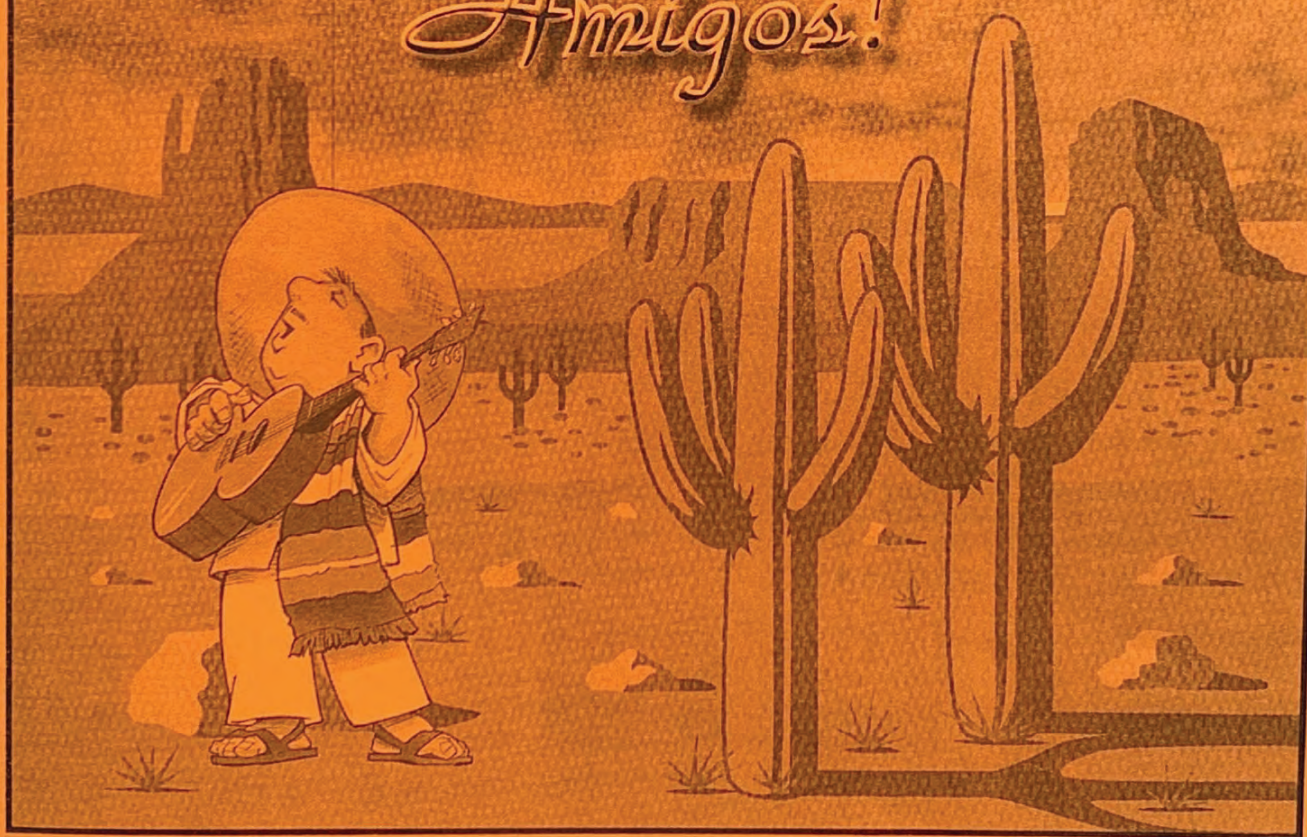
1321 Sawmill Creek Rd.
Sitka, Alaska 99835
(907)966-2428



Pizza Express

Authentic Mexican Food & Homemade Pizza

*Bienvenidos
Amigos!*



Appetizers

Nachos	\$12.95
Chips topped with melted cheese & jalapenos	
Super Nachos	Half Order \$9.50
Chips covered with beans & your choice of ground beef, shredded beef or chicken, then topped with cheese, jalapenos, diced tomatoes, black olives, green onions & served with guacamole & sour cream.	
Onion Rings Appetizer with Ranch	\$8.75
Tostaditas	Half Order \$9.50
Chips covered with beans, your choice of meat, topped w/ lettuce, diced tomatoes, black olives, green onions cheese & jalapenos.	
Quesadilla	Full
Grilled flour tortillas filled with melted cheese	Half
Quesadilla Deluxe	Full
Grilled flour tortillas filled with cheese & your choice of meat, topped with sour cream & guacamole.	
House Appetizer	\$17.95
Combination of nachos, quesadillas, taquitos & flautas, served with sour cream, guacamole, garnished with black olives, tomatoes, jalapenos & green onions.	
Bread Sticks (8)	\$10.25
Homemade breadsticks, covered with parmesan cheese, served with marinara sauce.	
Mozzarella Sticks (8)	\$10.25
Breaded cheese sticks served with marinara sauce.	
Chicken Tenders (5)	\$12.50
Breaded chicken strips, served with french fries and honey mustard.	
Jalapeno Poppers (6)	\$9.00
Taquitos Appetizer (4)	\$12.75
Corn Tortilla filled with your choice of meat, with sour cream and guacamole.	
Chicken Wings	\$10.75
Choice of Diablo spicy, crispy, BBQ sauce or Habanero sweet sauce.	
Greek Bread	\$11.25
Topped with garlic butter, parmesan cheese and oregano served w/ ranch dressing.	
Sampler Plate	\$18.50
3 Jalapeno Poppers, 3 Mozzarella sticks, 3 Chicken tenders, 3 Crispy Wings.	
Served with French Fries, ranch & honey mustard.	

Children's Menu (10 Years & Younger)

Mexican Food
Served with Rice & Beans

Taco • Enchilada • Burritos • Quesadilla

Choice of One	\$9.50
Kids Nachos	\$8.25
Hamburger with Fries	\$9.00
Cheeseburger with Fries	\$9.95
Chicken Strips with Fries	\$10.95
Fish with Fries	\$11.95
Mini Pizza (Choice of three toppings)	\$11.00
Kids Spaghetti & Garlic Bread	\$10.25

Mexican Lunch Specials

Served until 3 p.m.
All served with rice & beans

Enchilada • Quesadilla • Taco • Flauta • Burrito • Taquito	
Choice of One	\$10.25
Choice of Two	\$12.50
Tostada	\$11.85
Tamale (1)	\$12.00
Mini Chimichanga	\$12.00
Chile Relleno (1)	\$12.00
Beef or Chicken Fajitas	\$13.25
Shrimp Fajitas	\$15.50
Huevos Rancheros	\$11.95
Two eggs over medium on a flat tortilla, covered with ranchero sauce and cheese, accompanied by guacamole and sourcream.	

Pasta

Served with Small Green Salad & Garlic Bread

Spaghetti with Meat Sauce	\$16.25
Spaghetti with Meat Balls	\$18.50
Ravioli with Meat Sauce	\$16.25
Lasagna	\$17.50
Ravioli or Spaghetti with Marinara Sauce	\$15.00

Fish

Battered Halibut Fillets with Fries or Salad	\$17.00
--	---------

Hot Sandwiches

All Sandwiches served with french fries,
jojos, or green salad. (Onions rings for an extra \$1)

Alpine Sub	\$12.00
Hot sub sandwich with mayonnaise, Canadian bacon, pepperoni, melted cheese, lettuce & tomatoes.	
Meatball Sub	\$12.00
Hot homemade meatball sub with marinara sauce & cheese.	
Steak Sandwich Sub	\$14.85
Thin cut of steak with mayonnaise, cheese, lettuce & tomatoes.	
Turkey Sub	\$12.65
Hot sub of sliced turkey, melted cheese, mayonnaise, with lettuce & tomatoes.	
Club Sub	\$13.00
Ham, turkey, bacon, mayonnaise, cheese with lettuce & tomatoes.	
Texas Burger	\$14.60
Two beef patties topped with a stack of onion rings, cheese, onions, lettuce, tomato, on Texas toast, and BBQ sauce on the side.	
Burger Deluxe	\$12.95
Burger with ham & cheese.	
Double Cheeseburger	\$14.00
Two beef	patties
Hamburger	\$10.75
Cheeseburger	\$11.50
Bacon Cheeseburger	\$13.00
Mushroom Cheeseburger	\$13.00
Jalapeno Cheeseburger	\$13.00
Guacamole Burger	\$13.75
Beef patty covered with guacamole & garnish.	
Gyro Sandwich	\$12.00
Grilled Chicken Burger	\$11.50
French Dip Sandwich	\$12.65
Chicken Wrap	\$12.00
Chicken, onions, tomatoes, avocado, lettuce, cheese and ranch dressing.	
Chicken or Beef Fajita Wrap	\$12.95
12" flour tortilla with chicken or beef, sour cream and guacamole.	
Halibut Wrap	\$14.85
Halibut, onions, tomatoes, avocado, lettuce, cheese and ranch dressing.	



A la Carte

Tostada	\$8.75
Taco (1)	\$4.25
Chile Relleno (1)	\$6.00
Enchilada (1)	\$4.50
Flauta (1)	\$6.00
Taquito (1)	\$5.75
Tamale (1)	\$5.75
Fish Taco (1)	\$6.75

Side Orders

French Fries	\$6.00
Tortillas (3)	\$2.75
Mexican Rice	\$6.50
Beans	\$6.50
Chips & Salsa	\$7.00
Guacamole	\$6.75
Sour Cream	\$3.75
Jalapenos	\$3.75
Salad Dressing	\$3.75
Pico de Gallo	\$3.75

Homemade Pizza

Pizza Toppings

Italian Sausage

Artichoke

Jalapenos

Ground Beef

Shrimp

Chicken

Spinach

Black Olives

Pepperoni

Canadian Bacon

Onions

Fresh Tomatoes

Pineapple

Anchovies - \$4.⁵⁰

Pepperoncini

Mushrooms

Green Peppers

Feta Cheese

Extra Cheese

Extra Crust



Local Baranof
Brewing Rootbeer
\$3.75

"Jarritos"
Mexican Soda
\$3.25

Fruit Punch
Madarin
Pineapple
Mango
Lime
Strawberry
Tamarind
Grapefruit
Apple

Desserts

Sopapillas \$9.85
Flan \$7.00
Mudpie \$9.85
Deep-Fried Ice Cream \$10.00
Cheesecake Xango \$7.25
Churros \$10.95
Sweet Pieces of fried dough rolled in hot cinnamon and sugar with a crunchy outside and a warm, soft center. Served with a bowl of vanilla icecream.

Drinks

Milk - lg \$3.95
Orange, Apple, Cranberry Juice \$3.75
Coffee \$2.75
Hot Tea \$2.75
Hot Chocolate \$2.75
Ice Tea \$3.50
Mex. Liquados \$5.95

Fountain Drinks:

Coke, Diet Coke, Cherry
Coke, Lemonade,
Sprite, Root Beer
Large \$3.00

Create your own pizza

	12" Small	14" Medium	16" Large	18" X-Large
One Topping.....	\$15.00	\$17.00	\$20.00	\$24.50
Extra Toppings.....	\$2.00	\$2.50	\$2.75	\$3.75

Specialty Pizzas:

Hawaiian Delight ~ Canadian bacon & pineapple

Meat Lovers ~ Canadian bacon, pepperoni, Italian sausage, ground beef

Butter Crust ~ Garlic & butter base, Canadian bacon, pepperoni, mushrooms, onions & feta cheese

Vegetarian ~ Mushrooms, black olives, green peppers, onions & tomatoes

Veggie Pesto ~ Mushrooms, black olives, green peppers, onions, artichokes and pesto sauce

Garlic Chicken Pizza ~ White sauce, pieces of chicken with fresh garlic & mushrooms

Taco Pizza ~ Ground beef & beans topped with lettuce, tomatoes, black olives & cheddar cheese

Barbecue Chicken Pizza ~ Chicken in barbecue sauce

Hawaiian Barbecue Chicken Pizza ~ Chicken in barbecue sauce with onions & pineapple

Chicken Fajita Pizza ~ White sauce, chicken fajita meat, green & red peppers, mushrooms & onions

Chicken Diablo Pizza ~ Spicy chicken, red peppers, mushrooms and ranch sauce

Chicken Ranch Pizza ~ Ranch sauce, chicken and mushrooms

Express Deluxe ~ Pepperoni, Canadian bacon, Italian sausage, black olives & green peppers

Mafia ~ Pesto sauce, chicken, garlic, artichoke, tomatoes, feta cheese

Juan's Special ~

Pepperoni, Canadian bacon, Italian Sausage, mushrooms, black olives, green peppers, fresh tomatoes & extra cheese

Potato Delight ~

Ranch sauce, potatoes, diced tomatoes, green onions & bacon

Pizza Pie ~

Cream Cheese, pepperoni, Canadian bacon, Italian sausage, mushrooms, black olives, green peppers

Pizza Primavera

White sauce, chicken, spinach, ricotta, feta cheese, pepperoncinis, and red bell peppers on a thin crust

Mama Mia ~

Extra large pizza with pepperoni, Canadian bacon, Italian sausage, mushrooms, black olives, green peppers, onions, pineapple, fresh tomatoes & extra cheese

Deluxe Calzone \$18.75

Pocket pizza filled with pizza sauce, ricotta cheese, pepperoni, Canadian bacon, mushrooms, black olives, green peppers & onions.

Create your own Calzone \$18.75

With up to seven toppings.

We are not responsible for lost or stolen items

~

We retain the right to refuse service to anyone for any reason.

Pizza Express
Authentic Mexican Food & Homemade Pizza

OPEN DAILY FOR LUNCH AND DINNER,
DINE-IN, CARRY-OUT & FREE DELIVERY

1321 Sawmill Creek Rd.
Sitka, Alaska 99835
(907)966-2428



Pizza Express

Authentic Mexican Food & Homemade Pizza

*Bienvenidos
Amigos!*



Appetizers

Nachos	\$12.95
Chips topped with melted cheese & jalapenos	
Super Nachos	Half Order \$9.50 \$17.00
Chips covered with beans & your choice of ground beef, shredded beef or chicken, then topped with cheese, jalapenos, diced tomatoes, black olives, green onions & served with guacamole & sour cream.	
Onion Rings Appetizer with Ranch	\$8.75
Tostaditas	Half Order \$9.50 \$17.00
Chips covered with beans, your choice of meat, topped w/ lettuce, diced tomatoes, black olives, green onions cheese & jalapenos.	
Quesadilla	Full \$12.50
Grilled flour tortillas filled with melted cheese	Half \$9.00
Quesadilla Deluxe	Full \$12.50
.....	Half \$9.00
Grilled flour tortillas filled with cheese & your choice of meat, topped with sour cream & guacamole.	
House Appetizer	\$17.95
Combination of nachos, quesadillas, taquitos & flautas, served with sour cream, guacamole, garnished with black olives, tomatoes, jalapenos & green onions.	
Bread Sticks (8)	\$10.25
Homemade breadsticks, covered with parmesan cheese, served with marinara sauce.	
Mozzarella Sticks (8)	\$10.25
Breaded cheese sticks served with marinara sauce.	
Chicken Tenders (5)	\$12.50
Breaded chicken strips, served with french fries and honey mustard.	
Jalapeno Poppers (6)	\$9.00
Taquitos Appetizer (4)	\$12.75
Corn Tortilla filled with your choice of meat, with sour cream and guacamole.	
Chicken Wings	\$10.75
Choice of Diablo spicy, crispy, BBQ sauce or Habanero sweet sauce.	
Greek Bread	\$11.25
Topped with garlic butter, parmesan cheese and oregano served w/ ranch dressing.	
Sampler Plate	\$18.50
3 Jalapeno Poppers, 3 Mozzarella sticks, 3 Chicken tenders, 3 Crispy Wings.	
Served with French Fries, ranch & honey mustard.	

Children's Menu (10 Years & Younger)

Mexican Food
Served with Rice & Beans

Taco • Enchilada • Burritos • Quesadilla

Choice of One	\$9.50
Kids Nachos	\$8.25
Hamburger with Fries	\$9.00
Cheeseburger with Fries	\$9.95
Chicken Strips with Fries	\$10.95
Fish with Fries	\$11.95
Mini Pizza (Choice of three toppings)	\$11.00
Kids Spaghetti & Garlic Bread	\$10.25

Mexican Lunch Specials

Served until 3 p.m.

All served with rice & beans

Enchilada • Quesadilla • Taco • Flauta • Burrito • Taquito	
Choice of One	\$10.25
Choice of Two	\$12.50
Tostada	\$11.85
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Chile Relleno (1)	\$12.00
Beef or Chicken Fajitas	\$13.25
Shrimp Fajitas	\$15.50
Huevos Rancheros	\$11.95
Two eggs over medium on a flat tortilla, covered with ranchero sauce and cheese, accompanied by guacamole and sourcream.	

Pasta

Served with Small Green Salad & Garlic Bread

Spaghetti with Meat Sauce	\$16.25
Spaghetti with Meat Balls	\$18.50
Ravioli with Meat Sauce	\$16.25
Lasagna	\$17.50
Ravioli or Spaghetti with Marinara Sauce	\$15.00

Fish

Battered Halibut Fillets with Fries or Salad	\$17.00
--	---------

Hot Sandwiches

All Sandwiches served with french fries,
jojos, or green salad. (Onions rings for an extra \$1)

Alpine Sub	\$12.00
Hot sub sandwich with mayonnaise, Canadian bacon, pepperoni, melted cheese, lettuce & tomatoes.	
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Hot homemade meatball sub with marinara sauce & cheese.	
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Thin cut of steak with mayonnaise, cheese, lettuce & tomatoes.	
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Hot sub of sliced turkey, melted cheese, mayonnaise, with lettuce & tomatoes.	
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Ham, turkey, bacon, mayonnaise, cheese with lettuce & tomatoes.	
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Two beef patties topped with a stack of onion rings, cheese, onions, lettuce, tomato, on Texas toast, and BBQ sauce on the side.	
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Burger with ham & cheese.	
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Two	beef patties
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Mushroom Cheeseburger	\$13.00
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Beef patty covered with guacamole & garnish.	
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12" flour tortilla with chicken or beef, sour cream and guacamole.	
Halibut Wrap	\$14.85
Halibut, onions, tomatoes, avocado, lettuce, cheese and ranch dressing.	



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Beans	\$6.50
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Guacamole	\$6.75
Sour Cream	\$3.75
Jalapenos	\$3.75
Salad Dressing	\$3.75
Pico de Gallo	\$3.75

Homemade Pizza

Pizza Toppings

Italian Sausage

Artichoke

Jalapenos

Ground Beef

Shrimp

Chicken

Spinach

Black Olives

Pepperoni

Canadian Bacon

Onions

Fresh Tomatoes

Pineapple

Anchovies - \$4.⁵⁰

Pepperoncini

Mushrooms

Green Peppers

Feta Cheese

Extra Cheese

Extra Crust



Local Baranof
Brewing Rootbeer
\$3.75

"Jarritos"
Mexican Soda
\$3.25

Fruit Punch
Madarin
Pineapple
Mango
Lime
Strawberry
Tamarind
Grapefruit
Apple

Desserts

Sopapillas \$9.85
Flan \$7.00
Mudpie \$9.85
Deep-Fried Ice Cream \$10.00
Cheesecake Xango \$7.25
Churros \$10.95
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Hot Chocolate \$2.75
Ice Tea \$3.50
Mex. Liquados \$5.95

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Coke, Lemonade,
Sprite, Root Beer
Large \$3.00

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	12" Small	14" Medium	16" Large	18" X-Large
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Extra Toppings.....	\$2.00	\$2.50	\$2.75	\$3.75

Specialty Pizzas:

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Meat Lovers ~ Canadian bacon, pepperoni, Italian sausage, ground beef

Butter Crust ~ Garlic & butter base, Canadian bacon, pepperoni, mushrooms, onions & feta cheese

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Veggie Pesto ~ Mushrooms, black olives, green peppers, onions, artichokes and pesto sauce

Garlic Chicken Pizza ~ White sauce, pieces of chicken with fresh garlic & mushrooms

Taco Pizza ~ Ground beef & beans topped with lettuce, tomatoes, black olives & cheddar cheese

Barbecue Chicken Pizza ~ Chicken in barbecue sauce

Hawaiian Barbecue Chicken Pizza ~ Chicken in barbecue sauce with onions & pineapple

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Chicken Ranch Pizza ~ Ranch sauce, chicken and mushrooms

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Mafia ~ Pesto sauce, chicken, garlic, artichoke, tomatoes, feta cheese

Juan's Special ~

Pepperoni, Canadian bacon, Italian Sausage, mushrooms, black olives, green peppers, fresh tomatoes & extra cheese

Potato Delight ~

Ranch sauce, potatoes, diced tomatoes, green onions & bacon

Pizza Pie ~

Cream Cheese, pepperoni, Canadian bacon, Italian sausage, mushrooms, black olives, green peppers

Pizza Primavera

White sauce, chicken, spinach, ricotta, feta cheese, pepperoncinis, and red bell peppers on a thin crust

Mama Mia ~

Extra large pizza with pepperoni, Canadian bacon, Italian sausage, mushrooms, black olives, green peppers, onions, pineapple, fresh tomatoes & extra cheese

Deluxe Calzone \$18.75

Pocket pizza filled with pizza sauce, ricotta cheese, pepperoni, Canadian bacon, mushrooms, black olives, green peppers & onions.

Create your own Calzone \$18.75

With up to seven toppings.

We are not responsible for lost or stolen items

~

We retain the right to refuse service to anyone for any reason.



Alaska Food Code 2021 Establishment Permit

Division of Environmental Health
Food Safety & Sanitation Program

Permit Number: 4125
Issued to: **Hector Barragan**
For: **Pizza Express**
For Operation of: **FF-6 Deli/Takeout/Drive-in Food Service**
Located at: **1321 Sawmill Creek RD STE 1 Sitka, AK 99835**

This permit, issued under the provisions of 18 AAC 31, is valid until the noted expiration date or unless suspended or revoked by the department.

This permit is not transferable for change of ownership, facility location, or type of operation. It must be posted in plain view in the establishment and is the property of the State of Alaska.

Expiration Date:
December 31, 2021

Program Manager:

A handwritten signature in black ink, appearing to read "Kimberly S. Brown", is written over the printed name of the Program Manager.

**If you have questions or concerns regarding
safe food handling practices call toll free:**

1-87-SAFE-FOOD

(in Anchorage call 334-2560)





CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 21-06 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 4/6/2021 In control: City and Borough Assembly

On agenda: 4/27/2021 Final action:

Title: Making supplemental appropriations for fiscal year 2021 (Harrigan Centennial Hall A/V Upgrades)

Sponsors:

Indexes:

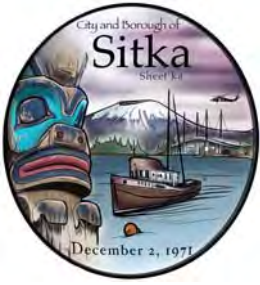
Code sections:

Attachments: [Motion Ord 2021-06](#)
[Memo and Ord 2021-06](#)

Date	Ver.	Action By	Action	Result
4/13/2021	1	City and Borough Assembly		

POSSIBLE MOTION

I MOVE TO approve Ordinance 2021-06 on second and final reading making supplemental appropriations for fiscal year 2021 (Harrigan Centennial Hall A/V Upgrades).




City and Borough of Sitka

PROVIDING FOR TODAY...PREPARING FOR TOMORROW

Coast Guard City, USA

MEMORANDUM

To: Mayor Eisenbeisz and Assembly Members

Thru: John Leach, Municipal Administrator 

From: Antonio Rosas, Harrigan Centennial Hall Manager

Date: April 5, 2021

Subject: Harrigan Centennial Hall Supplemental Funds Request for Audio/Visual Equipment Replacement

Background

The renovation of Harrigan Centennial Hall (HCH) was completed in 2016, including a complete upgrade of all audio and video (A/V) systems throughout the building. During the remodel, we were informed that because of the frequency of usage, certain A/V equipment normally has a replacement life of approximately 5 years.

A pivotal piece of this equipment are the encoders and decoders which are now beginning to fail. One performs encoding of the original information signal from your computer, while the other decodes the coded data in order to have the exact message signal transmitted through our TV monitors. Unfortunately, the company that produced those 5 years ago has now been sold three times over, so our currently installed encoder/decoders have become obsolete in the A/V market. No one sells or repairs them anymore. Upgraded replacements are needed.

Installation of the A/V systems were completed by Dimensional Communications, Inc. (DCI). Since the remodel, DCI has continued to upgrade equipment and programming through yearly visits and on demand service phone calls. DCI is very familiar with all A/V equipment, programming and written code that is specific to HCH and CBS needs.

Analysis

HCH is in need of A/V upgrades that stem from failing equipment that has exceeded its installed life expectancy. Estimated costs are \$65,000 for replacements, labor and travel.

Fiscal Note

Ensuring seamless electronic systems in Harrigan Centennial Hall is especially important in light of the pandemic and the fact that we are relying more heavily on remote participation and viewing of events. While this upgrade would have been allowable under CARES funding, we are closing out our CARES funding and this project would delay that process. As we did not fully expend the amount allocated for CBS mitigation, based on guidance from Treasury, we have allocated all remaining amounts to our public safety costs. This essentially improves the General Fund's bottom line as these were already budgeted costs. While we could cover these funds with CARES funding, we would extend reporting and incur additional audit costs if we push into FY22.

Recommendation

Approve the supplemental capital appropriation of \$65,000 for the replacement of encoders and decoders.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2021-06

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA MAKING SUPPLEMENTAL
APPROPRIATIONS FOR FISCAL YEAR 2021
(HCH A/V Upgrades)

BE IT ENACTED by the Assembly of the City and Borough of Sitka, Alaska as follows:

1. **CLASSIFICATION.** This ordinance is not of a permanent nature and is not intended to be a part of the Sitka General Code of the City and Borough of Sitka, Alaska.

2. **SEVERABILITY.** If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person and circumstances shall not be affected thereby.

3. **PURPOSE.** The purpose of this ordinance is to make a supplemental Capital appropriation for FY2021.

4. **ENACTMENT.** In accordance with Section 11.10(a) of the Charter of the City and Borough of Sitka, Alaska, the Assembly hereby makes the following supplemental appropriation for the budget period beginning July 1, 2020 and ending June 30, 2021.

:

<u>FISCAL YEAR 2021 EXPENDITURE BUDGETS</u>
CAPITAL FUND
Fund 700 – Harrigan Centennial Hall A/V Upgrades Project: Increase appropriations in the amount of \$65,000 for the replacement of encoders and decoders at the Harrigan Centennial Hall. These funds will come from the General Fund working capital.

EXPLANATION

HCH is in need of A/V upgrades that stem from failing equipment that has exceeded its installed life expectancy.

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 27th Day of April 2021.

ATTEST:

Steven Eisenbeisz, Mayor

Sara Peterson, MMC
Municipal Clerk

1st reading: 4/13/2021
2nd and final reading: 4/27/2021

Sponsor: Administrator



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 21-07 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 4/6/2021 In control: City and Borough Assembly

On agenda: 4/27/2021 Final action:

Title: Amending Ordinance No. 2020-30 passed and approved on June 9, 2020; and establishing an effective date (extension of expiration date for refinancing AEA loan)

Sponsors:

Indexes:

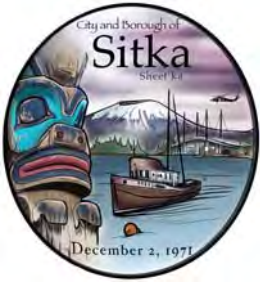
Code sections:

Attachments: [Motion Ord 2021-07](#)
[Memo and Ord 2021-07](#)
[APPROVED Ord 2020-30](#)

Date	Ver.	Action By	Action	Result
4/13/2021	1	City and Borough Assembly		

POSSIBLE MOTION

I MOVE TO approve Ordinance 2021-07 on second and final reading amending Ordinance No. 2020-30 passed and approved on June 9, 2020; and establishing an effective date (extension of expiration date for refinancing AEA loan).




City and Borough of Sitka


PROVIDING FOR TODAY...PREPARING FOR TOMORROW

Coast Guard City, USA

MEMORANDUM

To: Mayor Eisenbeisz and Assembly Members

Thru: John Leach, Municipal Administrator 

From: Melissa Haley, Finance Director 

Date: March 24, 2021

Subject: **Amending Ordinance 2020-30** (extension of expiration date)

Background

On June 9, 2020, the Assembly approved ordinance 2020-30, which gave staff the authority to move forward with refinancing its 1979 AEA loan along with the other refundings planned through the Alaska Municipal Bond Bank (AMBB). The ordinance authorized staff to proceed with refinancing the AEA loan (which is treated a new bond issuance) through December 31, 2020. All bond bank activity was halted before the planned refunding deal could take place because of an Alaska Supreme Court Decision that put the role of the AMBB into question. This concern has now been resolved and the refunding/refinancing is moving forward.

Analysis

As the authority to proceed with the refunding expired on December 31, 2020, we seek to amend the original ordinance to change the expiration date to December 31, 2021, though we expect to close on the refinancing prior to June 30, 2021.

Fiscal Note

With current rates, net present value savings are estimated to be over \$500,000 over the next twelve fiscal years, but ultimate savings will be determined only upon final pricing.

Recommendation

Approve extension of authority to refinance AEA loan through December 31, 2021.

1 CITY AND BOROUGH OF SITKA, ALASKA
2
3 JUNIOR LIEN ELECTRIC REVENUE REFUNDING BOND (TAXABLE)
4
5 (REFINANCING AEA LOAN)
6
7
8

9 ORDINANCE NO. 2021-07
10
11
12

13 AN ORDINANCE of the City and Borough of Sitka amending Ordinance No.
14 2020-30 passed and approved on June 9, 2020; and establishing an effective
15 date.
16

17
18 PASSED: _____, 2021
19
20
21
22
23

24 Prepared by:

25 Stradling Yocca Carlson & Rauth, a Professional Corporation
26 Seattle, Washington
27

CITY AND BOROUGH OF SITKA, ALASKA

ORDINANCE NO. 2021-_____

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Section 5.	Effective Date	3

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2021-07

AN ORDINANCE of the City and Borough of Sitka amending Ordinance No. 2020-30 passed and approved on June 9, 2020; and establishing an effective date.

WHEREAS, the City and Borough of Sitka, Alaska (the “City”), owns and operates electric generation and transmission facilities (the “Electric System”); and

WHEREAS, to pay a portion of the cost of the City’s Green Lake hydroelectric project, a component of the Electric System, the City borrowed \$15,000,000 (at a per annum interest rate of 4.0%) from the Alaska Power Authority (now known as the Alaska Energy Authority, “AEA”) under a Loan and Security Agreement dated as of August 24, 1982, as evidenced by a Promissory Note dated August 26, 1982 (as subsequently amended, the “AEA Loan”); and

WHEREAS, the Assembly previously passed and approved Ordinance No. 2020-30 on June 9, 2020 (the “Original Ordinance”) which authorized the City to obtain a loan from the Alaska Municipal Bond Bank (the “Bond Bank”) in a principal amount not to exceed \$7,000,000 to refinance for savings the AEA Loan, authorized the issuance to the Bond Bank of a junior lien electric revenue refunding bond (the “Bond”) of the City to evidence and secure the AEA Loan, and authorized the Municipal Administrator and Chief Finance and Administrative Officer to enter into a loan agreement with the Bond Bank (the “Loan Agreement”) setting forth the terms and conditions of the AEA Loan and the Bond; and

WHEREAS, due to unforeseen circumstances, the Bond Bank delayed the transaction originally planned for the fall of 2020, which would have refinanced the AEA Loan, and now expects to proceed with the transaction in the summer of 2021, and it appears that proceeding with the refinancing now continues to produce savings for the ratepayers; and

WHEREAS, pursuant to Section 17 of the Original Ordinance, the authority granted to the Chief Finance and Administrative Officer and Municipal Administrator for the initial sale of the Bond expired on December 31, 2020 and the authorization for the issuance of the Bond was rescinded because a Loan Agreement for the Bond had not been executed by December 31, 2020; and

WHEREAS, Section 17 of the Original Ordinance provides that the ordinance reauthorizing the issuance and sale of the Bond may be in the form of an amendatory ordinance approving a Loan Agreement or establishing terms and conditions for the authority delegated under such section; and

WHEREAS, the Assembly desires to amend the Original Ordinance to reauthorize the issuance and sale of the Bond, and to extend the expiration date of the authority granted to the Chief Finance and Administrative Officer and Municipal Administrator in Section 17 of the

Original Ordinance for the initial sale of the Bond and execution of a Loan Agreement from December 31, 2020 to December 31, 2021 on the terms and conditions set forth in the Original Ordinance;

NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka, Alaska, as follows:

Section 1. Classification. This ordinance is not of a permanent nature and is not intended to become part of the Sitka General Code.

Section 2. Amendment of Original Ordinance. The Original Ordinance is hereby amended to reauthorize the issuance and sale of the Bond, and to extend the expiration date of the authority granted to the Chief Finance and Administrative Officer and Municipal Administrator in Section 17 of the Original Ordinance for the initial sale of the Bond and execution of a Loan Agreement from December 31, 2020 to December 31, 2021. Except as amended by this ordinance, the Original Ordinance has not otherwise been amended and remains in full force and effect. Capitalized terms used in this ordinance and not otherwise defined herein have the meanings given those terms in the Original Ordinance.

Section 3. General Authorization; Prior Acts. The Mayor, Municipal Administrator, Chief Financial and Administrative Officer, Municipal Attorney, and Municipal Clerk and any other appropriate officers of the City are each hereby authorized and directed to take such steps, to do such other acts and things, and to execute such letters, certificates, agreements, papers, financing statements, assignments or instruments as in their judgment may be necessary, appropriate or desirable to carry out the terms and provisions of, and complete the transactions contemplated by, this ordinance. All acts taken pursuant to the authority of this ordinance and the Original Ordinance but prior to the effective date of this ordinance are hereby ratified and confirmed.

Section 4 Severability. If any one or more of the covenants or agreements provided in this ordinance to be performed on the part of the City are declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements of this ordinance and shall in no way affect the validity of the other provisions of this ordinance or of the Bond.

Section 5. Effective Date. This ordinance shall be in full force and effect 30 days after its adoption by the Assembly.

READ FOR THE FIRST TIME at a regular meeting of the Assembly held on _____, 2021.

PASSED AND APPROVED by the Assembly on _____, 2021.

CITY AND BOROUGH OF SITKA,
ALASKA

By _____
Mayor

ATTEST:

Municipal Clerk

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CERTIFICATE

I, the undersigned, duly chosen, qualified and acting Municipal Clerk of the City and Borough of Sitka (the “City”) and keeper of the records of the Assembly, DO HEREBY CERTIFY:

1. That the attached is a true and correct copy of Ordinance No. 2021-_____ of the Assembly (the “Ordinance”), as finally adopted at a regular meeting of the Assembly held on _____, 2021, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum of the Assembly was present throughout the meeting and a legally sufficient number of members of the Assembly voted in the proper manner for the passage of the Ordinance; that all other requirements and proceedings incident to the proper passage of said Ordinance have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 2021.

Municipal Clerk
City and Borough of Sitka




City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Mayor Paxton and Assembly Members

From: John Leach, Municipal Administrator 

Date: May 21, 2020

Subject: Refinancing of 1979 Alaska Energy Authority Loan

Issue:

The Alaska Municipal Bond Bank Authority (AMBBA) is currently taking steps to refinance a substantial portion of its outstanding publicly held bonds. As the AMBBA uses proceeds from its public bond issuances to loan to Municipalities, those Municipalities are being afforded a chance to work in conjunction with the AMBBA to refinance their loans from the AMBBA.

In conjunction with the refinancing of its outstanding publicly held bonds, the AMBBA is affording municipalities the ability to apply for new loans from the AMBBA which would be funded through the issuance of additional new AMBBA debt.

Accordingly, the City and Borough of Sitka has applied to the AMBBA for a loan to refinance the remaining balance of Sitka's 1979 loan with the Alaska Energy Authority. Passage of an ordinance by the Assembly is required to enter into the loan, and the accompanying ordinance serves this purpose.

Analysis:

Structure of AMBBA Debt and CBS loan agreements with the AMBBA

The AMBBA is a subdivision of the State of Alaska, Department of Revenue. The AMBBA was established to help smaller Municipalities in Alaska access bond markets that would otherwise be unavailable to small bond issuers. The AMBBA has specific statutory authority to issue general obligation bonds.

The basic functioning of the AMBBA is to sell bonds to the general public through underwriters, then lend the proceeds from its debt issuances to Alaska Municipalities

through loan agreements. As collateral for the loans, the AMBBA requires each Municipality to sell one single municipal bond to the AMBBA. The AMBBA then crafts debt repayment schedules for the loans it makes to mirror its own debt service obligations to the public. Thus, debt service payments made by Municipalities are used by the AMBBA to make its own debt service.

The bonds sold to the general public by the AMBBA are callable serial municipal bonds. This means that AMBBA bonds carry different interest coupons, and, mature at those dates specified in the serial structure. Callable means that the AMBBA can pay off the bonds early, but only according to specific rules set forth at the time of issuance. All AMBBA bonds are continuously callable after 10 years; before the 10-year anniversary, they can't be called. AMBBA bonds may be partially called, meaning some bonds in the serial, but not all, are paid off early.

As the proceeds of AMBBA bonds are lent to Municipalities and those Municipalities have repayment schedules that mirror the AMBBA's debt service, the ability of Municipalities to pay off their loans early is limited and may only take place according to stipulations set forth in their loan agreements with the AMBBA.

The calling of bonds and early pay-off of loans can be initiated either by the AMBBA, or, by Municipalities. The AMBBA has a contractual financial advisor who continually monitors interest rates in the bond market, and, who recommends to the AMBBA Executive Director and Board when bonding looks economical. While a municipality can apply to the AMBBA for a loan, municipalities can't compel the AMBBA to issue new public debt.

New Money Refinancing of AEA Loan

The CBS has a long-standing term loan with the Alaska Energy Authority. The loan was entered into in 1979, and, was refinanced in 1993 (in conjunction with a disaster assistance request tied to the APC mill closure) to extend its term to 50 years. The loan terms include semi-annual payments of principal and interest of \$307,037.96 at 4% interest.

Current interest rates lower than 3% make refinancing of this loan an attractive option, wherein it did not make economic sense to do so in the past. Accordingly, the CBS has applied to the AMBBA for additional bonded indebtedness ("new money") to refinance this old loan and reduce interest costs to the rate payers. The AMBBA has analyzed the loan and has agreed that enough savings will be achieved to make refinancing attractive.

In order to take on additional bonded indebtedness to pay off this older loan and achieve lower interest expense, passage of an ordinance is required.

Fiscal Note:

Effective Interest Rates and Savings Not Finalized Until Underwriting

The exact amount of savings and the effective interest rate(s) for the refinancing of the AEA loan cannot be known with certainty until the underwriter takes the bond issuances to market in New York. The underwriter has, however, estimated effective interest rates based on current bond market conditions, as well as a sensitivity analysis showing the effect on the proposed refunding if market interest rates rise or fall.

When a bond issuance is brought to market, the rate of interest to be paid on each bond in the serial is pre-determined well in advance. These rates are called bond coupon rates. Rather than adjusting coupon rates continuously to match ever-changing market conditions, bonds in the various serials in a bond issuance will be sold at either a premium or discount to the stated redemption value.

AMBBA bonds are often sold at a premium. When bonds are sold at a premium, the CBS gets extra bond proceeds it does not have to pay back to offset the higher coupon interest it pays. When this occurs, it results in the effective interest rate on the issuance which, in the case of a premium, will be substantially lower than the stated coupon rates.

Estimated Savings for AEA Loan Refinancing

The savings to be achieved by issuing new electric revenue bonds to refinance the AEA loan has also not been determined with certainty by the underwriter. The CBS Finance Department believes that refinancing the AEA loan could potentially save as much as \$50,000 in annual interest expense.

Effect Refinancing of AEA Loan on User Fees

Although the proposed refinancing of the AEA loan will result in significant interest rate and cash flow savings to the Municipality, staff does not intend to recommend user fee reductions at this time. Savings will instead be used to strengthen the financial health of enterprise funds by increasing their working capital, and, by potentially reducing the amount of future fee increases.

Recommendation

Staff recommends that the Assembly approve the accompanying Ordinance necessary to refinance its outstanding AEA loan.

CITY AND BOROUGH OF SITKA, ALASKA
JUNIOR LIEN ELECTRIC REVENUE REFUNDING BOND (TAXABLE)
(REFINANCING AEA LOAN)

ORDINANCE NO. 2020-30

AN ORDINANCE of the City and Borough of Sitka authorizing the City to obtain a loan from the Alaska Municipal Bond Bank in a principal amount not to exceed \$7,000,000 to refinance for savings the City's outstanding loan from the Alaska Energy Authority; authorizing the issuance to the Bond Bank of a junior lien electric revenue refunding bond of the City to evidence and secure the loan; authorizing the Municipal Administrator and Chief Finance and Administrative Officer to enter into a loan agreement with the Bond Bank setting forth the terms and conditions of the loan and the refunding bond; and establishing an effective date.

PASSED: June 9, 2020

Prepared by:

Stradling Yocca Carlson & Rauth, a Professional Corporation
Seattle, Washington

CITY AND BOROUGH OF SITKA, ALASKA

ORDINANCE NO. 2020-30

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EXHIBIT A Form of the Bond

EXHIBIT B Form of Bond Bank Loan Agreement

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2020-30

AN ORDINANCE of the City and Borough of Sitka authorizing the City to obtain a loan from the Alaska Municipal Bond Bank in a principal amount not to exceed \$7,000,000 to refinance for savings the City's outstanding loan from the Alaska Energy Authority; authorizing the issuance to the Bond Bank of a junior lien electric revenue refunding bond of the City to evidence and secure the loan; authorizing the Municipal Administrator and Chief Finance and Administrative Officer to enter into a loan agreement with the Bond Bank setting forth the terms and conditions of the loan and the refunding bond; and establishing an effective date..

WHEREAS, the City and Borough of Sitka, Alaska (the "City"), owns and operates electric generation and transmission facilities (the "Electric System"); and

WHEREAS, to pay a portion of the cost of the City's Green Lake hydroelectric project, a component of the Electric System, the City borrowed \$15,000,000 (at a per annum interest rate of 4.0%) from the Alaska Power Authority (now known as the Alaska Energy Authority, "AEA") under a Loan and Security Agreement dated as of August 24, 1982, as evidenced by a Promissory Note dated August 26, 1982 (as subsequently amended, the "AEA Loan"); and

WHEREAS, in 1994 or 1995, the City and AEA agreed on a restructuring of debt service on the AEA Loan, which is currently payable in approximately equal semiannual installments of principal and interest each January 1 and July 1 with a current outstanding balance of \$6,177,921.70; and

WHEREAS, after due consideration it appears to this Assembly that the City may be able to realize savings to the City and ratepayers of the Electric System by refinancing the AEA Loan from the proceeds of a lower-cost loan from the Alaska Municipal Bond Bank (the "Bond Bank") that would be evidenced and secured by the issuance to the Bond Bank of a junior lien electric revenue refunding bond (the "Bond"), as authorized by this ordinance; and

WHEREAS, there are currently outstanding (as of May 1, 2020) the following electric revenue bonds of the City, all held by the Bond Bank:

Sitka Series	Issue Date	Ordinance	Principal Amount Outstanding	Bond Bank Series
2010 Senior Lien	12/9/2010	2010-29	\$31,500,000	2010 Four
2013 Junior Lien	3/12/2013	2013-02	35,530,000	2013 One
2013(2d) Junior Lien	11/14/2013	2013-38	25,615,000	2013 Three
2014 Junior Lien	10/30/2014	2013-38	16,325,000	2014 Three

WHEREAS, the ordinances that authorized the issuance of the outstanding electric revenue bonds provide that the City may issue additional bonds with a lien on revenue of the Electric System on a parity with the lien on such revenue of the Junior Lien Bonds (as identified above), if certain conditions are met; and

WHEREAS, this Assembly finds that the applicable parity conditions have been or will be met, so the Bond may be issued as a Parity Bond; and

WHEREAS, the Assembly has determined that it is in the best interest of the City to delegate to the Municipal Administrator and the Chief Finance and Administrative Officer authority to enter into a loan with the Bond Bank by issuing the Bond to the Bond Bank, as authorized by this ordinance, so long as the principal amount of the Bond does not exceed \$7,000,000; and

WHEREAS, the Assembly finds that it is in the best interest of the City and ratepayers of the Electric System to issue the Bond through the Bond Bank, on the terms and conditions set forth in this ordinance and in a loan agreement authorized by this ordinance to be entered into with the Bond Bank;

NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka, Alaska, as follows:

Section 1. Classification. This ordinance is not of a permanent nature and is not intended to become part of the Sitka General Code.

Section 2. Definitions. As used in this ordinance, the following words have the following meanings, unless a different meaning clearly appears from the context:

“AEA” means the Alaska Energy Authority (formerly known as the Alaska Power Authority).

“AEA Loan” means the loan to the City in the original amount of \$15,000,000 (at a per annum interest rate of 4.0%) from the Alaska Power Authority (now known as AEA) under a Loan and Security Agreement dated as of August 24, 1982, as evidenced by a Promissory Note dated August 26, 1982, and as subsequently amended.

“Annual Debt Service” means the total amount of Debt Service for any bonds or other evidences of indebtedness payable from Revenue of the System in any fiscal year.

“Assembly” means the Assembly of the City and Borough of Sitka, Alaska, the general legislative authority of the City, as duly constituted from time to time, or any successor body.

“Balloon Maturity Bonds” means any bonds or other evidences of indebtedness of the City payable from Revenue of the System that are so designated in the ordinance pursuant to which such bonds are issued or such indebtedness is incurred.

“Base Period” means any consecutive 12-month period selected by the City out of the 36-month period next preceding the date of issuance of a series of Future Parity Bonds.

“Bond” means the Junior Lien Electric Revenue Refunding Bond, 20__ (Taxable), authorized to be issued in a principal amount not to exceed \$7,000,000 pursuant to this ordinance.

“Bond Bank” means the Alaska Municipal Bond Bank, a public corporation and instrumentality of the State of Alaska, created pursuant to the provisions of Chapter 85, Title 44, Alaska Statutes, as amended.

“Bond Bank Bonds” means bonds to be issued by the Bond Bank to provide funds to be loaned to the City under the Loan Agreement.

“Bond Fund” means the “City and Borough of Sitka 2013 Electric Revenue Bond Redemption Fund,” created pursuant to Ordinance No. 2013-02 and continued by this ordinance to pay and secure the payment of all Parity Bonds.

“Bond Register” means the registration books for the Bond maintained by the Registrar, for the purpose of complying with the requirements of Section 149 of the Code and listing, inter alia, the name and address of the Registered Owner of the Bond.

“Chief Finance and Administrative Officer” means the Chief Finance and Administrative Officer of the City or the successor to the duties of that office.

“City” means the City and Borough of Sitka, Alaska, a home rule municipal corporation duly organized and existing under the Constitution and laws of the State of Alaska and its Charter.

“Code” means the federal Internal Revenue Code of 1986, as amended, together with corresponding and applicable final, temporary or proposed regulations and revenue rulings issued or amended with respect thereto by the United States Treasury Department or the Internal Revenue Service.

“Consultant” means an independent municipal financial consultant, including but not limited to an independent accounting firm or engineer, having a favorable reputation for skill and experience with electric utilities comparable to the Electric System in such matters as are relevant to the purpose for which he or she is retained, appointed from time to time by the City to perform the duties of the Consultant as required by this ordinance.

“Covered Bonds” means the 2013 Bond, the 2013(2d) Bond, the 2014 Bond, the Bond, and any Future Parity Bonds designated in the ordinance authorizing their issuance as Covered Bonds secured by the Reserve Account, subject to the approval of the Bond Bank, as provided in Section 8(b), and the 2010 Bonds, subject to the approval of the Bond Bank, as provided in Section 8(b).

“Debt Service” means, for any period of time,

(a) for outstanding Fixed Rate Bonds, an amount equal to the sum of:

(1) all interest payable on such Fixed Rate Bonds during the period;

(2) the amount of principal of such Fixed Rate Bonds due or subject to mandatory redemption during such period and for which no Sinking Fund Requirement has been established, and

(3) the amount of the Sinking Fund Requirement for the period;

plus

(b) for outstanding Parity Bonds other than Fixed Rate Bonds, including but not limited to Balloon Maturity Bonds and Parity Bonds bearing variable rates of interest, an amount for the period equal to the amount that would have been payable for principal and interest on these Parity Bonds during that period computed on the assumption that the amount of Parity Bonds as of the date of such computation would be amortized (i) in accordance with the mandatory redemption provisions, if any, set forth in the ordinance authorizing the issuance of such Parity Bonds, or if mandatory redemption provisions are not provided, during a period commencing on the date of computation and ending on the date 30 years after the date of issuance (ii) at an interest rate equal to the yield to maturity set forth in the 40-Bond Index published in the edition of *The Bond Buyer* (or comparable publication or such other similar index selected by the City) and published within ten days prior to the date of calculation or, if such calculation is being made in connection with the certificate required by Section 11 hereof, then within ten days of such certificate, (iii) to provide for approximately level annual debt service of principal and interest over such period.

Debt Service shall be net of any capitalized interest funded out of bond proceeds and any Debt Service Offsets.

“Debt Service Offset” means receipts of the City, including but not limited to federal interest subsidy payments, designated as such by the City that are not included in Revenue of the System and are legally available to pay debt service on Parity Bonds.

“Electric System” means the electric utility properties, rights and assets, real and personal, tangible and intangible, now owned and operated by the City and used or useful in the generation, transmission, distribution and sale of electric energy and the business incidental thereto and all properties, rights and assets, real and personal, tangible and intangible, hereafter constructed or acquired by the City as additions, betterments, improvements or extensions to those electric utility properties, rights and assets, but shall not include any other generating, conservation, transmission or distribution facilities that have been or may hereafter be acquired or constructed by the City as a utility system designated by the Assembly at the time of financing thereof to be separate from the Electric System, the revenues of which may be pledged to the payment of bonds issued to purchase, construct or otherwise acquire or expand that separate utility system or are otherwise pledged to the payment of the bonds of another separate utility system of the City other than the Electric System. The Assembly may, by ordinance, elect to combine with and include as a part of the Electric System any other separate utility of the City, provided that full provision for the payment of any outstanding indebtedness of that separate system must first be paid or that indebtedness must be refunded with bonds issued in accordance with this ordinance.

“Event of Default” means any of those events described as such in Section 18 of this ordinance.

“Fitch” means Fitch, Inc., organized and existing under the laws of the State of Delaware, its successors and their assigns, and, if such organization is dissolved or liquidated or no longer performs the functions of a securities rating agency, “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency (other than S&P or Moody’s) designated by the Chief Finance and Administrative Officer.

“Fixed Rate Bonds” means those Parity Bonds other than Balloon Maturity Bonds the rates of interest of which are fixed and determinable through their final maturity or for a specified period of time. If so provided in the ordinance authorizing their issuance, Parity Bonds may be deemed to be Fixed Rate Bonds for only a portion of their term.

“Future Parity Bonds” means electric revenue bonds of the City issued after the date of issuance of the Bond that have a lien on Revenue of the System for the payment of the principal thereof and interest thereon equal to the lien on the Revenue of the System for the payment of the principal of and interest on the 2013 Bond, the 2013(2d) Bond, the 2014 Bond, and the Bond.

“Government Obligations” means any bonds or other obligations that, as to principal and interest, constitute direct obligations of, or are unconditionally guaranteed by, the United States of America.

“Loan Agreement” means the Loan Agreement by and between the City and the Bond Bank authorized to be entered into pursuant to Section 17 of this ordinance for the sale of the Bond.

“Moody’s” means Moody’s Investors Service, its successors and their assigns, and, if such corporation is dissolved or liquidated or no longer performs the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency (other than S&P and Fitch) designated by the Chief Finance and Administrative Officer.

“Municipal Administrator” means the Municipal Administrator (or Borough Administrator) or the successor to the duties of that office.

“Net Revenue” means, for any period, Revenue of the System less Operating Expenses for that period, excluding from the computation of Revenue of the System (a) any profit or loss derived from the sale or other disposition, not in the ordinary course of business, of properties, rights or facilities of the Electric System, or resulting from the early extinguishment of debt; and (b) insurance proceeds other than proceeds to replace lost revenue.

“Operating Expenses” mean the City’s expenses for operating and maintaining the Electric System, and ordinary repairs, renewals, replacements and reconstruction of the Electric System, including all costs of delivering electric power and energy, and payments into reasonable reserves in the Revenue Fund for items of operation and maintenance the payment for which is not immediately required, and shall include, without limiting the generality of the foregoing, costs of purchased power; costs of transmission and distribution operation and maintenance expenses; rents; administrative and general expenses; engineering expenses; legal and financial advisory expenses; required payments to pension, retirement, health and hospitalization funds; insurance premiums; and any taxes, assessments, payments in lieu of taxes or other lawful governmental charges, all to the extent properly allocable to the Electric System; and the fees and expenses of the Registrar. Operating Expenses shall not include any costs or expenses for new construction,

interest, amortization, non-cash losses or costs with respect to any real or personal property, investment or agreement that may be required to be recognized under generally accepted accounting principles, including but not limited to depreciation expense and unrealized mark-to-market losses.

“Parity Bonds” mean the 2013 Bond, the 2013(2d) Bond, the 2014 Bond, the Bond, and any Future Parity Bonds.

“Permitted Investments” means any of the following to the extent permitted by the laws of the State of Alaska:

(1) Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America, and CATS and TIGRS) or obligations the timely payment of the principal of and interest on which are fully guaranteed by the United States of America.

(2) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

- A. Farmers Home Administration: certificates of beneficial ownership;
- B. Federal Financing Bank;
- C. General Services Administration: participation certificates;
- D. Government National Mortgage Association (GNMA): GNMA-guaranteed mortgage-backed bonds and GNMA-guaranteed pass-through obligations;
- E. U.S. Maritime Administration: guaranteed Title XI financing; and
- F. U.S. Department of Housing and Urban Development: project notes; local authority bonds; U.S. government-guaranteed new communities debentures; U.S. government-guaranteed public housing notes and bonds.

(3) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):

- A. Federal Home Loan Bank System: senior debt obligations;
- B. Federal Home Loan Mortgage Corporation (FHLMC): participation certificates and senior debt obligations rated AAA by S&P or Aaa by Moody's;
- C. Federal National Mortgage Association (FNMA): mortgage-backed securities and senior debt obligations rated AAA by S&P or Aaa by Moody's;
- D. Student Loan Marketing Association (SLMA): senior debt obligations;
- E. Resolution Funding Corp. (REFCORP): only the interest component of REFCORP strips that have been stripped by request to the Federal Reserve Bank of New York; and
- F. Farm Credit System: consolidated systemwide bonds and notes.

(4) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of AAAm-G, AAAm or AAm or having a rating by Moody's of Aaa, Aa1 or Aa2.

(5) Certificates of deposit secured at all times by collateral described in (1) and/or (2) above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks whose short-term obligations are rated A-1+ or better by S&P and Prime-1 or better by Moody's. The collateral must be held by a third party and Bondowners must have a perfected first security interest in the collateral.

(6) Certificates of deposit, savings accounts, deposit accounts or money market deposits that are fully insured by FDIC, including BIF and SAIF.

(7) Commercial paper rated, at the time of purchase, Prime-1 by Moody's and A-1 or better by S&P.

(8) Bonds or notes issued by any state or municipality rated by Moody's and S&P in one of the two highest rating categories assigned by such agencies.

(9) Federal funds or bankers acceptances with a maximum term of one year of any bank that has an unsecured, uninsured and unguaranteed obligation rating of Prime-1 or A3 or better by Moody's and A-1 or A or better.

(10) Repurchase agreements providing for the transfer of securities from a dealer bank or securities firm (seller/borrower) to the City or its agent or trustee (buyer/lender), and the transfer of cash from the City or its agent or trustee to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the City or its agent or trustee in exchange for the securities at a specified date. Repurchase Agreements for a term of 30 days or less must satisfy the following criteria:

A. Repos must be between the City or its agent or trustee and a dealer bank or securities firm.

a. Primary dealers on the Federal Reserve reporting dealer list that fall under the jurisdiction of the SIPC and that are rated A or better by S&P and Moody's, or

b. Banks rated A or above by S&P and Moody's.

B. The written repo contract must include the following:

a. Securities that are acceptable for transfer are:

(1) Direct U.S. governments, or

(2) Federal agencies backed by the full faith and credit of the U.S. government (and FNMA & FHLMC).

b. The term of the repo may be up to 30 days.

- c. The collateral must be delivered to the City (if the City is not supplying the collateral) or to a third party acting as agent for the City (if the City is supplying the collateral) before or simultaneously with payment (perfection by possession of certificated securities).
- d. The securities must be valued weekly, marked-to-market at current market price plus accrued interest. The value of collateral must be equal to 104% of the amount of cash transferred by the City or its agent or trustee to the dealer bank or securities firm under the repo plus accrued interest. If the value of securities held as collateral slips below 104% of the value of the cash transferred, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105%.

(11) Any other investments approved by the Bond Bank.

“Qualified Insurance” means any non-cancelable municipal bond insurance policy or surety bond issued by any insurance company licensed to conduct an insurance business in any state of the United States (or by a service corporation acting on behalf of one or more such insurance companies) which insurance company or companies, as of the time of issuance of such policy or surety bond, are currently rated in one of the two highest Rating Categories by two Rating Agencies.

“Qualified Letter of Credit” means any irrevocable letter of credit issued by a financial institution for the account of the City on behalf of registered owners of the applicable Parity Bonds, which institution maintains an office, agency or branch in the United States and as of the time of issuance of such letter of credit, is currently rated in one of the two highest Rating Categories by any Rating Agency.

“Rate Stabilization Account” means the account of that name within the Revenue Fund.

“Rating Agency” means Moody’s, S&P or Fitch.

“Registrar” means the Chief Finance and Administrative Officer, for the purposes of registering and authenticating the Bond, maintaining the Bond Register, and paying principal of and interest on the Bond.

“Registered Owner” means the person in whose name the Bond is registered on the Bond Register.

“Reserve Account” means the Parity Bond Reserve Account created within the Bond Fund pursuant to Ordinance No. 2012-02 and continued by this ordinance.

“Reserve Requirement” means the amount to be calculated with respect to all Covered Bonds and separately with respect to other Parity Bonds, as follows:

(a) For Covered Bonds, the Reserve Requirement is equal to the least of: (1) maximum Annual Debt Service for Covered Bonds, (2) 10% of the initial principal amount of each series of Covered Bonds, and (3) 125% of average Annual Debt Service for Covered Bonds; provided, however, that the amount required to be contributed, if any, as a result of the issuance of a series of Future Parity Bonds will not be greater than the Tax Maximum. If the amount required to be contributed at the time of issuance of a series exceeds the Tax Maximum, then the amount required to be contributed shall be equal to the Tax Maximum.

(b) For any Parity Bonds that are not designated as Covered Bonds, the Reserve Requirement will be the amount, if any, specified in the ordinance authorizing the issuance of those Parity Bonds.

The amount of the Reserve Requirement may be recalculated from time to time as principal of Parity Bonds is paid or Future Parity Bonds are issued.

“Revenue Fund” means the Electric Utility Revenue Fund heretofore established and maintained in the office of the Chief Finance and Administrative Officer.

“Revenue of the System” means all income and revenue derived by the City from the sale of electric energy and all other commodities, services and facilities sold, furnished or supplied by the City through the ownership or operation of the Electric System, together with the proceeds received by the City directly or indirectly from the sale, lease or other disposition of any of the properties, rights or facilities of the Electric System, any federal interest subsidy payments received in connection with Parity Bonds (to the extent such payments are not designated as Debt Service Offsets), and any investment income earned on money held in any fund or account of the City, including any bond redemption funds and the accounts therein, in connection with the ownership and operation of the Electric System (but excluding income derived from investments irrevocably pledged to the payment of any specific revenue bonds of the City, such as bonds heretofore or hereafter refunded or defeased, investment income earned on money in any arbitrage rebate account, grants for capital purposes, and non-cash marked-to-market gains with respect to any real or personal property, investment or agreement that may be required to be recognized under generally accepted accounting principles).

“Rule” means the SEC’s Rule 15c2-12 under the Securities Exchange Act of 1934.

“SEC” means the United States Securities and Exchange Commission.

“S&P” means Standard & Poor’s Ratings Services, its successors and their assigns, and, if such corporation is dissolved or liquidated or no longer performs the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency (other than Moody’s and Fitch) designated by the Chief Finance and Administrative Officer.

“Sinking Fund Requirement” means, for any fiscal year, the principal amount and premium, if any, of Term Bonds required to be purchased, redeemed or paid at maturity in that fiscal year as established by the ordinance or other proceedings of the City authorizing the issuance of those Term Bonds.

“Tax Maximum” means the maximum amount permitted by the Code to be allocated to a bond reserve account from bond proceeds without requiring a balance to be invested at a restricted yield.

“Term Bonds” means any Future Parity Bonds identified as such in the proceedings for the sale thereof, the payment of the principal of which is fully provided for by a Sinking Fund Requirement.

“2010 Bonds” means the City’s Electric Revenue and Refunding Bonds, 2010, issued in three series on December 9, 2010, in the initial aggregate principal amount of \$48,700,000, as authorized by Ordinance No. 2010-29, and as they may be amended or refinanced from time to time.

“2013 Bond” means the City’s Junior Lien Electric Revenue Bond, 2013, issued on March 12, 2013, in the initial principal amount of \$35,530,000, as authorized by Ordinance No. 2013-02.

“2013(2d) Bond” means the City’s Junior Lien Electric Revenue Bond, 2013 Second Series, issued on November 14, 2013, in the initial principal amount of \$25,615,000, as authorized by Ordinance No. 2013-38.

“2014 Bond” means the City’s Junior Lien Electric Revenue Bond, 2014, issued on October 30, 2014, in the initial principal amount of \$16,325,000, as authorized by Ordinance No. 2013-38.

Rules of Interpretation. Words of the masculine gender are deemed and construed to include correlative words of the feminine and neuter genders. Words imparting the singular number include the plural numbers and vice versa unless the context otherwise indicates. Reference to sections and other subdivisions of this ordinance are to the sections and other subdivisions of this ordinance as originally adopted unless expressly stated to the contrary. The headings or titles of the sections hereof, and the table of contents appended hereto, are for convenience of reference only and do not define or limit the provisions hereof.

Section 3. Compliance with Parity Conditions. The Assembly hereby finds that the conditions required for issuance of the Bond as a Parity Bond have been or will be met. The Assembly finds that:

- (1) there will be no deficiency in the Bond Fund or any of the accounts therein;
- (2) this ordinance contains the required covenants (provided in Section 10 hereof) and provides that the Reserve Requirement, if any, will be funded no later than the date of delivery of the Bond; and
- (3) the City will have on file a certificate (dated no earlier than the date that is 90 days prior to the date of issuance of the Bond) relating to Net Revenue, as described in Section 11 (c) or (d) of Ordinance No. 2013-02 and Ordinance No. 2013-38, except as otherwise permitted under subsection (e) of Section 11 therein.

The parity conditions having been complied with or assured, the payments required in this ordinance to be made out of the Revenue Fund into the Bond Fund and the Reserve Account shall

constitute a lien and charge upon the money in the Revenue Fund equal to the lien and charge thereon for the payments required to be made into the Bond Fund to pay and secure the payment of the principal of and interest on the outstanding Parity Bonds.

Section 4. Authorization of Bonds. To provide funds to refinance the AEA Loan, the City shall issue and sell to the Bond Bank its junior lien electric revenue refunding bond in a principal amount not to exceed \$7,000,000 (the "Bond"). The Bond shall be designated as the "City and Borough of Sitka Junior Lien Electric Revenue Refunding Bond, 20__ (Taxable)," with such year and series designation as may be appropriate. The Bond shall be dated the date of its sale and delivery to the Bond Bank, in accordance with Section 17 hereof, shall be fully registered as to both principal and interest, shall be numbered in such manner and with any additional designation as the Registrar deems necessary for purposes of identification and control, shall bear interest at the rate or rates, shall mature on the date or dates and shall be paid in installments in the principal amounts and on the dates to be determined in accordance with Section 17 hereof. Interest on the Bond shall be calculated based on a 360-day year of twelve 30-day months.

The Bond shall be an obligation only of the Bond Fund and shall be payable and secured as provided herein. The Bond does not constitute an indebtedness or general obligation of the City within the meaning of the constitutional provisions and limitations of the State of Alaska.

Section 5. Registration, Payment and Transfer. The Chief Finance and Administrative Officer shall act as authenticating agent, transfer agent, paying agent and registrar for the Bond (collectively, the "Registrar"). Both principal of and interest on the Bond shall be payable in lawful money of the United States of America. Interest on the Bond shall be paid by check or draft of the Registrar mailed (on the date such interest is due) to the Registered Owner or nominee at the addresses appearing on the Bond Register on the fifteenth day of the month preceding each interest payment date. Principal of the Bond shall be payable upon presentation and surrender of the Bond to the Registrar by the Registered Owner or nominee at the office of the Registrar in Sitka, Alaska. Notwithstanding the foregoing, if the Bond is sold to the Bond Bank pursuant to the provisions of Section 17 of this ordinance, and for so long as the Bond Bank is the owner of the Bond, payments of principal of and interest on that Bond shall be made to the Bond Bank in accordance with the applicable Loan Agreement.

The Bond may be transferred only on the Bond Register maintained by the Registrar for that purpose upon the surrender thereof by the Registered Owner or nominee or his or her duly authorized agent and only if endorsed in the manner provided thereon, and thereupon a new fully registered Bond of like principal amount, maturity and interest rate shall be issued to the transferee in exchange therefor. Upon surrender thereof to the Registrar, the Bond is interchangeable for a bond or bonds (in denominations of \$5,000 or any integral multiple thereof) of an equal aggregate principal amount and of the same interest rates and principal payment amounts as the Bond. Such transfer or exchange shall be without cost to the Registered Owner or transferee.

The City may deem the person in whose name the Bond is registered to be the absolute owner thereof for the purpose of receiving payment of the principal of and interest on the Bond and for any and all other purposes whatsoever.

Section 6. Prepayment. Provisions for the optional prepayment of some or all principal installments of the Bond may be established pursuant to Section 17 and shall be set forth in the Loan Agreement. Portions of the principal amount of the Bond, in increments of \$5,000 or any integral multiple of \$5,000, may be prepaid.

So long as the Bond Bank is the owner of the Bond, notice of prepayment shall be given according to the terms of the Loan Agreement. If the Bond Bank is not the owner of the Bond, notice of prepayment shall be given not less than 30 nor more than 60 days prior to the date fixed for prepayment by first class mail, postage prepaid, to the Registered Owner of the Bond at the address appearing on the Bond Register. The requirements of this section shall be deemed complied with when notice is mailed as herein provided, regardless of whether it is actually received by the owner of the Bond. Each official notice of prepayment shall be dated and shall state: (i) the prepayment date, (ii) the prepayment price or prepayment premium, if any, payable upon such prepayment; (iii) if less than all of an installment of principal is to be prepaid, the principal amount to be prepaid (which must be an integral multiple of \$5,000); (iv) that the interest on the Bond, or on the principal amount thereof to be prepaid, designated for prepayment in such notice, shall cease to accrue from and after such prepayment date; and (v) that on such date there will become due and payable on the Bond the principal amount thereof to be prepaid and the interest accrued on such principal amount to the prepayment date.

Section 7. Revenue Fund.

(a) *Revenue Fund Established.* There has heretofore been established in the office of the Chief Finance and Administrative Officer a separate enterprise fund of the City designated as the "City and Borough of Sitka Electric Utility Revenue Fund" (the "Revenue Fund") All Revenue of the System will be deposited in the Revenue Fund. Notwithstanding the foregoing, the Chief Finance and Administrative Officer may maintain separate funds and accounts in such names and under such additional designations as may be required to comply with City practices and State law.

(b) *Priority of Application of Revenue of the System.* The Revenue Fund shall be held separate and apart from all other funds and accounts of the City, and the Revenue of the System deposited in this fund shall be used only for the following purposes and in the following order of priority:

First, to pay the Operating Costs;

Second, to pay principal of and interest on the 2010 Bonds;

Third, to make all payments required to be made into the reserve account for the 2010 Bonds;

Fourth, to pay principal of and interest on any Parity Bonds, including reimbursements to the issuer of a Qualified Letter of Credit or Qualified Insurance if the Qualified Letter of Credit or Qualified Insurance secures the payment of debt service on Parity Bonds and the ordinance authorizing those Parity Bonds provides for such reimbursement;

Fifth, to make all payments required to be made into the Reserve Account for Covered Bonds and to any reserve account created in the future for the payment of debt service on

Future Parity Bonds, including reimbursements to the issuer of a Qualified Letter of Credit or Qualified Insurance if the Qualified Letter of Credit or Qualified Insurance has been issued to fund the Reserve Requirement or the reserve requirement(s) for any Future Parity Bonds and if the ordinance authorizing those Future Parity Bonds provides for such reimbursement;

Sixth, to make all payments required to be made into any revenue bond redemption fund or revenue warrant redemption fund and debt service fund or reserve account created to pay and secure the payment of the principal of and interest on any revenue bonds or revenue warrants of the City having a lien on Revenue of the System subordinate and inferior to the lien thereon to pay or secure the payment of Parity Bonds; and

Seventh, to retire by redemption or purchase any outstanding revenue bonds or revenue warrants of the City, to make necessary additions, betterments, improvements and repairs to or extensions and replacements of the Electric System, to make deposits into the Rate Stabilization Account, or for any other lawful City purposes.

The City may transfer any money from any funds or accounts of the Electric System legally available therefor, except bond redemption funds, refunding escrow funds or defeasance funds, to meet the required payments to be made into the Bond Fund.

(c) *Rate Stabilization Account.* As authorized by Ordinance No. 2010-29, the Chief Finance and Administrative Officer has established a Rate Stabilization Account within the Revenue Fund, which Account currently has on deposit therein approximately \$688,000. The City may make additional payments into the Rate Stabilization Account from the Revenue Fund at any time. Money in the Rate Stabilization Account may be withdrawn at any time for deposit into the Revenue Fund and used for the purposes for which Revenue of the System may be used. Amounts withdrawn from the Rate Stabilization Account and deposited into the Revenue Fund shall increase Revenue of the System for the period in which they are withdrawn, and amounts deposited in the Rate Stabilization Account shall reduce Revenue of the System for the period during which they are deposited. Credits to or from the Rate Stabilization Account that occur within 90 days after the end of a fiscal year may be treated as occurring within that fiscal year. Earnings on the Rate Stabilization Account shall be credited to the Revenue Fund.

Section 8. Bond Fund. A special fund of the City known as the “City and Borough of Sitka 2013 Electric Revenue Bond Redemption Fund” (the “Bond Fund”) has heretofore been created in the office of the Chief Finance and Administrative Officer, with the Debt Service Account and Reserve Account established therein, and that Fund and the Accounts therein are hereby authorized to be continued so long as the Bond is outstanding. The Bond Fund shall be drawn upon for the sole purpose of paying the principal of and interest on the Parity Bonds.

(a) *Payments into Debt Service Account.* As long as any Parity Bond remains outstanding, the City hereby irrevocably obligates and binds itself to set aside and pay into the Debt Service Account out of money in the Revenue Fund, on or before the date due as provided in the Loan Agreement, the amounts necessary, together with money already in the Debt Service Account, to pay the principal of, premium, if any, and interest on the Bond as the same become due and payable.

If there is a deficiency in the Debt Service Account for such purpose, the City shall make up the deficiency from the Reserve Account by the withdrawal of cash therefrom for that purpose, and, if necessary, by sale or redemption of any authorized investments in the amount that will provide cash in the Reserve Account sufficient to make up any such deficiency.

Whenever and so long as the assets of the Debt Service Account are sufficient to provide money to pay when due a principal installment on the Bond in full, including such interest as may be due thereon, no payments need be made into the Debt Service Account pursuant to this ordinance.

Money in the Debt Service Account shall be held for the benefit of the owners of all Parity Bonds then outstanding and payable equally and ratably and without preference or distinction as between different series, installments, or maturities.

(b) *The Reserve Account.* The Reserve Account shall be maintained as a common reserve, securing the payment of the principal of and interest on the 2013 Bond, the 2013(2d) Bond, the 2014 Bond, the Bond, any Future Parity Bonds that (i) are designated as Covered Bonds in the ordinance authorizing their issuance and (ii) so long as the Bond Bank is the owner of any of the Parity Bonds, are approved as “Covered Bonds” by the Bond Bank, and the 2010 Bonds, if the Bond Bank approves designating the 2010 Bonds as “Covered Bonds” (inclusively, “Covered Bonds”). Prior to or upon the issuance of the Bond, the City will deposit into the Reserve Account funds sufficient to satisfy the Reserve Requirement for the Bond. The City covenants and agrees that from and after the closing and delivery of the Bond, it will at all times maintain an amount in the Reserve Account at least equal to the Reserve Requirement, except for withdrawals therefrom authorized by this ordinance, so long as any Covered Bonds remain outstanding. The Reserve Requirement may be maintained by deposits of cash, a Qualified Letter of Credit or Qualified Insurance, or a combination of the foregoing. All amounts other than a Qualified Letter of Credit or Qualified Insurance held in the Reserve Account shall be invested solely in Permitted Investments. In computing the amount on hand in the Reserve Account, Qualified Insurance and/or a Qualified Letter of Credit shall be valued at the face amount thereof, and all other Reserve Account investments shall be valued as provided in (d) below. As used herein, the term “cash” includes U.S. currency, cash equivalents and evidences thereof, including demand deposits, certified or cashier’s check. The deposit to the Reserve Account may be satisfied initially by the transfer of qualified investments to that account.

If the balances on hand in the Reserve Account are sufficient to satisfy the Reserve Requirement, interest earnings shall be applied as provided in the following sentences. Whenever there is a sufficient amount in the Bond Fund, including the Reserve Account to pay the principal of and interest on all outstanding Covered Bonds, the money in the Reserve Account may be used to pay such principal and interest. As long as the money left remaining on deposit in the Reserve Account is equal to the Reserve Requirement, money in the Reserve Account may be transferred to the Bond Fund and used to pay the principal of and interest on Covered Bonds as the same become due and payable. The City also may transfer out of the Reserve Account any money required in order to prevent any Parity Bonds from becoming “arbitrage bonds” under the Code.

If a deficiency in the Bond Fund for the payment of debt service on Covered Bonds occurs, the deficiency shall be made up from the Reserve Account by the withdrawal of cash therefrom

for that purpose and by the sale or redemption of obligations held in the Reserve Account, in such amounts as will provide cash in the Reserve Account sufficient to make up any such deficiency with respect to Covered Bonds, and if a deficiency still exists immediately prior to an interest payment date and after the withdrawal of cash, the City shall then draw from any Qualified Letter of Credit or Qualified Insurance for Covered Bonds in sufficient amount to make up the deficiency. Such draw shall be made at such times and under such conditions as the agreement for such Qualified Letter of Credit or such Qualified Insurance provides.

In making the payments and credits to the Reserve Account required by this Section 8(b), to the extent that the City has obtained Qualified Insurance or a Qualified Letter of Credit for specific amounts required pursuant to this section to be paid out of the Reserve Account such amounts so covered by Qualified Insurance or a Qualified Letter of Credit will be credited against the amounts required to be maintained in the Reserve Account by this Section 8(b) to the extent that such payments and credits to be made are insured by an insurance company, or guaranteed by a letter of credit from a financial institution.

Any deficiency created in the Reserve Account by reason of any such withdrawal shall then be made up within one year of the date of withdrawal from Net Revenue (or out of any other money on hand legally available for such purpose) after making necessary provision for the payments required to be made by paragraphs First through Fourth in Section 7 of this ordinance.

Any Qualified Letter of Credit or Qualified Insurance shall not be cancelable on less than 30 days' notice to the City. In the event of any cancellation, the Reserve Account shall be funded as if the Covered Bonds that remain outstanding had been issued on the date of such notice of cancellation.

If the City elects to meet the Reserve Requirement by using a Qualified Letter of Credit, Qualified Insurance or other equivalent credit enhancement device, the City may contract with the entity providing such Qualified Letter of Credit, Qualified Insurance or other equivalent credit enhancement device that the City's reimbursement obligation, if any, to such entity shall be made from payments of principal and interest on Covered Bonds from the City subject only to the prior lien thereon for the payments required hereunder to be made to registered owners of Parity Bonds.

(c) *Priority of Lien of Payments into Bond Fund and Reserve Account.* The amounts so pledged to be paid into the Bond Fund and the accounts therein from the Revenue Fund are hereby declared to be a prior lien and charge on the Revenue of the System superior to all other charges of any kind or nature whatsoever except the Operating Costs and payments required to be made to pay and secure the payment of the 2010 Bonds, and equal in rank to the lien and charge on Revenue of the System to pay and secure the payment of any Future Parity Bonds.

(d) *Application and Investment of Money in the Bond Fund.* Money in the Bond Fund may be kept in cash or Permitted Investments. Investments in the Debt Service Account shall mature prior to the date on which such money is needed for required interest or principal payments or having a guaranteed redemption price prior to maturity. Investments in the Reserve Account shall mature not later than the last maturity of any then outstanding Parity Bonds.

(e) *Sufficiency of Revenues.* The Assembly hereby finds that in fixing the amounts to be paid into the Bond Fund and the accounts therein out of Revenue of the System, it has exercised due regard for the Operating Costs and has not obligated the City to set aside and pay into the Bond Fund and the accounts therein a greater amount of such Revenue than in its judgment will be available over and above the Operating Costs and costs of paying debt service on the 2010 Bonds.

Section 9. Defeasance. If money and/or Government Obligations, maturing at such time or times and bearing interest to be earned thereon in amounts sufficient to redeem and retire the Bond or a portion thereof in accordance with its terms, are set aside in a special account to effect such prepayment and retirement, and such money and the principal of and interest on such obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made into the Bond Fund for the payment of the principal of and interest on the Bond or portion thereof so provided for, and the Bond or portion thereof shall cease to be entitled to any lien, benefit or security of this ordinance except the right to receive the money so set aside and pledged, and the Bond or portion thereof shall be deemed not to be outstanding hereunder.

Section 10. Specific Covenants.

(a) *Rate Covenant.* The City will establish, maintain and collect rates and charges for service of the Electric System for so long as the Bond is outstanding that will provide in any fiscal year hereafter Net Revenue, taking into account transfers from the Rate Stabilization Account in accordance with Section 7(c), in an amount equal to at least 125% of the Debt Service required to be paid in that fiscal year on the outstanding 2010 Bonds and Parity Bonds.

The City shall cause the rate coverage calculation described in this Section 10(a) to be made no later than 90 days following the end of each fiscal year. Failure to collect Revenue of the System in any fiscal year sufficient to comply with the rate covenant set forth in this Section 10(a) will not constitute an Event of Default under this ordinance if, before the 180th day of the following fiscal year, the City:

(1) employs a Consultant to recommend changes in the Electric System rates that are estimated to produce Revenue of the System sufficient to satisfy the rate covenant set forth in this Section 10(a); and

(2) imposes Electric System rates at least as high as those recommended by the Consultant that will become effective at the time or times so recommended.

(b) *Electric System Maintenance.* The City will at all times maintain and keep the Electric System in good repair, working order and condition, and also will at all times operate the Electric System and the business in connection therewith in an efficient manner and at a reasonable cost.

(c) *Disposal of Properties.* The City will not mortgage, sell, lease, or in any manner encumber or dispose of all or substantially all the property of the Electric System (voluntarily or involuntarily), unless provision is made for payment into the Bond Fund of a sum sufficient to pay the principal of, premium, if any, and interest on all outstanding Parity Bonds, nor will it mortgage, sell, lease, or in any manner encumber or dispose of (including but not limited to a disposition by

transfer to another public or private organization) voluntarily or involuntarily any part of the Electric System that is used, useful and material to the operation of the Electric System unless:

(1) the City certifies, based upon reasonable expectations, that the remaining assets of the Electric System will be sufficient to continue regular operations of the City on a financially sound basis for a period of at least five years and

(2) provision is made for replacement thereof or for payment into the Bond Fund of the total amount of revenue received, which shall not be less than an amount that bears the same ratio to the amount of outstanding Parity Bonds as the greatest of

(A) the Net Revenue available for Debt Service for such outstanding Parity Bonds for the 12 months preceding such sale, lease, encumbrance or disposal from the portion of the Electric System sold, leased, encumbered or disposed of bears to the Net Revenue available for Debt Service for such Parity Bonds from the entire Electric System for the same period;

(B) the Revenue of the System for the 12 months preceding such sale, lease, encumbrance or disposal from the portion of the Electric System sold, leased, encumbered or disposed of bears to the Revenue of the System for the same period;

(C) the proportion of assets (on a depreciated basis) allocable to the assets being sold, leased, encumbered or disposed of bears to the total assets of the Electric System; or

(D) the ratio of the number of customers of the City allocable to the assets being sold, leased, encumbered or disposed of to the total number of customers of the Electric System,

except that the City may dispose of any portion of the facilities of the Electric System up to an aggregate of 5% of the book value of the total assets of the Electric System without the requirement for any deposit to the Bond Fund as hereinabove provided.

Any such money so paid into the Bond Fund must be used to retire such outstanding Parity Bonds at the earliest possible date. Any money received by the City as condemnation awards, insurance proceeds or the proceeds of sale, if not deposited to the Bond Fund, shall be used for the replacement of facilities of the Electric System.

(d) *Books and Records.* The City will, while the Bond remains outstanding, keep proper and separate accounts and records in which complete and separate entries shall be made of all transactions relating to the Electric System, and it will furnish the registered owner of the Bond, at the written request of the owner, complete operating and income statements of the Electric System in reasonable detail covering any fiscal year, showing compliance with the terms and conditions of this ordinance, not more than 150 days after the close of such fiscal year, and it will grant the owner of the Bond the right at all reasonable times to inspect the entire Electric System and all records, accounts and data of the City relating thereto. Upon request of the owner of the Bond, it will also furnish to the owner a copy of the most recently completed audit of the City's accounts by an independent certified public accountant.

(e) *No Free Service.* The City will not furnish any commodity or service of the Electric System to any customer whatsoever free of charge (except as permitted by law to aid the poor, to provide for resource conservation or to provide for the proper handling of hazardous materials) and will promptly take legal action to enforce collection of all delinquent accounts.

(f) *Insurance.* The City will either self-insure or, as needed, and to the extent insurance coverage is available at reasonable cost with responsible insurers, keep, or cause to be kept, the Electric System and the operation thereof insured, with policies payable to the City, against the risks of direct physical loss, damage to or destruction of the Electric System, or any part thereof, and against accidents, casualties or negligence, including liability insurance and employer's liability, at least to the extent that similar insurance is usually carried by municipalities operating like utilities. If insurance policies to provide coverage required by this subsection are not obtainable at reasonable cost with responsible insurers, the City shall, prior to the lapse of such policies, deliver an opinion to that effect to the Registered Owner of the Bond.

Section 11. Issuing Future Parity Bonds.

(a) *No Senior Lien Bonds.* The City hereby covenants and agrees with the owner of the Bond that the City will hereafter issue no bonds with a lien on Revenue of the System superior to the lien thereon of the Bond, and by this covenant and agreement the City expressly waives its rights under Ordinance No. 2010-29 to issue additional bonds on a parity of lien with the 2010 Bonds.

(b) *Conditions for Issuing Future Parity Bonds.* Except as provided in subsections (e) and (f) below, the City will issue Future Parity Bonds or incur any additional indebtedness with a parity lien or charge on Net Revenue (*i.e.*, on a parity of lien with the Bond and any other Parity Bonds at the time outstanding) only in compliance with the following conditions:

(1) At the time of the issuance of any Future Parity Bonds, there is no deficiency in the Bond Fund or any of the accounts therein;

(2) The ordinance authorizing the issuance of Future Parity Bonds will include the covenants provided in Section 10 hereof and provide that the Reserve Requirement, if any, will be funded no later than the date of delivery of the Future Parity Bonds; and

(3) the City will have on file a certificate (dated no earlier than the date that is 90 days prior to the date of issuance of the Future Parity Bonds) relating to Net Revenue, as described in subsection (c) or (d) below, except as otherwise permitted under subsection (e) below.

(c) *Certificate of the City Without A Consultant.* If required pursuant to subsection (b)(3) above, a certificate may be delivered by the City, executed by the Chief Finance and Administrative Officer without a Consultant, showing that Net Revenue (which may be based on unaudited financial statements of the City if the audit has not yet been completed) for the Base Period equals at least 125% of the maximum Annual Debt Service for all 2010 Bonds and Parity Bonds then outstanding plus the proposed Future Parity Bonds.

(d) *Certificate of a Consultant.* If required pursuant to subsection (b)(3) above, a certificate of a Consultant may be delivered by the City showing that Net Revenue for the Base

Period equals at least 125% of the maximum Annual Debt Service for all 2010 Bonds and Parity Bonds then outstanding plus the proposed Future Parity Bonds. In computing Net Revenue for the purpose of this certificate, the Consultant shall use as a basis the Net Revenue (which may be based on unaudited financial statements of the City if the audit has not yet been completed) for the Base Period. Such Net Revenue may be adjusted to take into consideration changes in Net Revenue estimated to occur under one or more of the following conditions after delivery of the proposed Future Parity Bonds:

(1) any increase or decrease in Net Revenue projected to result from changes in rates and charges (A) adopted prior to the date of the certificate but after the beginning of the Base Period and (B) effective at any time prior to the date needed for payment of Debt Service on Parity Bonds;

(2) any increase or decrease in Net Revenue estimated by such engineer or accountant to result from any additions, betterments and improvements to and extensions of any facilities of the Electric System that (A) became fully operational after the beginning of the Base Period, (B) were under construction at the time of such certificate, or (c) will be constructed from the proceeds of the Future Parity Bonds to be issued;

(3) the additional Net Revenue that would have been received if any customers added to the Electric System after the beginning of the Base Period had been customers for the entire period.

The Consultant shall base the certification upon, and the certificate shall have attached thereto, financial statements of the Electric System, certified by the Chief Finance and Administrative Officer, showing income and expenses for the Base Period.

(e) *No Certificate Required.* The certificate described in subsection (b)(3) and subsections (c) or (d) above is not required as a condition to the issuance of Future Parity Bonds:

(1) if the Future Parity Bonds being issued are for the purpose of refunding outstanding Parity Bonds; or

(2) if the Future Parity Bonds are being issued to pay costs of construction of facilities of the Electric System for which Parity Bonds have been issued previously and the principal amount of such Future Parity Bonds being issued for completion purposes does not exceed an amount equal to an aggregate of 15% of the principal amount of Parity Bonds theretofore issued for such facilities and reasonably allocable to the facilities to be completed as shown in a written certificate of the Chief Finance and Administrative Officer, and there is delivered a certificate of the Municipal Administrator stating that the nature and purpose of such facilities has not materially changed.

(f) *Refunding Obligations.* Nothing herein contained shall prevent the City from issuing revenue bonds to refund maturing Parity Bonds for the payment of which money is not otherwise available.

Section 12. Subordinate Lien Bonds. Nothing herein contained shall prevent the City from issuing revenue bonds or other obligations that are a charge upon the Revenue of the System

subordinate or inferior to the payments required by this ordinance to be made out of such Revenue to pay and secure the payment of any Parity Bonds. Such subordinate or inferior obligations may not be subject to acceleration. This prohibition against acceleration does not prohibit mandatory tender or other tender provisions with respect to variable rate obligations.

Section 13. Form of the Bond. The Bond will be in substantially the form set forth on Exhibit A.

Section 14. Execution of the Bond. The Bond shall be signed on behalf of the City by the manual or facsimile signature of the Mayor, shall be attested by the manual or facsimile signature of the Municipal Clerk, and the seal of the City shall be impressed or imprinted thereon.

Only a Bond that bears thereon a Certificate of Authentication in the form set forth in Exhibit A, manually executed by the Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance. The Certificate of Authentication shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated, registered, and delivered hereunder and is entitled to the benefits of this ordinance.

In case any officer of the City who has signed, attested, authenticated, registered, or sealed the Bond ceases to hold that office before the Bond so signed, attested, authenticated, registered or sealed has been actually issued and delivered, the Bond shall be valid nevertheless and may be issued by the City with the same effect as though the person who had signed, attested, authenticated, registered or sealed that Bond had not ceased to hold that office. Any Bond may also be signed, attested, authenticated, registered or sealed on behalf of the City by a person who, at the actual date of execution of the Bond is a proper officer of the City although at the original date of the Bond that person did not hold that office.

Section 15. Lost or Destroyed Bond. If the Bond is lost, stolen or destroyed, the Registrar may authenticate and deliver a new Bond of like amount, date, and tenor to the Registered Owner upon such owner's paying the expenses and charges of the City in connection with preparation and authentication of the replacement Bond and upon his or her filing with the Registrar evidence satisfactory to the Registrar that the Bond was actually lost, stolen or destroyed and of his or her ownership, and upon furnishing the City with indemnity satisfactory to the Registrar.

Section 16. Application of Bond Proceeds; Plan of Refunding. Upon the issuance of the Bond, proceeds of the Bond shall be applied, as follows:

- (a) An amount sufficient to pay in full the outstanding balance of the AEA Loan shall be paid to or at the direction of AEA;
- (b) An amount shall be deposited in the Reserve Account that is sufficient, with other funds on deposit therein, to satisfy the Reserve Requirement for the Bond; and
- (c) The remaining proceeds of the Bond shall be applied to pay costs of issuance of the Bond, with any balance deposited into the Bond Fund.

Section 17. Sale of the Bond. The Chief Finance and Administrative Officer is authorized to negotiate the sale of the Bond to the Bond Bank on terms and conditions consistent with this ordinance and the Bond Bank's loan approval to be set forth in a Loan Agreement by and between the City and the Bond Bank (a sample of which is set forth on Exhibit B attached hereto). The Loan Agreement will include the principal amount, date, principal installment payment schedules, interest rates, and prepayment provisions for the Bond, all as provided for in this ordinance, subject to the approval of the Municipal Administrator, which approval shall be evidenced by the Municipal Administrator's execution of the Loan Agreement. Following the execution of the Loan Agreement, the Chief Finance and Administrative Officer shall provide a report to the Assembly, describing the final terms of the Bond approved pursuant to the authority delegated by this ordinance.

The authority granted to the Chief Finance and Administrative Officer and Municipal Administrator by this section for the initial sale of the Bond shall expire on December 31, 2020. If a Loan Agreement for the Bond has not been executed by December 31, 2020, the authorization for the issuance of the Bond shall be rescinded, and the Bond shall not be issued nor its sale approved unless the Bond is re-authorized by ordinance. The ordinance reauthorizing the issuance and sale of the Bond may be in the form of a new ordinance repealing this ordinance in whole or in part (only with respect to the Bond not issued) or may be in the form of an amendatory ordinance approving a Loan Agreement or establishing terms and conditions for the authority delegated under this section.

The proper officials of the City and their agents and representatives are hereby authorized and directed to do everything necessary for the prompt execution and delivery of the Bond to the Bond Bank in accordance with the provisions of this ordinance and the Loan Agreement.

The Chief Finance and Administrative Office and Municipal Administrator are further authorized from time to time to approve a revised schedule of principal payment amounts and interest rates for the Bond, in accordance with the refinancing provisions of the Loan Agreement in connection with a refunding of the Bond Bank Bonds, so long as the revised debt service schedule is financially advantageous to the City. The Municipal Administrator is authorized to sign an amendment to the Loan Agreement that sets forth the revised debt service schedule, and the Municipal Administrator, Chief Finance and Administrative Officer, Municipal Attorney, Municipal Clerk, and other appropriate officers of the City are authorized and directed to take such steps, to do such other acts and things, and to execute such letters, certificates, agreements, or instruments as in their judgment may be necessary, appropriate or desirable for refinancing the Bonds in connection with a refunding of the Bond Bank Bonds.

Section 18. Events of Default.

To protect and safeguard the covenants and obligations undertaken by the City securing the Bond, the City hereby covenants and agrees with the purchaser and owner from time to time of the Bond that the following shall constitute "Events of Default":

(1) If default is made in the due and punctual payment of the principal of or premium, if any, on any of the Parity Bonds when the same become due and payable, either at maturity or by proceedings for redemption or otherwise;

(2) If default is made in the due and punctual payment of any installment of interest on any Parity Bond;

(3) If the City fails, by any Sinking Fund Requirement date, to have purchased or redeemed Term Bonds in a cumulative principal amount at least equal to the cumulative Sinking Fund Requirements at such Sinking Fund requirement date;

(4) If the City defaults in the observance and performance of any other of the covenants, conditions and agreements on the part of the City contained in this ordinance and such default or defaults continues for a period of 90 days after the City receives from a representative of (a) owners of not less than 66% in principal amount of the Parity Bonds then outstanding or (b) the Bond Bank, if the Bond Bank is then the Registered Owner of any of the Parity Bonds, a written notice specifying and demanding the cure of such default;

(5) If the City (except as herein permitted) sells, transfers, assigns or conveys any properties constituting the Electric System or interests therein, or makes any agreement for such sale or transfer (except as expressly authorized herein);

(6) If an order, judgment or decree is entered by any court of competent jurisdiction: (a) appointing a receiver, trustee or liquidator for the City or the whole or any substantial part of the Electric System; (b) approving a petition filed against the City seeking the bankruptcy, arrangement or reorganization of the City under any applicable law of the United States or the State of Alaska; or (c) assuming custody or control of the City or of the whole or any substantial part of the Electric System under the provisions of any other law for the relief or aid of debtors and such order, judgment or decree is not vacated or set aside or stayed (or, in case custody or control is assumed by said order, such custody or control is not otherwise terminated) within 90 days from the date of the entry of such order, judgment or decree; or

(7) If the City: (a) admits in writing its inability to pay its debts generally as they become due; (b) files a petition in bankruptcy or seeking a composition of indebtedness under any state or federal bankruptcy or insolvency law; (c) makes an assignment for the benefit of its creditors; (d) consents to the appointment of a receiver of the whole or any substantial part of the Electric System; or (e) consents to the assumption by any court of competent jurisdiction under the provisions of any other law for the relief or aid of debtors of custody or control of the City or of the whole or any substantial part of the Electric System.

Section 19. Remedies Available for an Event of Default.

(a) *Waivers of Default.* No delay or omission of the owners of the Parity Bonds to exercise any right or power arising upon the happening of an Event of Default shall impair any right or power or shall be construed to be a waiver of any such Event of Default or to be an acquiescence therein; and every power and remedy given by this Section to the owners of Parity Bonds may be exercised from time to time and as often as may be deemed expedient by such owners.

The owners of not less than 66% in principal amount of the Parity Bonds at the time outstanding (the "Majority Bondowners"), or their attorneys-in-fact duly authorized, may on behalf of the owners of all of the Parity Bonds waive any past default under this ordinance and its consequences, except a default in the payment of the principal of, premium, if any, or interest on

any of the Parity Bonds. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

(b) *Suits at Law or in Equity.* The Majority Bondowners may, upon the happening of an Event of Default, and during the continuance thereof, take such steps and institute such suits, actions or other proceedings all as may be deemed appropriate for the protection and enforcement of the rights of owners of the Parity Bonds to collect any amounts due and owing the City, or to obtain other appropriate relief, and may enforce the specific performance of any covenant, agreement or condition contained in this ordinance, or in any of the Parity Bonds.

Any action, suit or other proceedings instituted by the Majority Bondowners hereunder shall be brought in its name on behalf of all owners of the Parity Bonds, and all such rights of action upon or under any of the Parity Bonds or the provisions of this ordinance may be enforced by the Majority Bondowners without the possession of any of said Parity Bonds and without the production of the same at any trial or proceedings relative thereto except where otherwise required by law, and the respective owners of said Parity Bonds, by taking and holding the same, shall be conclusively deemed irrevocably to appoint the Majority Bondowners the true and lawful trustee of the respective owners of the Parity Bonds, with authority to institute any such action, suit or proceeding; to receive as trustee and deposit in trust any sums becoming distributable on account of the Parity Bonds; to execute any paper or documents for the receipt of such money, and to do all acts with respect thereto that the owner of a Parity Bond might have done in person. Nothing herein contained shall be deemed to authorize or empower the Majority Bondowners to consent to accept or adopt, on behalf of any owner of any Parity Bond, any plan or reorganization or adjustment affecting the Parity Bonds or any right of any owner thereof, or to authorize or empower the Majority Bondowners to vote the claims of the owners thereof in any receivership, insolvency, liquidation, bankruptcy, reorganization or other proceeding to which the City shall be a party.

Nothing contained in this ordinance shall, in any event or under any circumstance, be deemed to authorize the acceleration of maturity of principal on Parity Bonds outstanding, and the remedy of acceleration is expressly denied to the owners of Parity Bonds outstanding under any circumstances including, without limitation, upon the occurrence and continuance of an Event of Default.

(c) *Books of City Open to Inspection.* The City covenants that if an Event of Default occurs and is not remedied, the books of record and account of the City will at all reasonable times be subject to the inspection and use of the owners of any Parity Bonds.

The City covenants that if an Event of Default happens and is not remedied, the City will continue to account, as trustee of an express trust, for all Revenues of the System and other money, securities and funds pledged under this ordinance.

Section 20. Ongoing Disclosure. The City acknowledges that, under Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), the City may now or in the future be an "obligated person" with respect to the Bond Bank Bonds or other bonds issued by the Bond Bank. In accordance with the Rule and as the Bond Bank may require, the City shall undertake to provide certain annual financial information and operating as shall be set forth in the Loan Agreement.

Section 21. General Authorization; Prior Acts. The Mayor, Municipal Administrator, Chief Finance and Administrative Officer, Municipal Attorney, and Municipal Clerk and any other appropriate officers of the City are each hereby authorized and directed to take such steps, to do such other acts and things, and to execute such letters, certificates, agreements, papers, financing statements, assignments or instruments as in their judgment may be necessary, appropriate or desirable to carry out the terms and provisions of, and complete the transactions contemplated by, this ordinance. All acts taken pursuant to the authority of this ordinance but prior to its effective date are hereby ratified and confirmed.

Section 22 Severability. If any one or more of the covenants or agreements provided in this ordinance to be performed on the part of the City are declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements of this ordinance and shall in no way affect the validity of the other provisions of this ordinance or of the Bond.

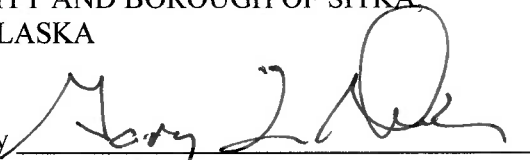
Section 23. Effective Date. This ordinance shall be in full force and effect 30 days after its adoption by the Assembly.

READ FOR THE FIRST TIME at a regular meeting of the Assembly held on May 26, 2020.

PASSED AND APPROVED by the Assembly on June 9, 2020.


CITY AND BOROUGH OF SITKA
ALASKA

By



Gary L. Paxton, Mayor

ATTEST:



Sara Peterson, MMC
Municipal Clerk

EXHIBIT A

FORM OF THE BOND

NO. _____

\$ _____

UNITED STATES OF AMERICA

STATE OF ALASKA

CITY AND BOROUGH OF SITKA

JUNIOR LIEN ELECTRIC REVENUE REFUNDING BOND, 20__ (TAXABLE)

INTEREST RATE:

FINAL MATURITY DATE:

SEE BELOW

REGISTERED OWNER: ALASKA MUNICIPAL BOND BANK

PRINCIPAL AMOUNT: _____ AND NO/100 DOLLARS

The City and Borough of Sitka, Alaska (the "City"), a municipal corporation organized and existing under and by virtue of its charter and the laws and Constitution of the State of Alaska, hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, the principal amount specified above, in installments payable as set forth below, together with interest on such installments from the date hereof or the most recent date to which interest has been paid or duly provided for, at the interest rates set forth below, on _____ 1, 20__, and on each _____ 1 and _____ 1 thereafter until payment of the principal sum has been made or duly provided for.

Principal Installment Payment Year (_____ 1)	Principal Installment Amount	Interest Rate
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		

Both principal of and interest on this bond are payable solely from the special fund of the City known as the City and Borough of Sitka 2013 Electric Revenue Bond Redemption Fund (the "Bond Fund"). Payments of principal of and interest on this bond shall be made in lawful money of the United States of America. Installments of principal of and interest on this bond are payable by check or draft of the Chief Finance and Administrative Officer of the City (the "Registrar") mailed on the date such interest is due to the Registered Owner at the address appearing on the

Bond Register as of the fifteenth day of the month preceding the interest payment date. The final installment of principal of and interest on this bond shall be paid to the Registered Owner upon presentation and surrender of this bond at the office of the Registrar. Notwithstanding the foregoing, so long as the Bond Bank is the Registered Owner of this bond, payments of principal of and interest on this bond shall be made to the Bond Bank in accordance with the Loan Agreement.

This bond is issued pursuant to Ordinance No. 2020-30, passed June 9, 2020 (the “Bond Ordinance”), to provide funds to refinance an outstanding loan to the City from the Alaska Energy Authority. Capitalized terms used in this bond and not otherwise defined herein have the meanings given those terms in the Bond Ordinance.

Principal installments of this bond are subject to prepayment as provided in the Bond Ordinance and in the Loan Agreement.

The City does hereby pledge and bind itself to set aside from the Electric System Revenue Fund of the City created by the Bond Ordinance, and to pay into the Bond Fund and the Accounts therein, the various amounts required by the Bond Ordinance to be paid into and maintained in said Fund and Accounts, all within the times provided by the Bond Ordinance. The City has further pledged and bound itself to pay into the Revenue Fund as collected, all Revenue of the System.

The amounts so pledged to be paid out of the Revenue Fund into the Bond Fund and Accounts therein are hereby declared to be a prior lien and charge upon money in the Revenue Fund superior to all other charges of any kind or nature except Operating Costs and the costs of paying and securing payment of the 2010 Bonds and equal in rank to the lien and charge on the money in the Bond Fund to pay and secure the payment of other Parity Bonds.

The pledge of Revenue of the System for payment of principal of and interest on this bond may be discharged prior to maturity of this bond by making provision for the payment thereof on the terms and conditions set forth in the Bond Ordinance and Loan Agreement.

This bond will not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Ordinance until the Certificate of Authentication hereon has been manually signed by the Registrar.

It is hereby certified and declared that this bond is issued pursuant to and in strict compliance with the Constitution and laws of the State of Alaska and the charter, ordinances, and resolutions of the City, that all acts, conditions and things required to be done precedent to and in the issuance of this bond have happened, been done and performed, and that this bond does not exceed any Constitutional or statutory limitations.


IN WITNESS WHEREOF, the City and Borough of Sitka, Alaska, has caused this bond to be signed on behalf of the City with the manual or facsimile signature of the Mayor, to be attested by the manual or facsimile signature of the Municipal Clerk, and the seal of the City to be imprinted or impressed hereon, as of this 9 day of June, 2020.

CITY AND BOROUGH OF SITKA,
ALASKA

By 
Gary L. Paxton, Mayor

[SEAL]

ATTEST:

/s/ 
Sara Peterson, MMC
Municipal Clerk

CERTIFICATE OF AUTHENTICATION

Date of Authentication: 6-10-2020

This is the City and Borough of Sitka, Alaska, Junior Lien Electric Revenue Refunding Bond, 20__ (Taxable), dated June 9, 2020, as described in the Bond Ordinance.

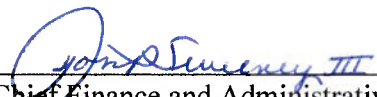

Chief Finance and Administrative Officer,
City and Borough of Sitka, Alaska, as
Registrar

EXHIBIT B

FORM OF LOAN AGREEMENT

THIS LOAN AGREEMENT, dated as of the ____ day of _____ 20__ (the "Loan Agreement"), between the Alaska Municipal Bond Bank (the "Bank"), a body corporate and politic constituted as an instrumentality of the State of Alaska (the "State") exercising public and essential governmental functions, created pursuant to the provisions of Chapter 85, Title 44, Alaska Statutes, as amended (the "Act"), having its principal place of business at Juneau, Alaska, and the [City] [Borough], Alaska, a duly constituted _____ [City] [Borough] of the State (the "[City] [Borough]"):

WITNESSETH:

WHEREAS, pursuant to the Act, the Bank is authorized to issue bonds and make loans of money (the "Loan" or "Loans") to governmental units; and

WHEREAS, the [City] [Borough] is a "Governmental Unit" as defined in the General Bond Resolution of the Bank hereinafter mentioned and is authorized to accept a Loan from the Bank, evidenced by its municipal bond; and

WHEREAS, the [City] [Borough] desires to borrow money from the Bank in the amount not to exceed \$ _____ and has submitted an application to the Bank for a Loan in the amount not to exceed \$ _____; and

WHEREAS, the [City] [Borough] has duly authorized the issuance of its fully registered bond in the principal amount of \$ _____ (the "Municipal Bond"), which Municipal Bond is to be purchased by the Bank as evidence of and security for the [City's] [Borough's] obligation to repay the Loan in accordance with this Loan Agreement; and

WHEREAS, the application of the [City] [Borough] contains the information requested by the Bank; and

WHEREAS, to provide for the issuance of bonds of the Bank to obtain from time to time money with which to make and/or refinance Loans, the Board of Directors of the Bank (the "Board") has adopted its General Obligation Bond Resolution on July 13, 2005, as amended (the "General Bond Resolution"); and

WHEREAS, the Board approved certain modifications to the General Bond Resolution, effective on the date when all bonds issued under the terms of the General Bond Resolution, prior to February 19, 2013, cease to be outstanding; and

WHEREAS, on April [], 2020, the Board adopted Series Resolution No. 2020-[] (the "Series Resolution" and together with the General Bond Resolution, the "Bond Resolution"), authorizing the Bank to, among other things, issue the Bank's General Obligation and Refunding Bonds, 2020 Series One Bonds and General Obligation and Refunding Bonds, 2020 Series Two

CERTIFICATE

I, the undersigned, duly chosen, qualified and acting Municipal Clerk of the City and Borough of Sitka (the "City") and keeper of the records of the Assembly, DO HEREBY CERTIFY:

1. That the attached is a true and correct copy of Ordinance No. 2020- 30 of the Assembly (the "Ordinance"), as finally adopted at a regular meeting of the Assembly held on June 9, 2020, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum of the Assembly was present throughout the meeting and a legally sufficient number of members of the Assembly voted in the proper manner for the passage of the Ordinance; that all other requirements and proceedings incident to the proper passage of said Ordinance have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 10 day of June, 2020.



Municipal Clerk
City and Borough of Sitka



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 21-08 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 4/21/2021 In control: City and Borough Assembly

On agenda: 4/27/2021 Final action:

Title: Making supplemental appropriations for fiscal year 2021 (Sitka Community Hospital Dedicated Fund)

Sponsors:

Indexes:

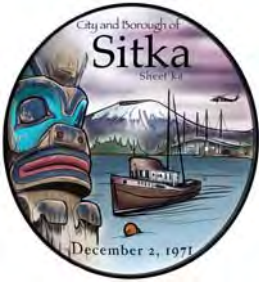
Code sections:

Attachments: [Motion Ord 2021-08](#)
[Memo and Ord 2021-08](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve Ordinance 2021-08 on first reading making supplemental appropriations for fiscal year 2021 (Sitka Community Hospital Dedicated Fund).



City and Borough of Sitka

PROVIDING FOR TODAY...PREPARING FOR TOMORROW

Coast Guard City, USA

MEMORANDUM

To: Mayor Eisenbeisz and Assembly Members

Thru: John Leach, Municipal Administrator

From: Melissa Haley, Finance Director

Date: April 16, 2021

Subject: Supplemental Appropriation SCH Dedicated Fund

Background

The SCH Dedicated Fund is used to track both tobacco tax proceeds as well as any residual revenue and expenses related to the former Sitka Community Hospital (SCH).

Analysis

During the FY2021 budget process the accounting treatment of the SCH Dedicated Fund was still being determined. The original budget did not include certain liabilities that were to be paid, as they were originally determined to be a liability rather than an expense. As more research was completed, as well as many discussions with our auditors, it was determined that a key remaining liability (the Cerner EHR liability) should be accounted for using the modified accrual basis, which means that, at the fund level, the payments should be included in the expense budget. While we were able to exercise an early termination clause of the Cerner contract in March, we paid out approximately \$366,000 in FY2021. In addition to the Cerner expense, we expect to pay out on a deductible for legal expenses related to lawsuits against the form SCH. Finally, unemployment expense for SCH has increased (nearly double the prior year).

Fiscal Note

To ensure we have sufficient appropriations to cover expenses through the end of the fiscal year, we propose increasing appropriations by \$425,000, to reflect anticipated expense through the end of the fiscal year.

Recommendation

Increase appropriations in the Sitka Community Hospital Fund by \$425,000.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2021-08

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA MAKING SUPPLEMENTAL
APPROPRIATIONS FOR FISCAL YEAR 2021
(Sitka Community Hospital Dedicated Fund)

BE IT ENACTED by the Assembly of the City and Borough of Sitka, Alaska as follows:

1. **CLASSIFICATION.** This ordinance is not of a permanent nature and is not intended to be a part of the Sitka General Code of the City and Borough of Sitka, Alaska.

2. **SEVERABILITY.** If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person and circumstances shall not be affected thereby.

3. **PURPOSE.** The purpose of this ordinance is to make a supplemental Operational appropriation for FY2021.

4. **ENACTMENT.** In accordance with Section 11.10(a) of the Charter of the City and Borough of Sitka, Alaska, the Assembly hereby makes the following supplemental appropriation for the budget period beginning July 1, 2020 and ending June 30, 2021.

:

<u>FISCAL YEAR 2021 EXPENDITURE BUDGETS</u>
CAPITAL PROJECTS
Fund 190 – Sitka Community Hospital Dedicated Fund: Increase appropriations in the amount of \$425,000 to cover long-term contracts, legal expenses, and increased unemployment costs.

EXPLANATION

This supplemental appropriation addresses both final determination of accounting treatment of certain contracts as well as previously unknown legal expenses, and an increase in unemployment costs for previous SCH employees.

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

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 11th Day of May 2021.

ATTEST:

Steven Eisenbeisz, Mayor

Sara Peterson, MMC
Municipal Clerk

1st reading: 4/27/2021
2nd and final reading: 5/11/2021

Sponsor: Administrator



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 21-073 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 4/21/2021 In control: City and Borough Assembly

On agenda: 4/27/2021 Final action:

Title: Approve the agreement to terminate lease between the City and Borough of Sitka and Christian A. Scantling / Deborah N. Wynsen for 725 Siginaka Way

Sponsors:

Indexes:

Code sections:

Attachments: [Motion](#)
[Assembly Memo Early Termination of Lease Christian Scantling and Deborah Wynsen Final Agreement to Terminate Lease by CBS and Scantling and Wynsen](#)
[Original April Wheldon - William Akan Lease Agreement Assigned to Christian Scantling and Deborah Executed Consent to Assignment- Assignment and Assumption of Lease](#)
[Letter Requesting to be Let Out Of Lease Christian Scantling Deborah Wynsen 725 Siginaka February](#)
[Reply Acknowledging Request to be Let Out Of Lease Christian Scantling Deborah Wynsen 725](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

Step 1

Overview from staff

Step 2

I MOVE TO approve the agreement to terminate lease between the City and Borough of Sitka and Christian A. Scantling / Deborah N. Wynsen for 725 Siginaka Way with a lease term end date of (to be determined by the Assembly).



City and Borough of Sitka

PROVIDING FOR TODAY...PREPARING FOR TOMORROW

Coast Guard City, USA

MEMORANDUM

To: Mayor Eisenbeisz and Assembly Members

Thru: John Leach, Municipal Administrator
Melissa Haley, Finance Director

From: Jay Sweeney, Compliance Officer

Date: April 12, 2021

Subject: Early Termination of Land Lease for 725 Siginaka Way

Background

The City and Borough of Sitka (CBS) has received a request from Christian Scantling and Deborah Wynsen to have their land lease for Municipal property terminated early, prior to the termination date of May 1, 2022 currently set forth in the lease document.

Lease History:

1. The CBS owns property at 725 Siginaka Way, upon which is a coffee stand has been constructed.
2. The CBS took possession of the coffee stand and equipment in April 2016 upon the eviction of 4Js Coffee for non-payment of rent.
3. The CBS subsequently leased the property and coffee stand in May 2017 to April Wheldon and William Akin for a term of 5 years (see attached lease). Subsequently, the CBS Assembly approved an assignment of the lease for the municipal property to Christian Scantling and Deborah Wynsen. Municipal Administrator Hugh Bevan signed a Consent to Assignment on December 28, 2019 (see attached Consent to Assignment and Assignment and Assumption of Lease).
4. On February 13, 2021, the CBS received a letter from the present tenants asking that lease be terminated early (see attachment). The CBS replied to the tenants on February 22, 2021 acknowledging their request (attachment).

Analysis

1. The Assembly could choose to either enforce the terms of the lease or agree to an early termination. The decision rests with the Assembly.

2. The tenants have indicated in their correspondence that their business has been adversely impacted by the Covid-19 pandemic. This should bear on any decision.
3. Re-leasing of the property will need to be accomplished by issuance of an RFP by the Planning Department.

Fiscal Note

1. As set forth in the attached lease, rent is \$540.45 per month. As required by the lease, an annual CPI-based rent adjustment was made effective July, 2020.
2. The tenants have an excellent record of making timely rent payments and are current with the Municipality in all aspects.

Recommendation

Should the assembly approve the early termination request, it would be helpful to have a specific date of termination in order to clearly determine any final financial settlement due (either to the CBS or to the lessee).

**AGREEMENT TO TERMINATE LEASE
BY
CITY AND BOROUGH OF SITKA
AND
CHRISTIAN A. SCANTLING AND DEBORAH N. WYNSSEN**

City and Borough of Sitka, Alaska (“CBS” or “Lessor”), of 100 Lincoln Street, Sitka, Alaska 99835, and Christian A. Scantling and Deborah N. Wynsen, husband and wife (“Lessees”), of PO Box 6370, Sitka, Alaska 99835, agree to modify their Lease Agreement, executed May 15, 2017 (the “Lease”) and assigned to current Lessees effective January 1, 2020, after consent and approval of the CBS Assembly, by modifying the Lease term end date in Section 1.2 of the Lease from May 1, 2022, to _____, as permitted by Section 18.1 of the Lease by written instrument duly signed, acknowledged, and delivered by both Parties.

The termination of the Lease was approved by the CBS Assembly on April 27, 2021, with a termination date of _____, 2021.

CITY AND BOROUGH OF SITKA, ALASKA

Date

By: John Leach
Its: Municipal Administrator

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this _____ day of _____, 2021, by John Leach, Municipal Administrator of the CITY AND BOROUGH OF SITKA, ALASKA, an Alaska home rule municipality, on behalf of the municipality.

Notary Public in and for the State of Alaska
My commission expires: _____

Date

Christian A. Scantling

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this _____ day of _____, 2021, by Christian A. Scantling.

Notary Public in and for the State of Alaska
My commission expires: _____

Date

Deborah N. Wynsen

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this _____ day of _____, 2021, by Deborah N. Wynsen.

Notary Public in and for the State of Alaska
My commission expires: _____

LEASE TERM SHEET

This page to stay with lease, updated as needed

Fields in yellow highlight are to be entered in IS system which generates ticklers for date milestones.

1. Lease control number 22
2. Lease Manager (city position responsible for general oversight – not a person's name)
Director of Planning & Com. Dev.
3. Name of Lessee(s) ADRI Whelden William Alan
4. Name commonly used to refer to lease (if different than name of lessee, for ex. Lease signer might be Mike Clementz, but lease is best known as the Cove Marina Lease.)
725 Signalka way
5. Description of property – not necessary to provide full legal description, provided there is enough to identify property for working purposes, for ex. "4608 HPR 1.2 acres of state tidelands,"
725 Sig. way - 1000 ft
6. Assembly approval req'd: ☒ yes ☐ no Assembly approval received: ☒ yes ☐ no
7. Lease is signed off by all parties: ☐ yes ☐ no
8. Duration of lease 5 years ☐ months ☐ month-to-month (circle one)
9. Renewal date May, 2022 (6 months prior to end of term) (Dec 1, 2021)
10. Lease rate \$6,000 annual w/ CPI Adjustment
11. Commencement date May 15, 2017
12. Due date of first payment May 15, 2017
13. Due date of subsequent payments May 15, 2018
14. CPI or other rate adjustments? ☒ yes ☐ no
15. If yes to rate adjustments, list dates of adjustments for duration of lease term.
July 1, 2017, 2018, 2019, 2020, 2021, etc.
16. Bonding required? ☒ yes ☐ no If yes, is bond received? ☐ yes ☐ no Attached ☐
17. Bond expiration: N/A
18. Insurance required ☒ yes ☐ no If yes, is proof of insurance received? ☒ yes ☐ no Attached ☒ Insurance
19. Insurance expiration _____
20. Royalty lease? ☒ yes ☐ no If yes, has baseline for royalties been established? ☐ yes ☐ no
(For example, initial survey completed?)
21. DOT letter authorizing sublease received, if applicable? ☒ yes ☐ no Attached ☐

Notes, special or unique conditions _____

Lease Manager sign off, page is complete and accurate, ready to go into document management system and tickler system, and for lease file to go into vault

Michael Scardella date 5-10-17
Name printed: Michael Scardella Director P&CD

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Exhibits

 Exhibit A – Description of the area leased

**LEASE AGREEMENT BETWEEN
CITY AND BOROUGH OF SITKA
AND APRIL WHELDON AND WILLIAM AKAN**

PREAMBLE

This Lease Agreement ("Lease Agreement") between City and Borough of Sitka and April Wheldon and William Akan 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 April Wheldon and William Akan, PO Box 6370, Sitka, Alaska 99835 ("Lessee"). This Lease Agreement consists of the Special Provisions, the General Provisions, and the attached Exhibit A.

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 Rents received and of the covenants and agreements made by Lessee, does lease to Lessee, and Lessee leases from Lessor, the "Subject Property" as shown on Exhibit A. Exhibit A shows an approximately 1000 square foot portion of land.

Section 1.2 Lease Term.

The Lease term is for five (5) years and commences on May 15, 2017, and ends on May 1, 2022, unless sooner terminated or extended as provided in this Lease. The Lease term may be extended, based on the Option to Renew in Section 1.3.

Section 1.3 Option to Renew.

Provided there does not then exist a continuing material default by Lessee under this Lease at the time of exercise of this right or at commencement of any extended term, Lessee shall have the right to exercise the option for one successive term of five (5) years upon the same terms and conditions as this Lease (except Section 1.2), with the Lease payments during the extension terms as described in Article II. This option is effective only if (a) Lessee makes a written request to exercise such an option not more than one year or less than six months from the end of the immediately preceding term; (b) Lessee is in compliance with all applicable laws; and (c) Lessee is not in default under this Lease.

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

With the exception of such improvements described in the next sentence, 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 or any extension unless Lessee makes a separate written agreement with Lessor to do otherwise. Subject to the provisions of the

next sentence, Lessee shall leave behind at no cost to Lessor improvements including: bollards, ladders, drains and drain lines; toilets; bathroom sinks; building systems and their components such as plumbing, piping, and fixtures; building structural components; non-structural improvements such as walls and ceilings; devices not used for processing or manufacturing such as but not limited to electrical service entrance equipment, electrical distribution panels, electrical cables, feeders, branch circuit wiring, and appurtenances such as light fixtures, switches, and other devices; portable fire extinguishers, smoke detectors, and fire and life safety equipment attached or fastened in ways integral to the building in which Subject Property is located. Any improvements or personal property not removed after thirty (30) days have passed after termination of this Lease shall be deemed abandoned, and at Lessor's option, shall become the property of Lessor. Lessee shall repay to Lessor any costs of removing such improvements or personal property from the Subject Property if Lessor does not exercise such option. Subject to Lessor's obligations under Subsection 3.1 below, Lessee agrees to leave Subject Property in a neat, clean, and weather-tight condition at the end of the term of the Lease.

Section 1.5 Covenants to Perform.

This Lease 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

Section 2.1 Calculation & Method of Payment of Rent During the Initial Five-Year Term of the Lease.

The first year of the Lease begins on the commencement date of this Lease set out in Article I. Each successive year of the Lease begins on the corresponding anniversary commencement date of the Lease. Notwithstanding any other provision of this Lease, on the term start date set out in Article I, Lessee shall pay Rent for the first year in advance due on the day that the lease is signed at the rate of **\$6,000**. Beginning with the second year and continuing for the duration of the lease, Rent may be paid each month in advance on the first day of each and every month at a rate of **\$500.00/month**. The lease rate will be adjusted annually based on the Consumer Price Index, at a time when the adjustment can be made effective July 1st of the year applied. The adjustment, shall be based on the prior year annual report for the municipality of Anchorage, Alaska, from the United States Department of Labor and Workforce Development, Consumer Price Index, and determined to be the percent change to the current year from the percent change of the prior year, and will be effective July 1st of the year applied. The first such adjustment date shall be July 1, 2018. The adjustment shall apply to all subsequent month's rent payments. Lessee is required to make such adjustments on its own each year.

Section 2.2 Cost of Living Adjustment to Lease Rate Upon Exercise of Lease Renewal.

If the option to renew is exercised, the Lease rate as set in Section 2.1 will be adjusted annually based on the Consumer Price Index as set in Section 2.1. The adjustment shall occur annually on July 1, and shall apply to all subsequent month's rent payments. Lessee is required to make such adjustments on its own each year.

Section 2.3 Calculation and Method of Payment of Rent During Successive Optional Five-Year Renewal of the Lease.

If Lessee decides to exercise the option to renew a successive five-year term under Section 1.2, Lessee must notify Lessor of this intent no less than six (6) months before the end of the current term of the Lease.

Section 2.4 Property Tax Responsibility.

Beginning with the term of this Lease and each calendar year after, Lessee will be responsible to pay Lessor property taxes for its possessory interest in the building, land, and equipment to the extent taxable as determined by the Municipal Assessor.

ARTICLE III RESTRICTIONS UPON USE OF SUBJECT PROPERTY

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

(a) Except as otherwise provided in this Lease, 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 shall purchase, construct, develop, repair, transfer to the Lease property, and/or maintain any improvements, personal property, fixtures, and other items in or on the Subject Property in a first-class manner using materials of good quality.

Lessee shall maintain the subject property and any Lessor provided equipment. 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 interruption in utilities (i.e. power, water), and 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 on the Subject Property only for lawful uses and as specified in the Lease and only for permitted and approved conditional uses subject to Title 22.

(d) Lessee shall confine their equipment, storage and operation to the leasehold area.

(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 permission of Lessor Building Official and the Planning Director. The style, size and physical placement location of the sign will be approved on a case-by-case basis.

Section 3.2 Lessor's Approval of Certain Alterations or Improvements.

Lessee shall not make or permit to be made any alteration of, addition to, or change in, structures and improvements, nor demolish all or any part of the structures or improvements without the prior written consent of Lessor, which consent shall not be unreasonably withheld. The phrase "structures and improvements" in the previous sentence includes water and wastewater systems and electrical systems. In requesting consent, Lessee shall comply with all applicable laws and ordinances, and shall submit to the Public Works Director of Lessor or his or her written designee detailed plans and specifications of proposed work, an explanation of the needs and reasons for the work, and a plan of full payment of the costs of the work. Lessor shall notify Lessee of its approval or objections no later than 30 days after receiving the information described in the previous sentence. In approving or objecting, Lessor shall be acting in its proprietary function and not its regulatory function, any such approval in this proprietary function does not relieve Lessee of any obligation to obey the law. Nothing in this Section shall be interpreted to prevent Lessee from removing at the termination of this Lease any improvements or personal property as described in Section 1.4.

Section 3.3 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. Lessor 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, and maintenance. 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.

(d) Lessee acknowledges that there is no parking that is exclusive to or designated for the Subject Property. Subject Property has no exclusive parking, and is entirely on a first-come first-serve basis.

Section 3.4 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 Lessor and will notify Lessor of any deficiencies in utilities infrastructure 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) The first year lease payment will be paid in its entirety on the date that this Lease is initiated. After the first year, 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 Lessor accounting standards.

(e) Lessor will only invoice if Lease payments are delinquent. Lessor will only invoice if failure to make Lease payment within 30 days of due date. Lessor at its option can terminate the Lease for Lessee's failure to make payment, and in accordance with this Lease.

(f) Lessee covenants and agrees that as it relates to use of the Subject Property, it will not, on the grounds of race, color or national origin, discriminate or permit discrimination against any person or group of person in any manner prohibited by Federal, State or local laws or regulations promulgated under such laws, and Lessee further grants Lessor the right to take such action to enforce such covenant as it deems necessary or as it is directed pursuant to any Federal, State or local laws or regulations.

(g) Lessor may, upon at least 10 days prior written notice to Lessee, temporarily suspend the supply of water, wastewater service, the supply of electric power, the use of pipelines, or the use of the Improvements in order 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.

(h) Lessee shall timely pay the Lessor Fire Marshal or Building Inspector fees and other building permit fees, and shall also timely file and pay all applicable property taxes and assessments, including sales taxes. These include any Local Improvement District costs that may be assessed.

- (i) Lessee shall be responsible for taking any measures that Lessee deems necessary to provide security for their property. Lessor is not responsible for theft or vandalism.
- (j) Lessor sales tax applies to Lease payments. Sales tax rates, limits, exemptions, and exclusions are subject to change by the Lessor Assembly.
- (k) Lessee shall timely pay all other Lessor billings (i.e., electricity, business taxes, etc.).
- (l) Failure of Lessee to file and pay such Lessor taxes, and pay utilities, assessment payments, etc. may subject this Lease to be terminated.
- (m) April Wheldon, William Akan, and Latte Landing LLC shall individually and severally be liable under this Lease to comply with all of its provisions.

Section 3.5 Control of Rodents and Other Creatures on Subject Property.

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

ARTICLE IV UTILITY SERVICES & RATES

Section 4.1 Provision of Utility Services.

Lessee will pay for utilities, if available.

Section 4.2 Rates for Utility Services Provided by Lessor.

Utility rates charged by Lessor for utility services shall be those set forth in Lessor's Customer Service Policy and/or Sitka General Code. Lessee acknowledges the requirements of Section 9.4 as to utility lines. The Lessor Assembly may change utility rates from time to time by amending the Customer Service Policies and/or Sitka General Code.

Section 4.3 Lessee to Pay for Utility Services.

Lessee will pay, or cause to be paid, all proper charges for any of the following, if available: electricity and solid waste; sewer and water; and for all other public or private utility services, which shall be used by or supplied to the Subject Property at any time during the term of this Lease. In the event that any charge, cost, or expense for any of the above-mentioned utility services or for any of the other above-mentioned services shall not be paid when due and payable, Lessor shall have the right, but shall not be obligated, to pay it, with the understanding that amounts paid by Lessor shall constitute additional rent due and payable under this Lease, and shall be repaid to Lessor by Lessee immediately on rendition of a bill by Lessor. Interest at the highest rate allowable by law shall be added as a charge for unpaid utility bills paid by Lessor on behalf of Lessee. Lessor reserves the right to suspend utility services if Lessee does not pay for utility services. Failure to timely pay utility services may also result in Lessor terminating this Lease.

Section 4.4 Lessor Not Liable for Failure of Utilities or Building.

Except to the extent that any such failure, injury, or other casualty is due to Lessor's negligence or breach of any obligation under this Lease, Lessor shall not be liable for any failure of building water supply, sewer, or electric current, or for any injury or damages to person or property caused by or resulting from any natural disaster, natural condition, gasoline, oil, steam, gas, electricity, or 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 the building or the Subject Property, or leakage of gasoline or gas from pipes, appliances, sewer, or plumbing works 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 by an act of God, beyond Lessor's control, or caused by the elements, strikes, riots, or a terrorist or terrorists.

Section 4.5. Requirement Regarding Potable Water Services.

All potable water services will be metered and protected by approved backflow prevention in accordance with Customer Service Policies and/or Sitka General Code.

Section 4.6 Janitorial.

All janitorial service for the Subject Property will be provided by Lessee, to include on-site trash receptacles and regularly scheduled disposal so as to avoid vermin and odor accumulation.

ARTICLE V LIABILITY**Section 5.1 Limits on Lessor Liability Limitation.**

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, 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 save 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 from: (a) any condition of the Subject Property or improvements placed on it; (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; and (c) any act or negligence of Lessee or any of its agents, contractors, servants, employees or licensees. 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 to indemnify or compensate 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 5.2 Limits on Lessee Liability.

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 or by reasons of Lessor's acts or omissions. Lessor also agrees to indemnify, defend, and save 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 from (a) any condition of the Subject Property or improvements placed on it; (b) any breach or default on the part of Lessor regarding any act or duty to be performed by Lessor pursuant to the terms of the Lease; and (c) any act or negligence of Lessor or any of its agents, contractors, servants, employees, or licensees. Lessor agrees to indemnify, defend, and save 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 are in addition to and not by way of limitation of any other covenants in this Lease to indemnify or compensate Lessee.

Section 5.3 Reimbursement of Costs of Obtaining Possession.

Each Party agrees to pay and to indemnify the other Party prevailing in any dispute under this Lease against, all costs and charges, including but not limited to, full reasonable counsel and legal fees lawfully and reasonably incurred in enforcing any provision of this Lease including obtaining possession of the Subject Property and establishing Lessor's title free and clear of this Lease upon expiration or earlier termination of this Lease.

GENERAL PROVISIONS

ARTICLE VI DEFINITIONS

Section 6.1 Defined Terms.

For the purposes of this Lease, 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 14.1.
- (b) "Imposition" means all of the taxes, assessments, fees, utility rates or charges, levies and other governmental charges, levied or assessed against the Subject Property; any part of the Subject Property, or any right or interest or any rent, taxes and income received, including sales taxes on rent.
- (c) "Improvements" or "improvements" means all buildings, structures and improvements of any nature now or in the future located upon the Subject Property, as well as all apparatus and equipment necessary for the complete and comfortable use, occupancy, enjoyment and operation of the Subject Property, including fittings, appliances, machinery, garage equipment, heating equipment, lighting equipment, cooling equipment, air conditioning and ventilating equipment, wiring, controls, communications equipment, plumbing, switchboards, antennae, floor coverings, refrigerating equipment, hot water heating and all other appliances and equipment; 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, 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.

(d) "Personal Property" means tangible personal property owned or leased and used by Lessee or any sublessee of 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 for the use of the Subject Property.

(g) "Subject Property" is the area leased as shown on Exhibit A.

(h) "Sublessee" means any sublessee, concessionaire, licensee, or occupant of space in or on the Subject Property holding by or through Lessee; the term "lease" 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 Lessee, which has been approved by Lessor Assembly.

(i) "Term" means the period of time Lessee rents or leases the Subject Property from Lessor.

ARTICLE VII INSURANCE

Section 7.1 Insurance

Lessee shall have and maintain property damage and comprehensive general liability insurance in the amount of One Million Dollars (\$1,000,000), including leasehold improvements. Lessor shall be named as an additional insured. Additionally, Lessee shall have the statutory amount of any Worker's Compensation.

Section 7.2 Notification of Claim, Loss, or Adjustment

Lessee shall advise Lessor of any claim, loss, adjustment, or negotiations and settlements involving any loss on the Subject Property under all policies of the character described in section 7.1.

Section 7.3 Waiver of Subrogation

The Party insured (or so required) releases the other Party from any liability the other Party may have on account of loss, cost, damage or expense to the extent of any amount recoverable by reason of insurance and waives any right of subrogation which might otherwise exist in or accrue to any person on account of the following circumstances: (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, 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 to be insured. 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 VIII RESTRICTIONS REGARDING ASSIGNMENT, LEASES, AND TRANSFERS OF SUBJECT PROPERTY

Section 8.1 Lessee Without Power to Assign, Lease, or Encumber Subject Property.

Lessee has no power without Lessor Assembly approval under this Lease to assign the Lease. Lessee has no power under this Lease to transfer the Subject Property. Lessee has no power to encumber Subject Property or pledge its interest in Subject Property as collateral for a loan or mortgage, or allow any liens to be filed against the Subject Property. Any such actions under this section may cause termination of the Lease.

Section 8.2 Limitations on Leases.

Lessee shall not sublease the Subject Property or any portion of it without the prior written approval of Lessor Assembly. 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. Lessor's consent to a sublease of the Subject Property shall not release Lessee from its obligations under the Lease. Lessor's consent to a sublease shall not be deemed to give any consent to any subsequent subletting.

ARTICLE IX USE AND PROTECTION OF THE SUBJECT PROPERTY

Section 9.1 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 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 above.

Section 9.2 Compliance with Laws.

Lessee shall throughout any term of this Lease, 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 and all other legal requirements that may be applicable to the Subject Property and its use. Nothing in the foregoing sentence shall be deemed to relieve Lessee of its general obligations to Lessor in its municipal capacity.

Section 9.3 Notification of Lessor's Public Works Director of Discovery of Contamination.

Lessee shall promptly notify the Public Works Director of Lessor within 24 hours if any contaminated soils or other contaminated materials that require special handling are encountered during construction or other activities.

Section 9.4 Use of Utility Lines.

Lessee shall connect or otherwise discharge to such utility lines as approved by the Director of Public Works and/or Electric Department, and shall obtain any permits and comply with any

conditions specified by the Director of Public Works and/or Electric Department for such connections.

Section 9.5 Permits and Approvals for Activities.

Lessee shall be responsible for obtaining all necessary permits and approvals, including food processing, for its activities unless otherwise specifically allowed by Lessor. Not less than ten (10) days in advance of applying for permits to any public entity other than Lessor, Lessee shall provide copies of all permit applications and associated plans and specifications to Lessor Director of Public Works to facilitate review by departments of Lessor. Lessor is not obligated to comment on the permit applications and plans, and the result of any review by Lessor does not affect Lessee's obligation to comply with any applicable laws.

ARTICLE X LESSOR'S RIGHT TO PERFORM LESSEE'S COVENANTS; REIMBURSEMENT OF LESSOR FOR AMOUNTS SO EXPENDED

Section 10.1 Performance of Lessee's Covenants To Pay Money.

Lessee covenants that if it shall at any time default resulting in the Lease being in a condition of default as described in article XIV or shall fail to timely make any other payment (other than Rent), 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 Lessee and without releasing Lessee from any obligations of Lessee under this Lease, make any other payment in a manner and extent that Lessor may deem desirable.

Section 10.2 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 and repair in accordance with the provisions of this Lease, to make any necessary renewals or replacements or to remove any dangerous condition in accordance with the requirements of this Lease or to take any other action required by the terms of this Lease, 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 into or through the building during the course of the work required to be done to make good such default. The obligations of Lessee under this Lease 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 10.3 Reimbursement of Lessor and Lessee.

All sums advanced by Lessor pursuant to this Article and all necessary and incidental costs, expenses and attorney's 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 to Lessor by Lessee in the respective amounts so advanced. 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. Lessee covenants to pay the sum or sums with interest. Lessor shall have, in addition to any other right or remedies, 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 shall entitle Lessee to withhold any Rent due to Lessor or to offset or credit any sums against rent, except with respect to unpaid Rent due from Lessor to Lessee under any sublease of Subject Property.

ARTICLE XI DAMAGE OR DESTRUCTION

Section 11.1 Repair and Replacement of Structures and Improvements Following Damage.

(a) If the Premises 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 cease, without the mutual consent of the Parties.

(b) If such destruction or injury cannot reasonably be repaired within ninety (90) days from the date of such damage or destruction, or if Lessee elects not to repair or rebuild, this Lease shall be terminated and Lessee shall not be liable for the rent owed for the duration of the lease term.

ARTICLE XII MECHANIC'S LIENS

Section 12.1 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 Subject 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 30 days after the date that Lessee has knowledge of its filing. Failure to comply may subject the Lease to be terminated.

ARTICLE XIII LIEN FOR RENT AND OTHER CHARGES

Section 13.1 Lien for Rent.

The whole amount of the Rent and each and every installment, and the amount of all taxes, assessments, utility payments, insurance premiums and other charges, fees and impositions paid by Lessor under the provisions of this Lease, and all costs, attorney's fees and other expenses which may be incurred by Lessor in enforcing the provisions of this Lease or on account of any delinquency of Lessee in carrying out any of the provisions of this Lease, shall be and they are declared to constitute a valid and prior lien against property of Lessee, except the Subject Property, and may be enforced by law and equitable remedies, including the appointment of a receiver.

ARTICLE XIV DEFAULT PROVISIONS

Section 14.1 Events of Default.

Each of the following events is defined as an "Event of Default":

- (a) Failure of 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) Failure of Lessee to perform any of the other covenants, conditions and agreements under this Lease, including filing tax forms and/or payment of taxes, fees, utilities, and the continuance of failure for a period of thirty (30) days after Lessor's notice in writing. The notice shall specify the respects in which Lessor contends that Lessee has failed to perform any of the covenants, conditions and agreements. 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 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): (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; or (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 60 consecutive days, or if this Lease is taken under a writ of execution.

Section 14.2 Assumption or Assignment of Lease to Bankruptcy Trustee.

In the event that this Lease 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.), and the trustee shall cure any default under this Lease and shall provide adequate assurances of future performance of this Lease 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 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.

Section 14.3 Remedies in Event of Default.

Lessor may treat any one or more of the Events of Default as a breach of this Lease. 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, Lessor shall have, in addition to other remedies provided by law, one or more of the following remedies:

(a) Lessor may terminate this Lease. In such an event, Lessor may repossess the entire Subject Property and Improvements, and be entitled also to recover as damages a sum of money equal to the value as of the date of termination of this Lease, of the Rent due from Lessee for the balance of the stated term of this Lease, and any other sum of money and damages due under the terms of this Lease to Lessor. Any personal property not removed after such termination shall be addressed as provided for in Section 1.3 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. In such 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). 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. If Lessor shall be unable, after a reasonable effort to do so, to relet the Subject Property, or if the Subject Property and building are 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 for the period or periods as and when payable pursuant to this Lease. 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. 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 1.3 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, 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 not specifically provided for in this Lease.

(d) Upon the termination of this Lease, 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 1.3. 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, using force as may be necessary, without being deemed guilty of any manner of trespass or forcible entry or detainer. Lessor may at its option seek expedited consideration to obtain possession if Lessor determines that the Lease 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 or defaults in the performance of any other covenant or agreement which Lessee is required to perform under this Lease during the period when work provided for in this Lease shall be in process or shall be required by the terms of this Lease to commence, Lessor may treat the default as a breach of this Lease 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, Lessor shall have the right to carry out or complete the work on behalf of Lessee without terminating this Lease.

Section 14.4 Waivers and Surrenders To Be In Writing.

No covenant or condition of this Lease 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. It shall not relieve Lessee from the obligation, wherever required under this Lease, to obtain the consent of Lessor to any other act or matter.

ARTICLE XV LESSOR'S TITLE AND LIEN

Section 15.1 Lessor's Title and Lien Paramount.

Lessor will hold title to the Subject Property.

Section 15.2 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 regarding 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. Lessee's interest in the Improvements shall in all respects be subject to the paramount rights of Lessor in the Subject Property.

ARTICLE XVI REMEDIES CUMULATIVE

Section 16.1 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 or existing at law or in equity or by statute. Every power and remedy given by this Lease 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 16.2 Waiver of Remedies Not To Be Inferred.

No waiver of any breach of any of the covenants or conditions of this Lease 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 16.3 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, 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 because of any event of default.

ARTICLE XVII SURRENDER AND HOLDING OVER**Section 17.1 Surrender at End of Term.**

On the last day of the last Lease Year of the original term, or on the earlier termination of the term, Lessee shall peaceably and quietly leave, surrender and deliver the entire Subject Property to Lessor, subject to the provisions of Section 1.3, in good repair, order, and condition, 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 17.2 Rights Upon Holding Over.

At the termination of this Lease, by lapse of time or otherwise, Lessee shall yield up immediately possession of the Subject Property 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 seventy-five percent (175%) times 1/30th of the aggregate of the Rent paid or payable to Lessor during the last month of the term of the Lease. 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, 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 and the Term granted for the period still unexpired for any breach of Lessee under this Lease.

ARTICLE XVIII MODIFICATION**Section 18.1 Modification.**

None of the covenants, terms or conditions of this Lease to be kept and performed by either party to this Lease 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 XIX INVALIDITY OF PARTICULAR PROVISIONS

Section 19.1 Invalidity of Provisions.

If any provision of this Lease or the application of it to any person or circumstances shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such provision to persons or circumstance other than those as to which it is invalid or unenforceable, shall not be affected, and each provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

ARTICLE XX APPLICABLE LAW AND VENUE

Section 20.1 Applicable Law.

This Lease 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 shall be only in the Superior Court for the State of Alaska at Sitka, Alaska.

ARTICLE XXI NOTICES

Section 21.1 Manner of Mailing Notices.

In every case where under any of the provisions of this Lease 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 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 days following the giving of notice.

Section 21.2 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. 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 registered or certified mail or express mail, postage prepaid, 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.

Section 21.3 Sufficiency of Service.

Service of any demand or notice as in this Article provided shall be sufficient for all purposes.

Section 21.4 When Notice Deemed Given or Received.

Whenever a notice is required by this Lease 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. It shall be deemed received on the third business day thereafter. For all purposes under this Lease 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, whether or not it is provided that a time period commences after notice is given or after notice is received.

ARTICLE XXII MISCELLANEOUS PROVISIONS

Section 22.1 Captions.

The captions of this Lease 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, nor in any way affect this Lease.

Section 22.2 Conditions and Covenants.

All the provisions of this Lease 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 22.3 Entire Agreement.

This Lease 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 22.4 Time of Essence as to Covenants of Lease.

Time is of the essence as to the covenants in this Lease.

ARTICLE XXIII COVENANTS TO BIND AND BENEFIT RESPECTIVE PARTIES AND TO RUN WITH THE SUBJECT PROPERTY

Section 23.1 Covenants to Run with the Subject Property.

All covenants, agreements, conditions and undertakings in this Lease 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 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.

ARTICLE XXIV ADDITIONAL GENERAL PROVISIONS

Section 24.1 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. 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, 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, except the named parties.

Section 24.2 Lease Only Effective As Against Lessor Upon Assembly Approval.

This Lease is effective as against Lessor only upon the approval of such Lease by the Assembly of Lessor.

Section 24.3 Binding Effects and Attorneys Fees.

This Lease shall be binding up and inure to the benefit of the respective successors and assigns of the Parties hereto. In the event of litigation over this Lease, the Parties agree that the prevailing party shall receive full reasonable attorney's fees.

Section 24.4 Duplicate Originals.

This Lease may be executed in any number of copies, each of which shall constitute an original of this Lease. 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 24.5 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 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.

Section 24.6 Authority.

Lessor and Lessee represent to each other that each has, and has exercised, the required power and authority and has complied with all applicable legal requirements necessary to adopt, execute and deliver this Lease and perform its obligations. Both parties also represent that this Lease 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.

April Wheldon

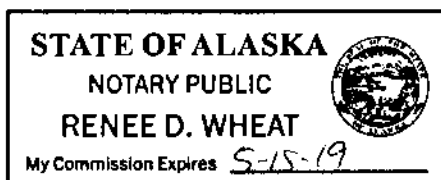
April Wheldon

William Akan

William Akan

STATE OF ALASKA)
) ss:
FIRST JUDICIAL DISTRICT)

THIS CERTIFIES that on this 15th day of May, 2017, personally appeared before me APRIL WHELDON AND WILLIAM AKAN, whose identity is personally known to me or proved to me on the basis of satisfactory evidence, and who by signing this agreement, swears or affirms that he and she individually and jointly are authorized to sign this document and does so freely and voluntarily.



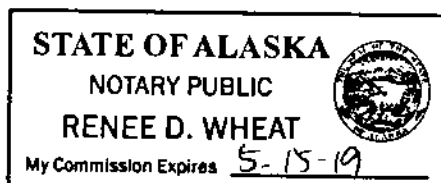
Renee D. Wheat
Notary Public for Alaska
My Commission Expires: 5-15-19

CITY AND BOROUGH OF SITKA

Mark Gorman, Acting
Mark Gorman, Municipal Administrator

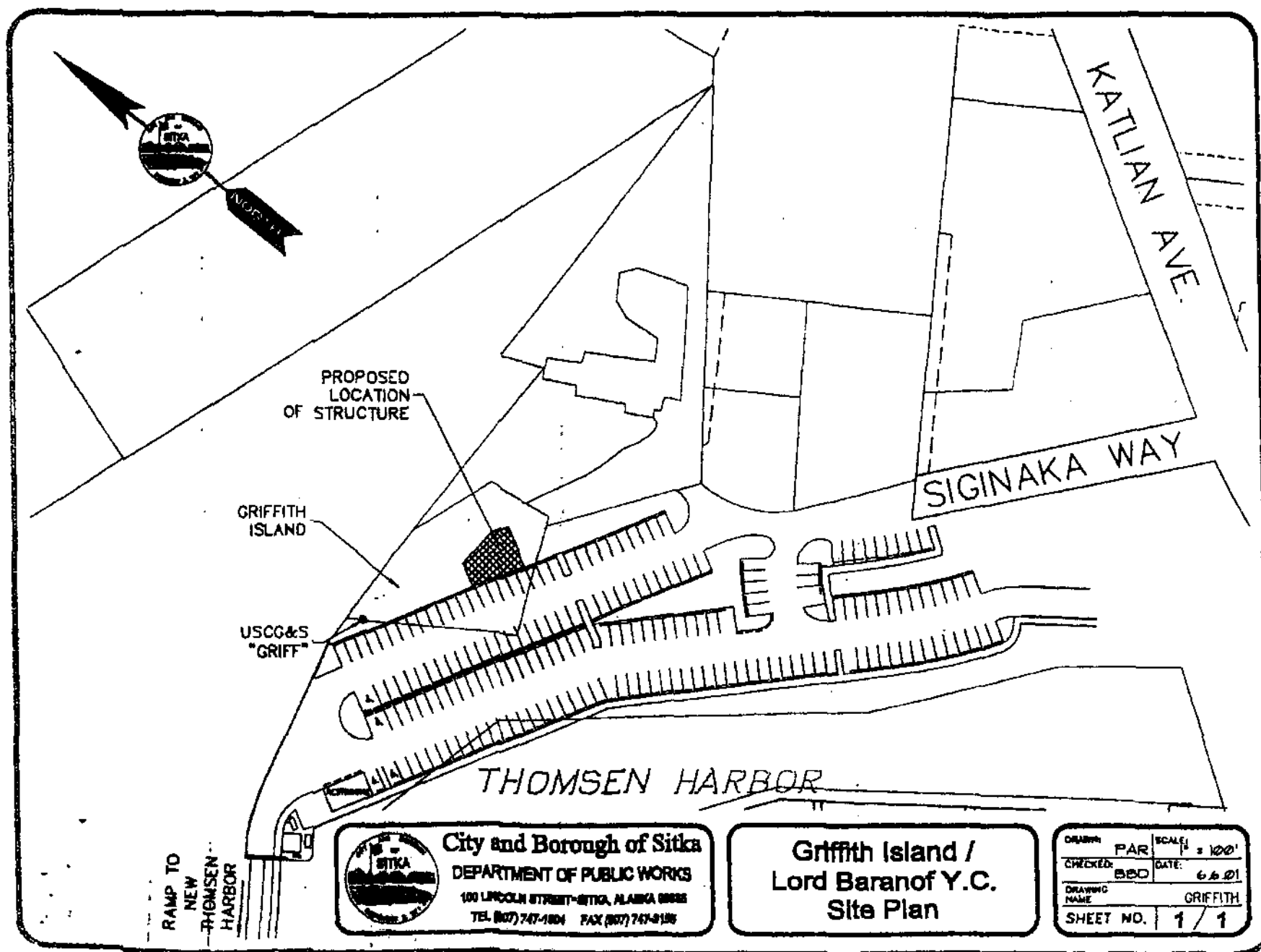
STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

THIS CERTIFIES that on this 18th day of May, 2017, before me, a Notary Public in and for the State of Alaska, personally appeared MARK GORMAN, who is the Municipal Administrator of the City and Borough of Sitka, Alaska, a municipal corporation organized under the laws of the State of Alaska, that he has been authorized by to execute the foregoing document, and does so freely and voluntarily.



Renee D. Wheat
Notary Public for Alaska
My Commission Expires: 5-15-19

Exhibit A



**BINDER-RECEIPT**

- ☒ STATE FARM FIRE AND CASUALTY COMPANY
☐ STATE FARM GENERAL INSURANCE COMPANY
☐ STATE FARM FLORIDA INSURANCE COMPANY
☐ STATE FARM LLOYDS

- ☐ Apartment
☐ Rental Dwelling
☐ Condominium Association
☒ Business
☐ Church
☐ Other

Last Name Name LATTE LANDING		Effective Date: 05-15-2017
First Name		Middle Name or Initial
Co-applicant's Name (if applicable)		D/B/A
Mailing address 725 SIGINAKA WAY	City or Town SITKA	
State AK	ZIP Code 99835-7316	County

POLICY/COVERAGE FORM	INSURANCE LIMITS	PROPERTY OR INTERESTS COVERED	LOCATION AND DESCRIPTION OF PROPERTY OR INTERESTS	PREMIUM
Business Property	25,000	Personal Property	Coffee Shop	
Liability:				
<input checked="" type="checkbox"/> Business Liability <small>NOTE: The Annual Aggregate and products/completed operations aggregate limits are equal to 2 times the occurrence limit.</small>	Each Occurrence 1,000,000			
<input type="checkbox"/> Personal Liability	Each Occurrence			
<input checked="" type="checkbox"/> Medical Payments	Each Person 5,000			
<input type="checkbox"/>				
<input type="checkbox"/>				

Deductibles: **1500.00**

Name and Address of Mortgagee/Other Interest:

Total Premium	\$	520.00
Amount Paid	\$	520.00

Loan Number:

State Farm® will provide coverage to the applicant and his or her legal representative on the property described for up to ninety (90) days from the Effective Date, subject to all terms and conditions of the policy and endorsements for which application has been made. If no Effective Date is indicated, this Binder does not provide any coverage. This Binder will be void when the declarations page is issued on the policy for which application has been made or when coverage under this Binder is canceled in accordance with policy provisions.

The premium due State Farm for the coverage provided by this Binder will be the full annual premium for the policy for which application has been made, and will be pro-rated for the length of time coverage is provided under this Binder.

If coverage in this Binder replaces coverage in other policies terminating at 12 Noon (Standard Time) on the inception date of this Binder, this Binder will be effective at 12 Noon (Standard Time) instead of 12:01 a.m. Standard Time.

Agent's Code Stamp
Kelsey DeLuca
3401 E Tudor Rd
Anchorage, AK, 99507-1282
(907) 563-3276

AGENT: It is very important that you mail a copy of the Binder and a completed application to this Company on the day issued.




CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

05/16/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER  State Farm Jessica Wilson 3435 E Tudor Rd Anchorage, AK 99507	CONTACT NAME: Jessica Wilson PHONE (A/C, No, Ext): 907-563-3276 E-MAIL ADDRESS: Jessica@kelseydeluca.com FAX (A/C, No): 907-563-3277
	INSURER(S) AFFORDING COVERAGE INSURER A: State Farm Mutual Automobile Insurance Company INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:

INSURED
Latte Landing
April Wheldon
PO BOX 6370
Sitka AK, 99835

COVERAGES**CERTIFICATE NUMBER:****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
<input checked="" type="checkbox"/>	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:		92BHP1352	05/16/2017	05/16/2018	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COM/OP AGG \$ COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
<input type="checkbox"/>	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY					EACH OCCURRENCE \$ AGGREGATE \$
<input type="checkbox"/>	UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB DED \$ RETENTION \$	<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE				PER STATUTE \$ OTH-ER \$
<input type="checkbox"/>	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input type="checkbox"/> N/A				E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Coffee Shop

CERTIFICATE HOLDERThe City and Borough of Sitka
100 Lincoln St
Sitka, AK 99835**CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE



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Michael Scarcelli

From: April Wheldon <april_tori@yahoo.com>
Sent: Wednesday, May 17, 2017 3:45 PM
To: Michael Scarcelli
Subject: Lease and Insurance

Mike,

I believe that I am an exception to the Worker's Compensation Law.

There are few exceptions to those who need to be covered under a workers' compensation policy. Generally speaking, those include: sole proprietors in a [REDACTED] general partners in a partnership; executive officers in a nonprofit corporation, [REDACTED], part-time baby-sitters, cleaning persons (non-commercial), harvest help and similar part-time/transient help, sports officials for amateur events, contract entertainers, commercial fishers, taxicab drivers whose compensation is by contractual arrangement, a participant in the Alaska temporary assistance program, and professional hockey team players and coaches if those persons are covered under a health care insurance plan. In addition, e [REDACTED] may exempt themselves by filing an Executive Officer Waiver with the department.

I am a sole [REDACTED] owner of the [REDACTED] in the member managed limited liability company.

What else do I need besides the payment?

Thanks,
April



City and Borough of Sitka

100 Lincoln Street – Sitka, Alaska 99835

Municipal Billing

Pay by phone (907) 747-1818

Office (907) 747-4050 – Fax (907) 747-0536

Wheldon/Akan April/William
April/William Wheldon/Akan
PO Box 6370

SITKA, AK 99835

CUSTOMER #: 5404
INVOICE DATE: 05/15/2017
INVOICE #: 2017-00000008
DUE DATE: 05/18/2017
TOTAL DUE: \$6,150.00

Please detach and return with payment

one year lease billing for 725 Siginaka Way

Invoice Detail

Type	Description	Quantity	Amount
Rent Of City Land		1	\$6,000.00
5% Sales Tax		3000	\$150.00
TOTAL DUE:			\$6,150.00

Fees are due and payable by the invoice due date as recorded above. Please make checks payable to the City of Borough of Sitka.

For questions concerning this invoice please contact Finance at (907) 747-4050.

After Recording Return To:

Municipal Clerk
City and Borough of Sitka, Alaska
100 Lincoln Street
Sitka, Alaska 99835

CONSENT TO ASSIGNMENT OF LEASE

City and Borough of Sitka, Alaska ("CBS" or "Owner"), of 100 Lincoln Street, Sitka, Alaska 99835, entered into the "Lease Agreement Between City And Borough of Sitka And April Wheldon and William Akan", dated May 15, 2017 ("Lease"), with April Wheldon and William Akan ("Lessee"), of PO Box 6370, Sitka, Alaska 99835, for certain Premises as described in the Lease. Lessee desires to assign the Lease to Christian A. Scantling and Deborah N. Wynsen, husband and wife ("Assignees"), of PO Box 994, Sitka, Alaska 99835, and has requested of CBS consent to assignment of the Lease to Assignees, effective January 1, 2020.

CBS consents to the assignment of the Lease to Assignees in accordance with Section 8.1 of the Lease, with all rights, title, interest, obligations, and liabilities. Assignees shall be subject to all terms and conditions of the Lease, including any amendments.

CBS has been provided with all the terms of the proposed assignment and CBS hereby consents to the assignment. The Lessee and Assignees warrant that the agreed upon assignment makes no changes to the Lease.

This Consent is contingent upon the following provisions occurring before any

**Consent To Assignment Of Lease
between CBS and April Wheldon and William Akan
to Christian A. Scantling and Deborah N. Wynsen**

execution of this document:

1. Assignees shall provide a copy of the assignment which will be used at closing, with a copy of the executed assignment to be provided when available upon closing;
2. Assignees shall provide copies of any required licenses, permits, plans and certificates in order to perform under the Lease; and
3. Assignees shall provide the name and address of the official contact of Assignees, who shall receive all future notices required by the Lease.

This Consent is also based on the Assignees providing the following assurances by signing this Consent:

1. Assignees will be liable under the Lease in accordance with the assignment;
2. Assignees affirm that it is legally bound by the Lease and that it will comply with all the terms and conditions contained in the Lease;
3. Assignees agree that it is liable to indemnify and hold harmless CBS pursuant to indemnity obligations set forth in the Lease; and
4. Assignees agree that it is liable to indemnify and hold harmless CBS pursuant to any claims, actions, or damages arising from this Consent.

This Consent was approved by the CBS Assembly at its regular meeting of December 10, 2019, with authority given to the Municipal Administrator to sign this Consent.

CBS may record and Assignees shall pay for the recording of this Consent.

Assignees may record and pay for the recording of the assignment.

[SIGNATURES AND ACKNOWLEDGEMENTS ON FOLLOWING PAGES]

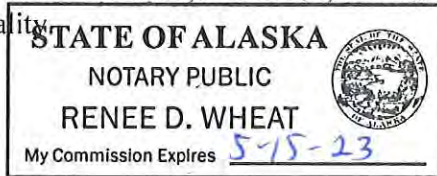
CITY AND BOROUGH OF SITKA, ALASKA

12/28/19
Date

Hugh Bevan
By: Hugh Bevan
Its: Interim Municipal Administrator

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this 28th day of December, 2019, by Hugh Bevan, Interim Municipal Administrator of the CITY AND BOROUGH OF SITKA, ALASKA, an Alaska home rule municipality, on behalf of the municipality.



Renee D. Wheat
Notary Public in and for the State of Alaska
My commission expires: 5-15-23

12/21/19
Date

April Wheldon
April Wheldon

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this 21 day of December, 2019, by April Wheldon.



Linda Costa
Notary Public in and for the State of Alaska
My commission expires: 04/10/2021

12/21/19
Date

William Akan
William Akan

**Consent To Assignment Of Lease
between CBS and April Wheldon and William Akan
to Christian A. Scantling and Deborah N. Wynsen
Page 3 of 4**

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this 21 day of
December, 2019, by William Akan.



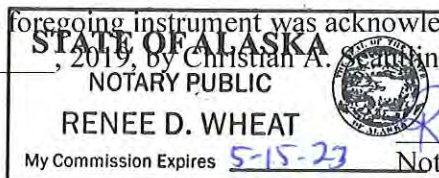
Linda Costa
Notary Public in and for the State of Alaska
My commission expires: 04/10/2021

12-27-19
Date

Christian A. Scantling

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this 27th day of
December, 2019, by Christian A. Scantling.



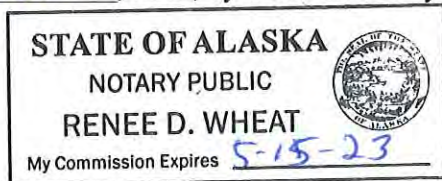
Renee D. Wheat
Notary Public in and for the State of Alaska
My commission expires: 5-15-23

12/27/2019
Date

Deborah N. Wynsen

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this 27th day of
December, 2019, by Deborah N. Wynsen.



Renee D. Wheat
Notary Public in and for the State of Alaska
My commission expires: 5-15-23

**Consent To Assignment Of Lease
between CBS and April Wheldon and William Akan
to Christian A. Scantling and Deborah N. Wynsen**

ASSIGNMENT AND ASSUMPTION OF LEASE

This assignment and assumption, effective January 1, 2020, is entered into between April Wheldon and William Akan ("Assignors"), whose mailing address is PO Box 6370, Sitka, Alaska 99835, and Christian A. Scantling and Deborah N. Wynsen, husband and wife ("Assignees"), whose mailing address is P.O Box 994, Sitka, Alaska 99835.

Assignor does hereby assign and transfer all of Assignor's interest in the following leasehold estate:

"Lease Agreement Between City and Borough of Sitka And April and William Akan" ("Lease"), dated May 15, 2017, approved by CBS Assembly motion on May 9, 2017, for certain premises as described in the lease.

To Assignee to have and to hold the same from the date hereof, for and during all of the remainder of the term of said Lease and all subsequent amendments referenced. Assignor warrants and represents the following:

- (1) The Lease is in full force and effect;
- (2) No default exists on the part of the Assignor; and,
- (3) The Lessor has no defense, setoff, or counterclaim against Assignor.

Dated this 21st day of December, 2019

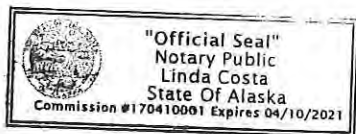
[SIGNATURES AND ACKNOWLEDGEMENTS ON FOLLOWING PAGE]

12/21/19
Date

April Wheldon
April Wheldon

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this 21 day of
December, 2019, by April Wheldon.



Linda Costa
Notary Public in and for the State of Alaska
My commission expires: 04/10/2021

12/21/19
Date

William Akan
William Akan


STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this 21 day of
December, 2019, by William Akan.



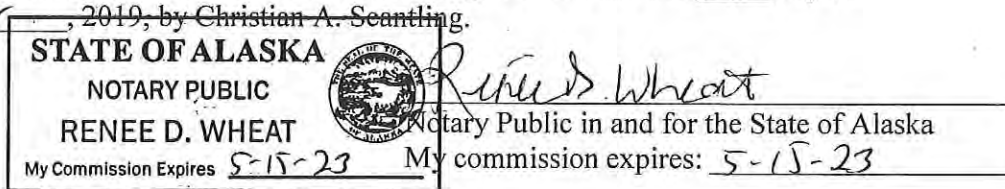
Linda Costa
Notary Public in and for the State of Alaska
My commission expires: 04/10/2021

12-27-2019
Date

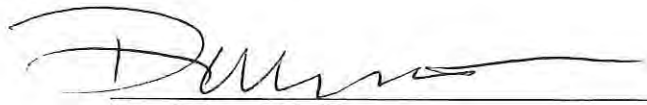

By: Christian A. Scantling

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this 27th day of December, 2019, by Christian A. Scantling.

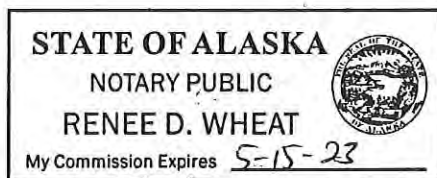


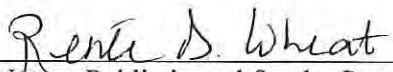
12/27/2019
Date


By: Deborah N. Wynsen

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this 27th day of December, 2019, by Deborah N. Wynsen.




Notary Public in and for the State of Alaska
My commission expires: 5-15-23

Saturday, February 13, 2021

To: City and Borough of Sitka

Finance and/or lease Managing department

From: Christian Scantling and Deborah Wynsen

Re: 725 Siginaka Way

Eliason Harbor – Sitka

Dear Sir or Madam,

We are writing you this letter today to discuss the property we are currently leasing at the above mentioned address. We took over the lease from the former tenants in December 2019 to run a coffee shop out of the location at the harbor. Sadly, shortly after that Covid hit and although we did manage to get open around May, the season was devastated with lack of tourism and the fishing season too, charter and commercial was very poor, so we closed back down only 2 months after opening and have been closed since. We just learned recently that the cruise ship season has once again been terminated due to the continuing epidemic and so the chances of us reopening for the season are close to nonexistent.

So we are writing you today to request to be let out of our lease. We have maintained faithfully the rent on the premises and maintained the insurance as well. We have not been in default, nor are we threatening default on the lease we are just please asking to be let out of our lease amiably so that we will not be hindered by a financial burden that isn't producing anything. If you will agree to this we would like to end the lease on April 1st 2021 and surrender the property back to the city. That will give us time to vacate shortly the property of any of our belongings. We of course will make our timely March rent payment and keep insurance till the lease is evacuated.

If this is something we can work out with you please let us know and we will take care to responsibly and carefully close out the building.

Thank you sincerely,

Christian and Deborah.

A handwritten signature in black ink, appearing to be a stylized 'C' and 'D' joined together, representing Christian and Deborah.



City and Borough of Sitka

PROVIDING FOR TODAY...PREPARING FOR TOMORROW

Coast Guard City, USA

February 22, 2021

Via United States Mail and Email

Christian A. Scantling and Deborah N. Wynsen
P.O. Box 6370
Sitka, AK 99835

Dear Mr. Scantling and Ms. Wynsen,

I wish to acknowledge your letter of February 13, 2021 requesting termination of your land lease with the City and Borough of Sitka for Municipal property located at 725 Siginaka Way.

I have forwarded your request on to the Municipal Administrator, Municipal Attorney, Finance Director and Planning Director for consideration and action. Until such time as the City and Borough of Sitka takes formal action to amend or terminate the lease, however, the terms and conditions of your lease remain in effect, including the responsibility to pay rent.

If you have any questions, feel free to contact me via email or telephone at (907)-747-1745.

Respectfully,

John P. (Jay) Sweeney
Compliance Officer



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 21-074 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 4/21/2021 In control: City and Borough Assembly

On agenda: 4/27/2021 Final action:

Title: Approve the Sitka Marine Services Center General Terms and Conditions related to Seafood Producers Cooperative lease activities

Sponsors:

Indexes:

Code sections:

Attachments: [Motion](#)
[Marine Service Center - 2022 Rates \(SPC\)](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve the Sitka Marine Services Center General Terms and Conditions related to Seafood Producers Cooperative lease activities effective May 1, 2021.



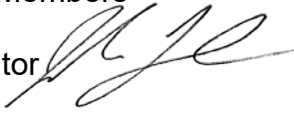
City and Borough of Sitka

PROVIDING FOR TODAY...PREPARING FOR TOMORROW

Coast Guard City, USA

MEMORANDUM

To: Mayor Eisenbeisz and Assembly Members

From: John Leach, Municipal Administrator 

Date: April 21, 2021

Subject: Marine Services Center Public Storage Rates for Services Provided by Seafood Producers Cooperative

Background

Seafood Producers Cooperative (SPC) currently has a lease agreement with the City and Borough of Sitka (CBS) to lease approximately 8,400 square feet of cold storage space at the Marine Services Center (MSC) and provide public access subject to the storage rights granted to SPC. SPC has had that lease in place since July 1, 2008 for a five-year term with two five-year options available.

The SPC lease was amended and approved by the Assembly on May 14, 2013. The lease expires on June 30, 2023 with no remaining options to extend per section 1.2 of the lease.

Analysis

Per section 3.4(g) of the lease – SPC will charge cold storage customers rates currently in use. Rates will be clearly posted and will be uniformly charged for all cold storage service provided at the facility. Rate changes will require prior approval of the City. Rate adjustments can be proposed by either SPC or the City. Adjustments will be made to keep rates current with prevailing rates in the Puget Sound area.

Per section 3.4(i) – Subject to the storage rights granted to SPC, cold storage will be made available to the public without discrimination to all customers that meet operating requirements of the facility.

It was determined that storage rates had not been updated since June 27, 2000.

In accordance with the lease terms, SPC has proposed the enclosed “General Terms and Conditions” for rates and operating requirements related to public cold storage.

Fiscal Note

Revenue from the SPC lease is about \$110,880 per year.

The seawall generates about \$30,000 per year in moorage revenue that includes freighters, various work boats, and small cruise vessels.

The seawall has a small electric/hydraulic hoist that generates about \$4,000 in revenue per year.

The average annual operating cost of the MSC is \$106,000. This amount varies significantly from year to year depending upon the amount of maintenance work that is required. The facility is maintenance intensive. Public Works has identified about \$400,000 in needed repairs over the next four fiscal years.

The Marine Services Center is owned and operated by the City of Sitka under an Enterprise Fund financial model. At the present time, the Fund has about \$1.9 million in Working Capital.

Recommendation

Approve the enclosed "General Terms and Condition" related to SPC lease activities to go into effect on May 1, 2021.

Encl: Sitka Marine Services Center General Terms and Conditions (SPC)

SITKA MARINE SERVICES CENTER

General Terms and Conditions

Regular Warehouse Hours

- A. Regular hours of operation are 8:00 a.m. to 5:00 p.m. Monday through Friday, except holidays. A phone reservation is required two hours before delivery. Reservations can be obtained by contacting (907) 738-4371 or (907) 747-5811.
- B. Receipt and delivery on Saturday, Sunday, and Holidays can be arranged with prior notice.

Handling and Storage

- A. Storage space is not unlimited. Subject to the storage rights granted to Seafood Producers Cooperative (SPC), cold storage will be made available to the public without discrimination to all customers that meet operating requirements of the facility.
- B. Rates for handling and storage will be computed on the following basis:
 - 1. Shipments into storage received from the first day of any month through the 14th day of the same month will be charged a full month's storage.
 - 2. Shipments into storage received from the 15th day of any month through the last day of the same month will be charged one-half month's storage.
- C. Setting up a new account with the SMSC will be a flat \$75.00.
- D. Handling charges are due the first month shipments are received, within 10 days of the date of invoice. Each different lot will be charged \$30.00 per pallet/tote per month. Minimum charge per customer is \$30.00 per month. These charges include both in/out activity.
- E. All Products will be stored in totes/pallets supplied by SPC/SMSC or by owner. If owner of product chooses to take tote/pallet belonging to SMSC when shipping product customer will be charged \$35.00/tote and \$15.00 per pallet. SMSC will create label for customer indicating what products/weights/description are in the tote/pallet.
- F. Handling charges cover the ordinary labor and duties incidental to receiving goods at warehouse door, stowing and delivering to warehouse door, but do not include labor for sorting, weighing, marking, sampling, inspecting or unloading.
- G. The Sitka Marine Services Center, upon 30 days written notice to the owner, may require the removal of the goods or any portion thereof and require payment of all charges attributable to those goods whether or not there has been default by the owner under these terms and conditions. If the goods are not removed, the Sitka Marine Service Center shall sell the goods and may exercise any other rights it needs to recover unpaid bill.

Delivery in/out of Warehouse

- A. No goods shall be delivered or transferred without complete written instructions from the owner.
- B. When goods are ordered out of the warehouse, storage charges shall be paid through the end of the month in which the goods leave the warehouse.
- C. If the Sitka Marine Services Center is unable due to causes beyond its control to deliver the goods prior to the expiration of the current storage period, the goods will be subject to storage charges for the next succeeding storage period.

Transfer of Ownership of Goods in Warehouse

- A. When part of a lot is transferred in the warehouse from one party to another and requires physical separation of the goods in the lot, the new pallet/tote charge for separation will be created for whom the transferee designates.
- B. Goods transferred in the warehouse from one party to another may be subject to the Warehousemen's Lien for storage charges of the transferer. The Sitka Marine Services Center may require payment of all charges owed by the transferor prior to transferring goods in the warehouse.

Loading and Unloading

- A. Handling rates in this tariff do not include loading or unloading vans, trucks or any other vehicles.
- B. In loading, unloading and sorting goods, the Sitka Marine Services Center acts as agent for the owner and will not be responsible for errors or shortages, because goods are billed "Shipper's Load and Count". Owner may furnish checker to verify load and count, otherwise the Sitka Marine Services Center record of load and count shall be conclusive, and the Sitka Marine Services Center shall have no liability for later discrepancies.
- C. Owner shall deliver a Bill of Lading or other document against which owner shall be solely responsible for verifying the amount of goods described in the warehouse receipt. In the absence of such documents for verification, the amount of goods delivered to owner shall be conclusively presumed to be the amount of goods delivered to the Sitka Marine Services Center by the owner, regardless of the amount described in the warehouse receipt.

Liability

- A. The responsibility of a warehouseman in the absence of a written contract is the reasonable care and diligence required by law. The Sitka Marine Services Center will have no responsibility for concealed damage, leakage, variation in weights, or loss of weight by reason of defective or insufficient containers, occurring while goods are in storage or are being handled, nor for failure to detect or remedy same.
- B. Perishable goods or goods susceptible to damage through temperature changes or other causes incidental to general storage, are accepted into general storage only at the owner's

risk for such damage as may result from general storage conditions.

- C. All commodities of a very perishable nature are stored at owner's risk and shall be inspected once a week by the owner or his designated agent. The Sitka Marine Services Center will not assume responsibility except for the maintenance of a given temperature, which will be stated at the time of storage.
- D. Liability of the Sitka Marine Services Center for loss or damage to goods shall in no case exceed \$.50 per pound, unless excess value is declared by the customer at the time the goods are stored. A charge will be made for such excess value.
- E. By delivering goods to the warehouse or delivering instructions to the Sitka Marine Service Center regarding the contents and packaging of goods in the warehouse, the owner thereof thereby warrants and represents to the Sitka Marine Services Center that such goods are not adulterated or misbranded within the meaning of the Food and Drug Cosmetic Act. If the Sitka Marine Services Center accepts such goods and ships such goods in good faith, and incurs any damage, loss, expense, or liability arising from such acceptance or delivery under the Food and Drug Cosmetic Act or under any other law, order or regulation, the owner shall defend and indemnify the Sitka Marine Services Center against same, including attorney's fees.

Insurance

The goods stored are not insured by the Sitka Marine Services Center and the storage rates do not include insurance coverage other than Warehouseman's Liability Coverage with the limitations described above. By delivering goods to the warehouse, owner instructs the Sitka Marine Services Center not to obtain insurance on the goods stored, unless the Sitka Marine Services Center has agreed in writing to obtain such insurance for the benefit of the owner.

Waiver of Severability

- A. Failure on the part of the Sitka Marine Services Center to insist upon strict compliance with any provision hereof shall not constitute a waiver or Estoppel to later demand strict compliance.
- B. If any provision hereof is declared invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not be in any way affected or impaired thereby.

Liens

- A. The Sitka Marine Services Center shall be entitled to a lien on all goods held in the warehouse under a customer account, and such lien shall be in the amount of all storage, handling and related charges incurred by such customer, and all expenses reasonably necessary for preservation of the goods or reasonably incurred by the Sitka Marine Service Center in exercising its lien rights. If the goods are transferred out of the warehouse, the lien for any unpaid charges relating to such goods shall be enforceable against any goods remaining in the warehouse under the same customer account. In addition, by delivering goods to the warehouse, the customer grants a security interest in the goods and all proceeds derived from the goods for all charges described above,

whether incurred before or after such delivery.

- B. If goods are transferred into the warehouse from one party to another, and charges relating to the goods have not been paid in full on the date of the transfer by the transferor, the lien for all such charges shall attach to all goods retained in the warehouse by the transferor and to the goods transferred to the transferee. The Sitka Marine Service Center may require a transferee to acknowledge such lien rights prior to transferring such goods to the transferee in the warehouse.

Payment Terms

All charges are due with payable 10 days from the date of invoice. A late charge of 1.5% per month will be assessed on outstanding balances for accounts past due.

Access to Goods

Customers, subject to insurance regulations and reasonable limitations, have access to their goods in the warehouse when accompanied by a warehouse employee.

SITKA MARINE SERVICES CENTER
Tariff Schedule

Handling and first month's storage (received frozen) will be charged in accordance with the rates outlined in "Handling and Storage" of the General Terms and Conditions.

The rates reflect the receiving dates for products handled by the SMSC.

SMSC will only store food or bait products.



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 21-077 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 4/21/2021 In control: City and Borough Assembly

On agenda: 4/27/2021 Final action:

Title: Approve the Request for Proposals for Rental of Marine Services Center Cold Storage Space at 600 Katlian Street

Sponsors:

Indexes:

Code sections:

Attachments: [Motion](#)
[Memo Marine Service Center RFP](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve the Request for Proposals for
Rental of Marine Services Center Cold Storage
Space at 600 Katlian Street.




City and Borough of Sitka

PROVIDING FOR TODAY...PREPARING FOR TOMORROW

Coast Guard City, USA

MEMORANDUM

To: Mayor Eisenbeisz and Assembly Members

From: John Leach, Municipal Administrator 

Date: April 21, 2021

Subject: Request for Proposals (RFP) for Rental of Marine Services Center Cold Storage Space

Background

The City and Borough of Sitka (CBS) is requesting proposals from firms interested in leasing, until June 30, 2023, 8,400 square feet of refrigerated cold storage at Sitka's Marine Services Center (MSC) to meet their needs and to provide cold storage services to the seafood processing interest in the community.

The space is currently occupied by a month-to-month lessee with a 30-day termination notice requirement. CBS is interested in establishing a long-term lease that expires in conjunction with the leases existing in other areas of the MSC to provide maximum flexibility in future options for the facility.

Analysis

The cold storage facility is located at 600 Katlian Street in Sitka, Alaska. The building contains about 21,000 square feet of which about 16,500 square feet is presently operated as cold storage.

The CBS will make available 8,400 total square feet of refrigerated cold storage for exclusive use of the lessee for cold storage of product related to their business. The CBS requires a minimum of 840 square feet (10%) of the 8,400 square feet be made available for public cold storage. Major components of the exclusive space will include:

- Cold storage space with the capability to store approximately 1,440,000 pounds of seafood at -10° to -20° F.
- Shared office space and warm-up room for cold storage staff.
- Refrigeration, lighting, heating and other utility services required for use. Utilities are paid by CBS, then split and billed to the lessees based on occupancy.

Fiscal Note

The existing lease was established on May 29, 2019 and is month to month at a rate of \$10,627.69 per month with annual CPI adjustments.

The seawall generates about \$30,000 per year in moorage revenue that includes freighters, various work boats, and small cruise vessels.

The seawall has a small electric/hydraulic hoist that generates about \$4,000 in revenue per year.

The average annual operating cost of the MSC is \$106,000. This amount varies significantly from year to year depending upon the amount of maintenance work that is required. The facility is maintenance intensive. Public Works has identified about \$400,000 in needed repairs over the next four fiscal years.

The Marine Services Center is owned and operated by the City of Sitka under an Enterprise Fund financial model. At the present time, the Fund has about \$1.9 million in Working Capital.

Recommendation

Approve the enclosed RFP for a 30-day advertisement period.

Encl: MSC RFP

REQUEST FOR PROPOSALS (RFP)
by
THE CITY AND BOROUGH OF SITKA, ALASKA
for
RENTAL OF MARINE SERVICES CENTER
COLD STORAGE SPACE

A. Overview

The City and Borough of Sitka (CBS) is requesting proposals from firms interested in leasing, until June 30, 2023, 8,400 square feet of refrigerated cold storage at Sitka's Marine Services Center (MSC) to meet their needs and to provide cold storage services to the seafood processing interest in the community.

B. Description of Facility

The cold storage facility is located at 600 Katlian Street in Sitka, Alaska. The building contains about 21,000 square feet of which about 16,500 square feet is presently operated as cold storage.

An as built drawing of the property is included as Attachment A.

The CBS will make available 8,400 total square feet of refrigerated cold storage for exclusive use of the lessee for cold storage of product related to their business. The CBS requires a minimum of 840 square feet (10%) of the 8,400 square feet be made available for public cold storage. Major components of the exclusive space will include:

- Cold storage space with the capability to store approximately 1,440,000 pounds of seafood at -10° to -20°F.
- Shared office space and warm-up room for cold storage staff.
- Refrigeration, lighting, heating and other utility services required for use. Utilities are paid by CBS, then split and billed to the lessees based on occupancy.

In addition, the lessee will have access and use of common spaces in the building and at the site for the following uses:

- Restrooms for employees
- Access to building for delivery of product to the facility for cold storage.
- Access to the building for van loading frozen product for off-site delivery.
- Covered receiving area to accommodate receiving and handling of seafood from the processors main plant into cold storage.
- Loading dock for placing frozen product into vans for shipment.
- Electrical service for charging fork truck batteries.

C. Excluded Uses at the Site

The following uses are specifically prohibited at the site or as a part of the lessees use of the common spaces or exclusive use spaces:

- Primary processing of seafood.
- Delivery or handling of unprocessed seafood.
- Secondary processing of seafood.
- Retail sales. The term “retail sales” means direct retail sales to customers coming to the site to view and purchase a product. Examples would be a marine chandlery, sales equipment, provisions and supplies, and sales of seafood products similar to a grocery or convenience store operations.
- Equipment storage or any other activity not directly related to the lessee’s exclusive use cold storage activities at the site.

D. Items to be Provided by the Lessee

- All equipment for handling the lessee’s seafood products for cold storage including electric fork trucks and electric charging equipment.
- Racks or stacking aids for cold storage.
- Totes, boxes, or other supplies related to lessee’s cold storage service activities.
- Telephone, garbage collection or any other utility required for operations. Utilities are paid by CBS, then split and billed to the lessees based on occupancy.
- All permits or licenses required for lessee’s operations.
- All utilities to be the responsibility of the lessee.

E. Items to be Provided by the CBS

- Common building and site space of use by the lessee.
- Building maintenance of cold storage equipment and common areas at no charge to the lessee.
- Management of individual lease agreement to the site.
- Rate structure and operations requirements for public users of the cold storage facility.

*** The CBS will not be held liable for temperature variation in the MSC Cold Storage due to improperly handled (above 5°F in temperature and/or wet cardboard boxes) product being introduced to the cold storage vault by the lessee. All items stored are required to be frozen prior to placing them into the cold storage facility.

F. General Contract Requirements

The goal of CBS is to lease the cold storage space until June 30, 2023 to the entity who provides the best value to the City and Borough. The proposals will be evaluated based upon the following criteria:

- A. Award 0 to 25 points based upon the proposer’s plan to lease and operate a cold storage facility.

- B. Award 0 to 25 points based upon the proposer's plan to accommodate public use of the cold storage facility.
- C. Award up to 50 points for proposer's bid price to lease the cold storage facility.

Points will be awarded based upon this formula:

$$\frac{\text{Proposer's bid price}}{\text{Highest bid price received}} \times 50 = \text{Bid Price Points}$$

The total maximum number of points = 100

The City and Borough of Sitka reserves the right to negotiate with any proposer, to waive informalities in any of the proposals and to award the lease of the space to whichever entity is deemed to provide the best value for the Municipality at the sole discretion of the City and Borough of Sitka.

G. Requirements for Proposal

Proponents submitting proposals must include the following information:

1. A letter of interest signed by an authorized representative of the Lessee.
2. A narrative clearly describing the Lessee's plan to lease and manage the cold storage facility and related infrastructure.
3. Clearly identify responses to the General Contract Requirements stated above.
4. A copy of current Alaska Business License.

H. Schedule

Advertise Request for Proposals	May 1, 2021 to May 30, 2021
Proposals Due	June 3, 2021
Internal Review and Negotiations	June 7, 2021 to June 11, 2021
Possible CBS Assembly Award of Lease	June 22, 2021
Possible Commencement of Lease Occupancy	August 1, 2021

I. Submissions and Inquiries

Submit Three (3) copies of your Proposal to:

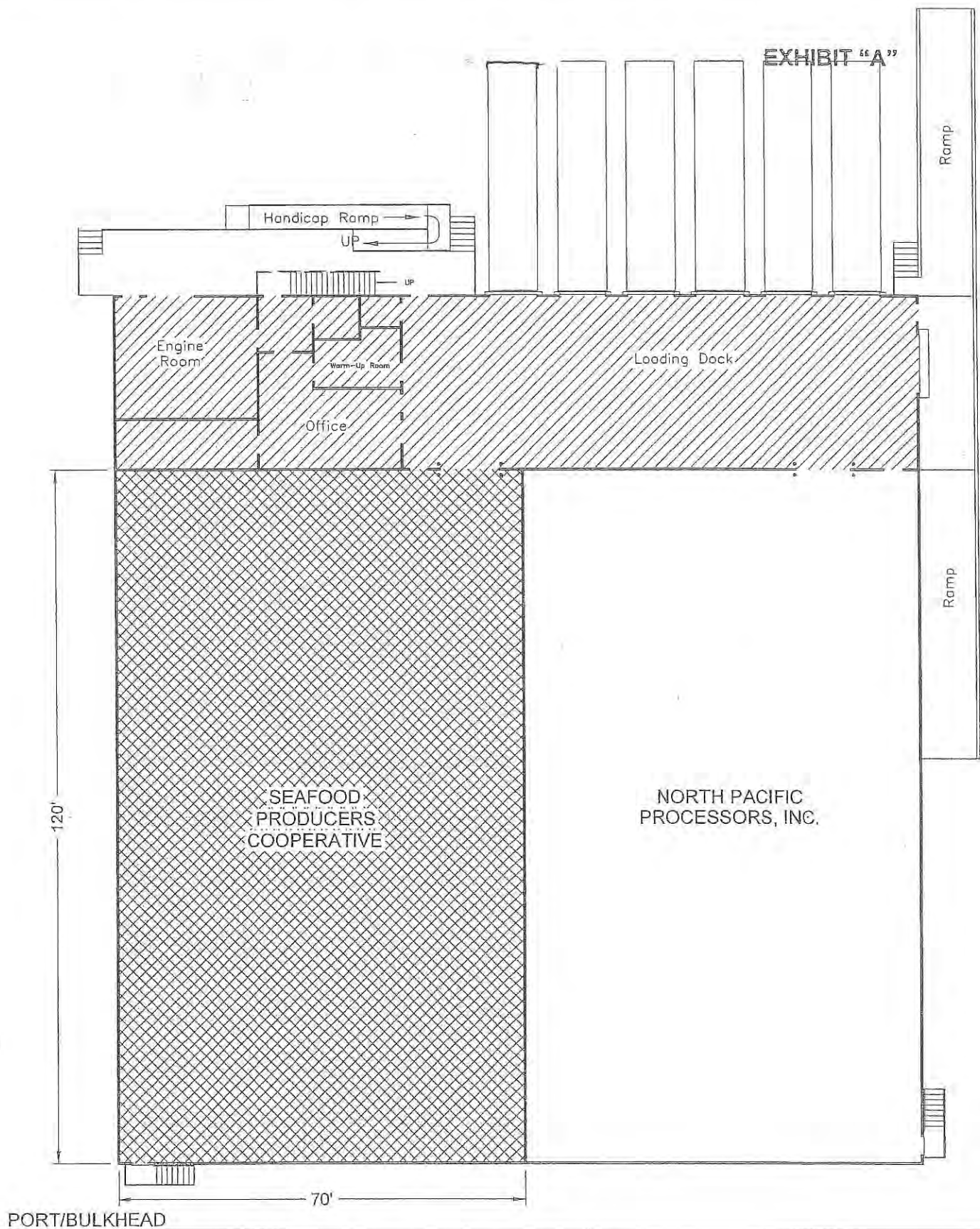
City and Borough of Sitka, Municipal Clerk
100 Lincoln Street,
Sitka, Alaska 99835



Proposals will be received until 2pm local time Thursday **June 3, 2021**.

Any questions regarding this project should be directed to Tori Fleming, Contract Manager, at publicworks@cityofsitka.org, (907) 747-1803.

Dates of Publication:

Sitka Daily Sentinel:



-  COMMON AREAS
-  LEASED PREMISES

MARINE SERVICES CENTER





CITY AND BOROUGH OF SITKA

Legislation Details

File #: 21-076 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 4/21/2021 In control: City and Borough Assembly

On agenda: 4/27/2021 Final action:

Title: Discussion / Direction / Decision on the plan by Norwegian Cruise Line Holdings, Ltd., to donate One Million Dollars (\$1M) to the City and Borough of Sitka, to help mitigate the economic impact from the ongoing cruise suspension, with no strings attached and no quid pro quo, leaving the decisions as to distribution of the donation entirely up to the City

Sponsors:

Indexes:

Code sections:

Attachments: [Motion](#)

Date	Ver.	Action By	Action	Result
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Step 1

Discussion / Direction / Decision

on the plan by Norwegian Cruise Line Holdings, Ltd., to donate One Million Dollars (\$1M) to the City and Borough of Sitka, to help mitigate the economic impact from the ongoing cruise suspension, with no strings attached and no quid pro quo, leaving the decisions as to distribution of the donation entirely up to the City.

Step 2

I MOVE TO authorize the Municipal Administrator to accept any donation by Norwegian Cruise Line Holdings, Ltd., to the City and Borough of Sitka, and once the donation is received seek Discussion / Direction / Decision from the Assembly at the next regular meeting as to a plan for distribution.



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 21-068 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 4/21/2021 In control: City and Borough Assembly

On agenda: 4/27/2021 Final action:

Title: Discussion / Decision on the "assembly@cityofsitka.org" group email address

Sponsors:

Indexes:

Code sections:

Attachments: [Discussion Decision group email address](#)

Date	Ver.	Action By	Action	Result
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Discussion / Decision on the "assembly@cityofsitka.org" group email address

Notes:

At the March 26, 2019 Assembly meeting, the Municipal Administrator was directed to remove all department heads from the Assembly group email address. The motion passed 5-2.

At the December 23, 2019 Assembly meeting, a motion was made to add the Municipal Administrator, Municipal Attorney, and the Municipal Clerk to the assembly@cityofsitka.org group email address. The motion failed 3-4.

Image below is of the Assembly email contact information displayed on the Assembly webpage.

The screenshot shows the top navigation bar of the City of Sitka website with links: Home, Departments, Business, Visitors, FAQs, and Contact. The 'Departments' link is active. On the left sidebar, under 'Departments', there are links for 'City Assembly', 'Municipal Clerk', and 'City Reports & News'. The main content area is titled 'Assembly' and contains the following text:

To send an email to the Mayor and all Assembly Members, use assembly@cityofsitka.org.

To send an email to the Assembly and Department Heads, use assembly.departmentheads@cityofsitka.org.

To send an email to the Department Heads, use department.heads@cityofsitka.org.

Note: Written communication with public officials generally are considered a public record and subject to disclosure (viewing and/or copying of the communication) pursuant to a public records request.

<http://www.cityofsitka.com/government/assembly/members/index.html>

While Wein was supportive of interim Police Chief Robert Baty he believed the hiring of Baty by the Administrator usurped and undermined the authority of the Assembly. Wein wished to be provided written plans from Baty on how he would approach the problem at the Police Department, prior to his arrival on April 1. In addition, Wein stated he was in support of holding off on choosing an investigator for now, however, wished to approve the appropriation in the event an investigation was warranted. Bean stated the intent was to bring forward recommendations for the body to consider and wished to proceed with the investigation. Mosher spoke in support of moving forward with the appropriation.

No formal action was taken, however, the Assembly stated they would like this item to come back at the April 9 meeting for discussion / direction / decision.

L [ORD 19-10](#)

Making supplemental appropriations for Fiscal Year 2019 (*Police Department Third Party Investigation*)

Wein noted inclusion of a budget amendments report with the ordinance. Municipal Administrator Keith Brady explained the report listed what had been appropriated during the fiscal year. Chief Finance and Administrative Officer Jay Sweeney stated total supplemental appropriations to date for the General Fund in FY2019 totaled \$1,861,395 not including this supplemental appropriation.

From the public, Noah Shepard, stated the course of action was reasonable, however, expressed concern and told he had information the Assembly did not have and wished to speak with them.

Wein, appreciative of Shepard's concerns, was hopeful Baty would come in and revitalize the department or the Assembly would address the matter. Knox spoke in support of Baty's arrival, however, was not comfortable holding this over Baty. He wished to revisit at a later date.

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

Yes: 4 - Bean, Wein, Mosher, and Nelson

No: 1 - Knox

Absent: 2 - Eisenbeisz, and Paxton

M

[19-062](#)

Discussion / Direction on the "assembly@cityofsitka.org" group email address

Bean desired to have all department heads removed from the Assembly group email address and noted if the address was to the Assembly those members should be the only recipient. Wein believed it to be a breach of confidentiality, not transparent, and disingenuous. He offered people sending emails to that address were under the impression the only recipients were the duly elected Assembly members. Municipal Administrator Keith Brady stated department heads had been on the email group address for over a decade in an effort to possibly help answer questions. Brady noted there was a disclaimer online stating the department heads were included on the Assembly group email address. Wein reminded the Assembly should have the right to refer those emails to the Administrator or department heads at their discretion, not without their consent.

A motion was made by Bean to direct the Administrator to remove all department heads from the Assembly group email address. The motion

PASSED by the following vote.

Yes: 5 - Knox, Bean, Wein, Mosher, and Nelson

Absent: 2 - Eisenbeisz, and Paxton

XIII. PERSONS TO BE HEARD:

Ken Buxton expressed the need for leadership at the Police Department.

Mary Ferguson stated the need for a new Police Chief and wondered why an interim Police Chief was being brought in before the current issues were resolved.

XIV. EXECUTIVE SESSION

N [19-059](#) Update from legal counsel regarding the status of the litigation arising out of the August 18, 2015 landslide events

A motion was made by Knox to EXTEND to 10:45pm. The motion PASSED by the following vote.

Yes: 5 - Wein, Knox, Mosher, Nelson and Bean

Absent: 2 - Paxton and Eisenbeisz

A motion was made by Knox to go into executive session to receive and discuss an update from legal counsel, David Bruce, regarding the status of litigation arising out of the August 18, 2015 landslide events. The motion PASSED by the following vote:

Yes: 5 - Nelson, Mosher, Wein, Bean and Knox

Absent: 2 - Paxton and Eisenbeisz

The Assembly was in executive session from 10:15pm to 10:44pm.

XV. ADJOURNMENT

The meeting ADJOURNED at 10:45pm.

ATTEST: _____
Sara Peterson, MMC
Municipal Clerk

haulout.

Assembly Discussion

Mosher spoke in support of a RFP process. Eisenbeisz understood the need for a RFP but didn't want to see it so narrowly focused that there was only one response received. Nelson suggested there be two RFPs - one for the land and one for the haulout. Wein stated it was a complex issue and believed it to be premature to move forward with a RFP. Christianson spoke in support of an RFP for review at a work session.

Public Testimony

The Municipal Clerk read a written statement submitted by Christian Fabian speaking to a haulout and the need to ensure such a decision would be profitable. Kelly Warren spoke in support of a marine shipyard and separating the issues into two RFPs. Chris McGraw stated Halibut Point Marine would be closing the boatyard prior to the 2021 summer season, explained the property at 4951 Halibut Point Road could be used for shore excursions with minimal development. Mike Poutney, a resident living near Old Sitka Dock, spoke in support of the marine haulout, two RFPs, and told of the impacts of living near the dock. Caven Pfeiffer commented the current shipyard was inadequate, spoke in support of a shipyard, to proceed quickly but cautiously. Jeff Farvour stated a need for a haulout and suggested a taskforce be created to explore the best facility for Sitka. Mike Nurco spoke in support of forming a workgroup to assist in identifying needs. John Murray stressed the need for a planning process and not to rush. Bonnie Richards believed the current proposal circumvented the bidding process and urged the Assembly to take their time. Cale LaDuke stressed the need for the formation of a committee to explore Sitka's shipyard needs in order to build the best facility possible. Jeremy Serka spoke in support of a haulout and said a shipyard could be more than just a place for working on boats but also a place for tradesmen to work. Eric Jordan spoke in support of a haulout, the creation of a taskforce, two RFPs, and the consideration of multiple sites. Tom Gamble while supportive of the marine industry, believed the discussion of a landtrade to be premature.

Assembly Consensus

Assembly direction to the Interim Administrator was to develop two RFPs - one for the land and one for the haulout and hold a work session on each issue. Final RFPs would then come back to the Assembly for discussion.

N [19-274](#)

Discussion / Decision on sending an Assembly Member to attend the Seatrade Cruise Global event in Miami, FL April 20-23

Concurrence of the Assembly was to send Valorie Nelson to Seatrade Cruise Global.

O [19-275](#)

Discussion / Decision on adding select staff to the "assembly@cityofsitka.org" group email address

Knox believed it would be helpful for the Administrator, Attorney, and Clerk to see the correspondence in order to help be prepared to speak to items and help facilitate business. Christianson agreed. Others believed the additions would create a lack of transparency.

A motion was made by Christianson to add the Municipal Administrator, Municipal Attorney, and Municipal Clerk to the "assembly@cityofsitka.org" group email address. The motion FAILED by the following vote.

Yes: 3 - Christianson, Knox, and Paxton

No: 4 - Eisenbeisz, Wein, Mosher, and Nelson

XIII. PERSONS TO BE HEARD:

None.

XIV. EXECUTIVE SESSION

None.

XV. ADJOURNMENT

A motion was made by Mosher to ADJOURN. Hearing no objections, the meeting ADJOURNED at 9:05 p.m.

ATTEST: _____

Sara Peterson, MMC
Municipal Clerk