



CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS
1332 Seward Ave.
Room 229
Sitka, AK
(907)747-1811

Meeting Agenda

City and Borough Assembly

Mayor Mim McConnell
Deputy Mayor Matt Hunter
Vice-Deputy Mayor Benjamin Miyasato
Aaron Swanson, Steven Eisenbeisz
Tristan Guevin, and Bob Potrzuski

Municipal Administrator: Mark Gorman
Acting Municipal Attorney: Brian Hanson

Tuesday, September 13, 2016

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

IV. CORRESPONDENCE/AGENDA CHANGES

[16-165](#) Reminders, Calendars and General Correspondence

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

[Fulton Service Award..pdf](#)

[Public Works Update.pdf](#)

V. CEREMONIAL MATTERS

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

[16-163](#) 1) Sitka Community Playground Update - Bridget Hitchcock and 2)
Overview of electricity consumption - Utility Director, Bryan Bertacchi

Attachments: [Sitka Community Playground.pdf](#)

[Electric Department - Rates FY17.pdf](#)

VII. PERSONS TO BE HEARD

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

VIII. REPORTS

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

IX. CONSENT AGENDA

All matters under Item IX Consent Agenda are considered to be routine and will be enacted by one motion. There will be no separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.

- A** [16-162](#) Approve the minutes of the August 20, 23, 24 and September 6 Assembly meetings
Attachments: [Consent and Minutes.pdf](#)
- B** [RES 16-16](#) Supporting Permanent Fund Dividend automatic voter registration - an act allowing qualified individuals to register to vote when applying for a Permanent Fund Dividend
Attachments: [Res 2016-16.pdf](#)
- C** [RES 16-17](#) Supporting the Standing Rock Sioux Tribe and their opposition to the Dakota Access Pipeline
Attachments: [Res 2016-17.pdf](#)

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- D** [16-161](#) Appoint: 1) Melissa Viator to a three-year term on the Health Needs and Human Services Commission and 2) Joshua Thomas to a three-year term on the Library Commission
Attachments: [Viator and Thomas.pdf](#)

XI. UNFINISHED BUSINESS:

- E** [ORD 16-27S](#) Adjusting the FY17 Budget (Float Plane Dock Funding)
Attachments: [Motion Ord 2016-27S.pdf](#)
[Ord 2016-27S.pdf](#)
- F** [ORD 16-30](#) Amending Sitka General Code Chapter 4.09 "Sales Tax" Section 4.09.100 "Exemptions" by including an exemption for sales tax on groceries and amending Section 4.09.420 "Definitions" by adding a definition for groceries
Attachments: [Motion Ord 2016-30.pdf](#)
[Ord 2016-30.pdf](#)

- G** [ORD 16-31](#) Amending Sitka General Code Chapter 4.12 "Property Tax" by adding a new Section 4.12.430 titled "Mill rate proceeds transfer to electric rate stabilization fund"

Attachments: [Motion Ord 2016-31.pdf](#)

[Ord 2016-31.pdf](#)

[Comments from Assembly Member Potrzuski.pdf](#)

XII. NEW BUSINESS:

New Business First Reading

- H** [ORD 16-32](#) Amending Sitka General Code Chapter 4.05 "Marine Passenger Fee Fund"

Attachments: [Motion Ord 2016-32.pdf](#)

[Ord 2016-32.pdf](#)

- I** [ORD 16-33](#) Adjusting the FY17 Budget PULLED

Attachments: [Motion Ord 2016-33.pdf](#)

[Electric Dept 10 Year Capital Plan.pdf](#)

[Ord 2016-33.pdf](#)

- J** [ORD 16-34](#) Authorizing the transfer of the City and Borough of Sitka's "Boomer property", composed of 48 acres located within the West Chichagof-Yakobi Wilderness Area (Wilderness Area), and also known as "US Mineral Survey 1453 & 1587", to the US Forest Service for incorporation into the Wilderness Area

Attachments: [Motion Ord 2016-34.pdf](#)

[Memo Ord 2016-34.pdf](#)

[Ord 2016-34.pdf](#)

- K** [ORD 16-35](#) Authorizing the extension of the lease of the land at 323 Seward Street to November 1, 2046 to White Elephant Shop, Inc.

Attachments: [Motion Ord 2016-35.pdf](#)

[White Elephant Renewal of Lease rotated.pdf](#)

[Ord 2016-35.pdf](#)

- L** [ORD 16-36](#) Authorizing the lease of 7082 square feet of ATS 15 tidelands adjacent 1 Lincoln Street to Petro Marine Services

Attachments: [Motion Ord 2016-36.pdf](#)

[Petro Marine Services Tidelands Lease rotated.pdf](#)

[Ord 2016-36.pdf](#)

Additional New Business Items

- M** [16-160](#) Decision on whether to allow sales tax free day(s) following the Thanksgiving holiday and set date(s)
 Attachments: [Tax Free Days.pdf](#)
- N** [RES 16-15](#) Approving the City's participation in a proposed refinancing by the Alaska Municipal Bond Bank of its General Obligation Bonds, 2007 Series One, which provided funds to purchase the City's General Obligation Refunding Bond, 2007; authorizing the issuance to the Bond Bank of a refunding bond of the City if the Bond Bank successfully refinances its bonds; and authorizing the City's Chief Finance and Administrative Officer to enter into an agreement with the Bond Bank to accomplish the refunding
 Attachments: [Res 2016-15.pdf](#)
- O** [16-164](#) Approve the Employment Agreement between the City and Borough of Sitka and Municipal Attorney Brian Hanson
 Attachments: [Employment Agreement Hanson.pdf](#)

XIII. PERSONS TO BE HEARD:

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

XIV. EXECUTIVE SESSION**XV. ADJOURNMENT**

*Sara Peterson, CMC
Municipal Clerk
Publish: September 9*



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 16-165 **Version:** 1 **Name:**
Type: Item **Status:** AGENDA READY
File created: 9/7/2016 **In control:** City and Borough Assembly
On agenda: 9/13/2016 **Final action:**
Title: Reminders, Calendars and General Correspondence
Sponsors:
Indexes:
Code sections:
Attachments: [Reminders and Calendars.pdf](#)
[Fulton Service Award..pdf](#)
[Public Works Update.pdf](#)

Date	Ver.	Action By	Action	Result
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REMINDERS

<u>DATE</u>	<u>EVENT</u>	<u>TIME</u>
Tuesday, September 13	Regular Meeting	6:00 PM
Monday, September 19	Special Meeting: Non-Profit Grant Awards <i>Location – to be determined</i>	6:00 PM
Tuesday, September 27	Regular Meeting	6:00 PM

Hello,
September!

Municipal Election Reminders

Monday, September 19	First day of advanced absentee voting
Tuesday, October 4	Municipal Election
Friday, October 7	Advanced/Absentee/Questioned Ballot Counting

Expiring Terms:

Assembly
Mayor Mim McConnell
Ben Miyasato
Aaron Swanson

School Board
Jennifer McNichol

Assembly Calendar

2015 Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2017

September 2016

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
28 Aug	29	30	31	1 Sep	2	3
Eisenbeisz	Eisenbeisz	Eisenbeisz	Eisenbeisz	Eisenbeisz 1:30pm - 3:30pm SEDA Board Meeting	Eisenbeisz	
4	5	6	7	8	9	10
	LABOR DAY	5:00pm Special Meeting at Sealing Cove Business Center: Attorney Interview - Brian Hanson 7:00pm Planning	7:00pm Library Board	12:00pm LEPC		
11	12	13	14	15	16	17
	Potrzuski	Potrzuski 6:00pm Regular Assembly Mtg	Potrzuski 6:00pm Port & Harbors 6:00pm Historic Preservation	Potrzuski 12:00pm Parks & Rec	Potrzuski	Potrzuski
18	19	20	21	22	23	24
Potrzuski	Potrzuski 6:00pm Special Meeting: Non-Profit Grant Awards (Location - to be determined)	Potrzuski McConnell 12:00pm Tree/Landscape 7:00pm Planning	Potrzuski McConnell 12:00pm Health Needs & Human Services Commission	Potrzuski McConnell 6:00pm Hospital Board Meeting	Potrzuski	Potrzuski
25	26	27	28	29	30	1 Oct
Potrzuski	Potrzuski McConnell	Potrzuski McConnell 6:00pm Regular Assembly Mtg	Potrzuski McConnell	Potrzuski McConnell	Potrzuski McConnell	Potrzuski

Assembly Calendar

2015 Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2017

October 2016

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
<u>25</u> <u>Sep</u>	<u>26</u>	<u>27</u>	<u>28</u>	<u>29</u>	<u>30</u>	<u>1</u> <u>Oct</u>
Potrzuski	Potrzuski McConnell	Potrzuski McConnell 6:00pm <u>Regular Assembly Mtg</u>	Potrzuski McConnell	Potrzuski McConnell	Potrzuski McConnell	Potrzuski
<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>
Potrzuski	Potrzuski	Potrzuski MUNICIPAL ELECTION 7:00pm Planning	Potrzuski 7:00pm Library Board	Potrzuski 1:30pm - 3:30pm SEDA Board Meeting		
<u>9</u>	<u>10</u>	<u>11</u>	<u>12</u>	<u>13</u>	<u>14</u>	<u>15</u>
		6:00pm <u>Regular Assembly Mtg</u>	12:00pm Health Needs & Human Services Commission 6:00pm Port & Harbors 6:00pm Historic Preservation	12:00pm LEPC 12:00pm <u>Parks & Rec</u>		
<u>16</u>	<u>17</u>	<u>18</u>	<u>19</u>	<u>20</u>	<u>21</u>	<u>22</u>
		ALASKA DAY 12:00pm <u>Tree/Landscape</u> 7:00pm <u>Planning</u>	6:00pm Police and Fire Commission - Fire Hall			
<u>23</u>	<u>24</u>	<u>25</u>	<u>26</u>	<u>27</u>	<u>28</u>	<u>29</u>
		6:00pm <u>Regular Assembly Mtg</u>		6:00pm Hospital Board Meeting		
<u>30</u>	<u>31</u>	<u>1</u> <u>Nov</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
		7:00pm Planning	7:00pm Library Board	1:30pm - 3:30pm SEDA Board Meeting		

Service Award

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

Tim Fulton

*this expression of grateful acknowledgment for your almost 8 years
of valued service rendered in the public interest while serving
on the School Board. Thank you!*

Signed and sealed this 13th day of September 2016

Mim McConnell

Mim McConnell, Mayor

Sara Peterson

ATTEST: Sara Peterson, Municipal Clerk



PUBLIC WORKS ASSEMBLY UPDATE

WORK COMPLETED AUGUST 2016

Landslide Disaster Repair

Milestones This Period

- Substantial Completion and Physical Completion were achieved for the North Kramer & Granite Creek Debris Removal and Repair project.
- Completion of final paperwork and closeout of Category B.
- September 2, 2016 released bids for Blue Lake Road, Green Lake Road and Water Treatment Plant Access Road Disaster Repair project.
- \$746,000 has been requested for reimbursement.

Future Milestones

- Bids due September 20, 2016 for the Blue Lake Road, Green Lake Road and Water Treatment Plant Access Road Disaster Repair project.
- Completion of final paperwork and closeout of Category F.

Background

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

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

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

The City had damages relating to six out of the seven categories listed above. Nine project worksheets were created itemizing out the damaged areas and repairs to bring the infrastructure back to pre-disaster condition. The City estimates the repairs to be \$1,387,000 and was granted authorization to spend \$1,500,000 by the assembly.

Harrigan Centennial Hall (HCH) Renewal:

Milestones This Period

- Substantial Completion Inspections for the building, Theatrical Lighting, and AV Equipment/Systems are scheduled for early September 2016.
- Commissioning of mechanical systems is in progress.
- Remaining site work is nearly complete.
- Site clean-up and de-mobilization is in progress.
- Building final cleaning (interior) is substantially complete.
- Building exterior touch-up and cleaning is in progress.
- Site lighting (light poles) installation in progress.

- Bid the Furniture, Fixtures, and Equipment (FF&E) package

Future Milestones

- Move stored furniture and equipment into building.
- Substantial completion is *contractually* required December 20, 2016. The anticipated Substantial Completion is roughly four months early.

Background

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

Airport Terminal Upgrades:

Milestones This Period

- TSA Kick-Off meeting was held via tele-com.
- The project Kick-Off Meeting with the Consultants, Stakeholder, and TSA is scheduled September 7, 2016.

Future Milestones

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

Background

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

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

Baranof Warm Springs Dock Replacement:

Milestones This Period

- Float fabrication under way.

Future Milestones

- Fabrication Summer 2016.
- Turnagain Marine mobilize to site ~September 15, 2016.
- Project completion October 2016.

Background

The City and Borough of Sitka (CBS) received a \$1,900,000 FY2013 Alaska Legislature Grant to reconstruct the Baranof Warm Springs Dock. The funding was provided with the understanding that CBS would assume ownership and maintenance responsibilities for the

dock once it is reconstructed. The Assembly approved the Administrator to execute a Memorandum of Agreement with the Alaska Department of Transportation and Public Facilities (ADOT&PF) for completion of the Baranof Warm Springs Dock Reconstruction and Ownership Transfer. ADOT&PF be reimbursed the cost of designing and constructing the improvements from the FY13 Legislative Grant. The State awarded a contract to Turnagain Marine (TM) in the amount of \$1,457,285 for the Basic Bid and Alternate A which will result in a 200-foot long float. TM has contracted with Bellingham Marine Industries to fabricate the floats and Mantle Industries to design and fabricate the gangway.

Sitka Transient Float Replacement:

Milestones This Period

- USACE approved Contractor plan to address non-conforming pile.

Future Milestones

- Review Contractor-implementation plan to address non-conforming pile.
- Implement engineered solution and close out project.

Background

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

Seaplane Base:

Milestones This Period

- Draft updated Siting Study submitted to CBS.
- Obtained Corps of Engineers Permit to allow for float/pile repairs.
- Contractor began float/pile repair.

Future Milestones

- Completion of repairs to existing SPB anticipated September 2016.
- Siting Study Update completion September 2016.

Background

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

in the number of based aircraft, FAA requires an update to the Siting Study prior to application for any future grant funds for this project.

Gary Paxton Industrial Park Dock:

Milestones this Period

- Proposals received on August 18, 2016.
- Executive Session with GPIB Board September 1, 2016.

Future Milestones

- Tentative GPIB/Assembly Work Session to discuss dock project September 2016.
- Contract award September/October 2016.

Background

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

Jeff Davis Street Reconstruction Project:

Milestones This Period

- Construction contractor Coastal Excavation mobilized to job site and began work on sewer service connections and temporary water service.
- Identified problem with sewer main between Oja Way right-of-way and Sawmill Creek Road. Initiated change order to repair main.

Future Milestones

- Substantial completion initially scheduled for September 30, but will be delayed approximately 5 days due to sewer repair change order.

Background

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

Landfill and Crescent Lift Station Replacement:

Milestones This Period

- Worked with design consultant PND Engineers to refine 35 percent design drawings.

Future Milestones

- CBS to procure pumps and electric control huts for Landfill Lift Station. These are long-lead items. Procuring materials prior to contract award has been approved by funding agency and will shorten the project duration and save contractor markup on materials.
- Landfill design to be complete in October 2016. Construction complete by mid-April 2017.

- Crescent design to be complete by mid-February 2017. Construction complete by mid-July 2017

Background

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

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

Milestones This Period

- Bid Opening August 2, 2016
- Notice of award sent to Coastal Excavation on August 15, 2016.

Future Milestones

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

Background

The project will include a minimum of 24-foot-wide paved road, storm drainage, water main and services, and possible pedestrian amenities within Eagle Way. The project will also include a minimum of 24-foot wide paved road and storm drain improvements within Old Harbor Mountain Road. Funding for the project consists of a \$1,500,000 2013 Commerce Community and Economic Development Grant.

Nelson Logging Road Upgrades:

Milestones This Period

- 35% plans reviewed.
- Cultural investigation complete pending State Historic Preservation Office review and approval.
- Wetlands field investigation complete.

Future Milestones.

- Advanced design (65%) anticipated September 2016.
- Final Design (100%) anticipated October/November 2016.
- Construction is anticipated as early as 2017.

Background

The project includes replacing both inadequate bridges and upgrading Nelson Logging Road as funding allows. The scope may also include road realignment(s) and widening to accommodate two-way traffic. Funding for the project is provided by \$2,343,000 2013 Commerce Community and Economic Development Grant.

Sitka 2016-17 Paving Project:

Milestones This Period

- Preliminary pavement, ADA, storm and geotech assessment and project survey underway.

Future Milestones

- Continue design process for accessibility, storm drain evaluation and geotechnical investigation.
- Advertisement for bids late 2016/early 2017.
- Construction is anticipated in spring/summer 2017.

Background

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

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

North Kramer Debris Removal and Repair:

Milestones This Period

- Debris removal at North Kramer completed.
- Final inspection completed.

Future Milestones

- Cleanup debris from log cutting at Gate 0 parking area.

Background

The Assembly passed Ordinance 15-44 on August 21, 2015 which declared a local government disaster declaration as a result of the slides of August 18, 2015, authorized the expenditure of local emergency funds, and requested the Governor declare a Disaster Emergency to exist as described in AS 26.23 and provide State assistance to the CBS. Governor Walker authorized up to \$1,000,000 from State Disaster Relief Funds to assist with the cleanup and recovery. These funds can be utilized to remove the debris from the right-of-way and restore municipal infrastructure to its pre-disaster condition. On October 27, 2015 the Assembly approved a total authorized budget of \$1,500,000 for all costs related to the disaster declaration and authorized the Administrator to award all bids and execute all.

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

Milestones This Period

- Memorandum of agreement between The City and Borough of Sitka and Western Federal Lands was executed February 26, 2016.
- A RFP was issued and engineering firm hired for Phase I Design Concept of the trail from Harbor Mountain Road to Starrigavan including connectors to the Old Sitka cruise ship dock.

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

Future Milestones

- Sitka Trail Works will coordinate a public meeting this fall to define primary alignment.
- Sitka Trail Works will arrange for biological and cultural reports for NEPA environmental permitting to be completed in partnership with the Forest Service this fall and winter.
- Sitka Trail Works will apply for Corps permit on behalf of the City after US FS wetlands delineation. The Corps permit will be in place by 2018.
- The completion date is estimated spring 2018 for all permitting. The project will be construction ready at that time.
- FLAP 6 Cross Trail construction grant applied for May 15, 2016 and award decision anticipated by September 1, 2016. If awarded, funds will be available fiscal year 2019.

Background

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



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 16-163 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 9/6/2016 In control: City and Borough Assembly

On agenda: 9/13/2016 Final action:

Title: 1) Sitka Community Playground Update - Bridget Hitchcock and 2) Overview of electricity consumption - Utility Director, Bryan Bertacchi

Sponsors:

Indexes:

Code sections:

Attachments: [Sitka Community Playground.pdf](#)
[Electric Department - Rates FY17.pdf](#)

Date	Ver.	Action By	Action	Result
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Special Report

Update from the Sitka Community Playground Group





We envision an Americans with Disabilities Act (ADA)-accessible, low-maintenance, safe, vibrant community space at Crescent Harbor Park that honors Sitka's natural surroundings and cultural diversity while inspiring multi-generational play.

VOLUNTEER GROUP

WHO is building the playground?

The playground project is led by the Sitka Community Playground volunteer group in partnership with the [City and Borough of Sitka](#) Parks and Recreation Department and Committee, the [Sitka Health Summit](#), and [Southeast Alaska Independent Living](#) (SAIL).

WHY are you building a playground?

We have playgrounds in Sitka, but the schools' playgrounds are closed to public use during the day and none of the playgrounds in town meet current Americans with Disabilities Act (ADA)-accessibility and safety standards. Sitka needs a 21st-century playground that promotes healthy, creative play.

WHO is paying for the playground?

The Sitka Community Playground volunteer group is raising funds through grants, awards, and donations and soliciting in-kind contributions. Volunteers will provide much of the labor and support during the build. The City and Borough of Sitka will continue to maintain the playground.

HOW much is the playground going to cost?

The budget to design and build our ADA-accessible, low-maintenance, safe and vibrant community playground is \$570,000-\$710,000.

WHEN will the playground be ready?

Using previous feedback and fresh ideas from Design Day held in April 2016, we began designing the playground with Sitka-based Anderson Land Planning. Fundraising efforts are underway and we plan to have the playground built for summer 2017.

WHERE is the playground going to be built?

Community support was strongest to use the existing Crescent Harbor Park playground site plus one of the three adjacent tennis courts (approximately 12,000 square feet total). The site is at the heart of the Sea Walk, which draws residents and visitors to the area, and is within walking distance of at least four preschools. Some parking is available adjacent to the site, while a large parking lot at Harrigan Centennial Hall and the Sitka Public

Library is just a short walk away via the Sea Walk. The City Parks and Recreation Committee, Historic Preservation Commission, Planning Commission and neighbors voiced support for the site. In January 2015, the Assembly passed [Resolution 2015-02](#) supporting the Crescent Harbor Park site.

WHAT is the history of the project?

The last upgrade to the Crescent Harbor Park playground was in 2000. The City Parks Division and Parks and Recreation Committee have listed playground upgrades as a deferred maintenance priority since 2006. The Assembly has listed the playground project as a State Legislative priority for three years. This project would expand the footprint of an existing playground at Crescent Harbor Park to allow accessibility and safe spacing around play structures, which will require less maintenance and reduce liability.

In 2011, the [Sitka Health Summit](#) selected a community playground as a goal. Guided by a playground consultant, the community developed a potential design. Unfortunately, the group lost momentum.

In May 2014, the unexpected death of Sitkan Sandra Gelber, a physical therapist who was passionate about health and helping children with special needs, helped energize efforts to once again build an accessible and safe community playground. The group plans to honor her memory at the site.

We've reviewed previous work, researched other Alaskan community playgrounds, and hosted public meetings and a Design Day to get community feedback on possible sites and designs. Additionally, the playground group garnered support from neighbors, nearby preschools, and secured the Crescent Harbor Park site with Assembly approval.

In October 2015, the [Sitka Health Summit](#) again selected the playground project as one of three

community wellness priorities and awarded the current project \$2,000. In late 2015, the [SouthEast Regional Health Consortium](#) (SEARHC) awarded the project a \$10,000 grant to assist with the design process. The [Crossett Fund](#), which provides seed money to projects and programs that support children's health in Southeast Alaska, awarded \$20,000 to the project. The Sitka Women's Club awarded the group a mini-grant of \$250 in May 2016. The Sitka Rotary presented a \$2,000 check to the group in June 2016. A big THANK YOU goes out to all of our financial supporters.

With the City's support, grant funding, private donations, and community and volunteer input and enthusiasm, the Sitka Community Playground volunteer group is moving forward!

WHO designed the cool logo?

Local artist Cara Jane Murray created the fantastic artwork to represent our group!

JOIN US!

To volunteer, call **Bridget at 747-1771** or email sitka.community.playground@gmail.com. Our group meets at least monthly. Like us on Facebook ("[Sitka Community Playground](#)") to find out about meetings and check out our website at www.sitkacommunityplay.wix.com/home for more information.


DONATE NOW!

SAIL will process your tax-deductible donation. **Be sure to specify that your donation is for the Sitka Community Playground.**

- Online: www.sailinc.org/sitka-community-playground
- Phone: (800) 478-7245
- Mail: SAIL (Sitka Community Playground Project), 514 Lake St. Ste. C, Sitka, AK 99835



THANK YOU to everyone at SAIL for sponsoring the playground project. We couldn't do this without you!

 Like us on Facebook "[Sitka Community Playground](#)"

SAVE OUR PLAYGROUND!

WHO: Sitka Community Playground Volunteer Group and YOU!

WHAT: We are fundraising to keep Crescent Harbor playground **OPEN**, but it must be revamped to meet required safety and ADA accessibility standards so **EVERYONE** can play safely.

WHY: Crescent Harbor playground could be closed, like the Moller Park playgrounds, because of safety concerns.

WHEN: We need fundraising volunteers and donations NOW! We want to have the playground ready for **SUMMER 2017**.

**DONATE
NOW!**

Our goal is to raise \$75,000 locally.

Our project sponsor, Southeast Alaska Independent Living, will process your tax-deductible donation. **Be sure to specify that your donation is for the Sitka Community Playground.** Contact SAIL:

ONLINE

www.sailinc.org/sitka-community-playground

PHONE

(800) 478-7245

MAIL

SAIL (Sitka Community Playground Project)
514 Lake Street, Suite C
Sitka, AK 99835



JOIN US!

To volunteer, call **Bridget at 747-1771** or email sitka.community.playground@gmail.com.


The **SITKA COMMUNITY PLAYGROUND VOLUNTEER GROUP** envisions an Americans with Disabilities Act (ADA)-accessible, low-maintenance, safe, vibrant community space at Crescent Harbor Park that honors Sitka's natural surroundings and cultural diversity while inspiring multi-generational play.

 Like us on Facebook **"Sitka Community Playground"**



Draw yourself swinging,
then spruce up the page with color!

ARTWORK BY SITKA'S CARA JANE MURRAY

 Like us on Facebook "Sitka Community Playground"

2016-08-20

www.sitkacommunityplay.wix.com/home

THANK YOU FOR SUPPORTING THE SITKA COMMUNITY PLAYGROUND!

(FINANCIAL DONORS AS OF 07/2016)

SouthEast Alaska Regional Health Consortium
Mobilizing for Action through Planning and Partnerships
(SEARHC MAPP)

Sitka Health Summit

The Crossett Fund

Sitka Women's Club

Sitka Rotary

Harry Race Soda Fountain

Linda Trierschield

JOIN US!

To volunteer, call **Bridget** at 747-1771 or email sitka.community.playground@gmail.com. Our group meets at least monthly. Like us on Facebook ("[Sitka Community Playground](#)") to find out about meetings and check out our website at www.sitkacommunityplay.wix.com/home for more information.

DONATE NOW!

Southeast Alaska Independent Living (SAIL) will process your tax-deductible donation. **Be sure to specify that your donation is for the Sitka Community Playground.**

- Online: www.sailinc.org/sitka-community-playground
- Phone: (800) 478-7245
- Mail: SAIL (Sitka Community Playground Project), 514 Lake St. Ste. C, Sitka, AK 99835

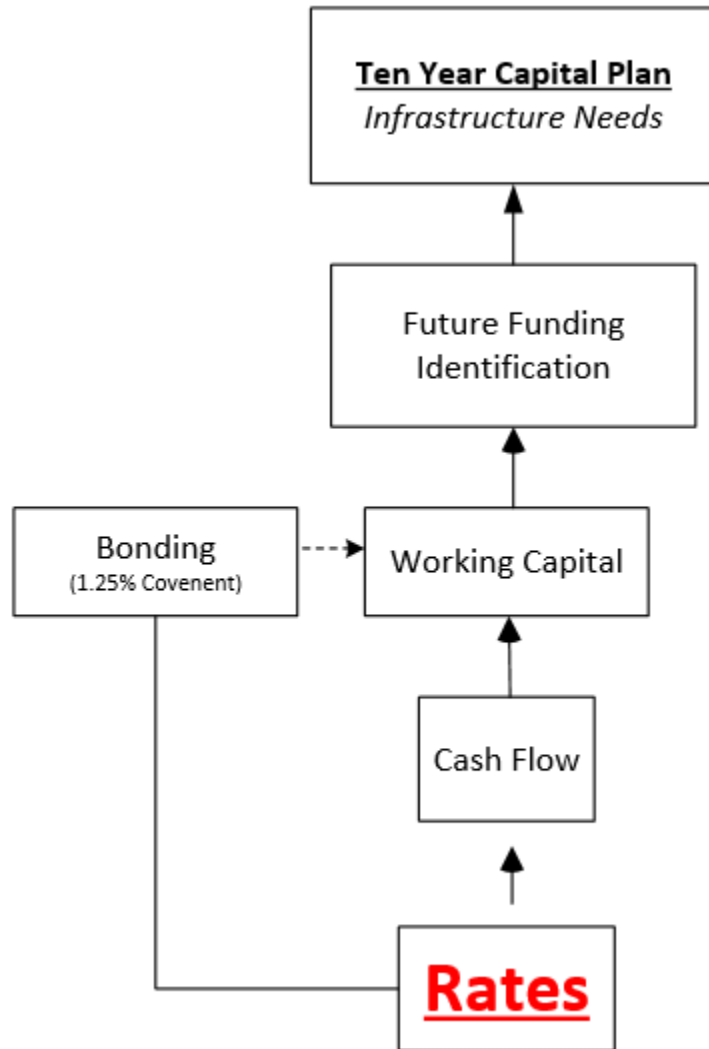


Like us on Facebook "**Sitka Community Playground**"

2016-08-20



ELECTRIC DEPARTMENT – *RATES*



Challenges

- **NEEDED FY17** – Planned 5% Rate increase requires shortfall funding
- **NEEDED FY18** - Based on a 5% Increase in Load an additional 11% increase needed in FY18
 - 1% Increase in Revenue per year thereafter
 - This scenario avoids external funding for the Electric Dept Enterprise fund
- **NEEDED FY18** – Based on 0% Increase in Load an 18% increase needed in FY18
- **NEEDED FY18** – Based on 1% Decline in Load in FY17 a 20% increase is needed in FY18
- **RISKS** – Total annual kwhrs continues to trend down, not up
- **REVENUE OPPORTUNITIES ARE CRITICAL** - \$1.6M or 10% of Total Revenue

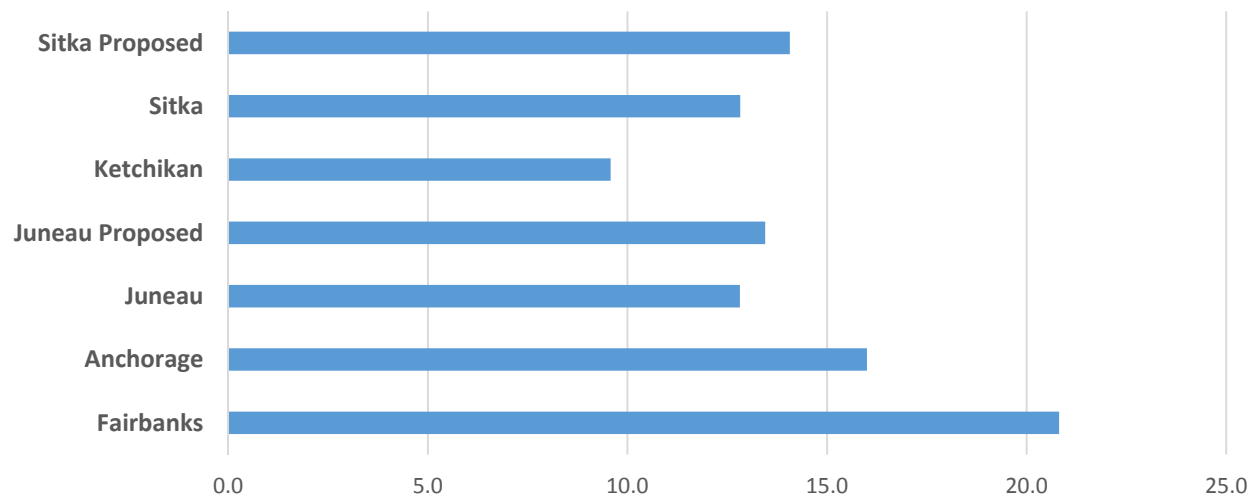


ELECTRIC DEPARTMENT – *RATES*

FY2017 Rate Increase - Executive Summary

- 5% Increase to all rates (Residential, Harbor, Commercial, Industrial)
- Eliminate Residential Tier from 0-200 kwhrs/mo (approx. 350 accts, 6\$/mo impact)
 - Was 0-200@8.58 cents, 200-800@11.45c, >1000@13.05c
 - Proposed 0-1000@12.03c, >1000@13.7c
- Increase monthly connection fees
 - 5% (Residential, Commercial, Industrial)
 - Harbors from \$8.75/mo to \$19.50/mo to pay for replacement of failed meters
- **Raises typical family bill from \$128/mo to \$140/mo.....\$144/yr**
- **Lowest users <200kwhrs/mo from \$37/mo to \$44.54/mo.....\$90/yr**

Average Cents/kwhr (based on 1000 kwhrs/month Residential User)



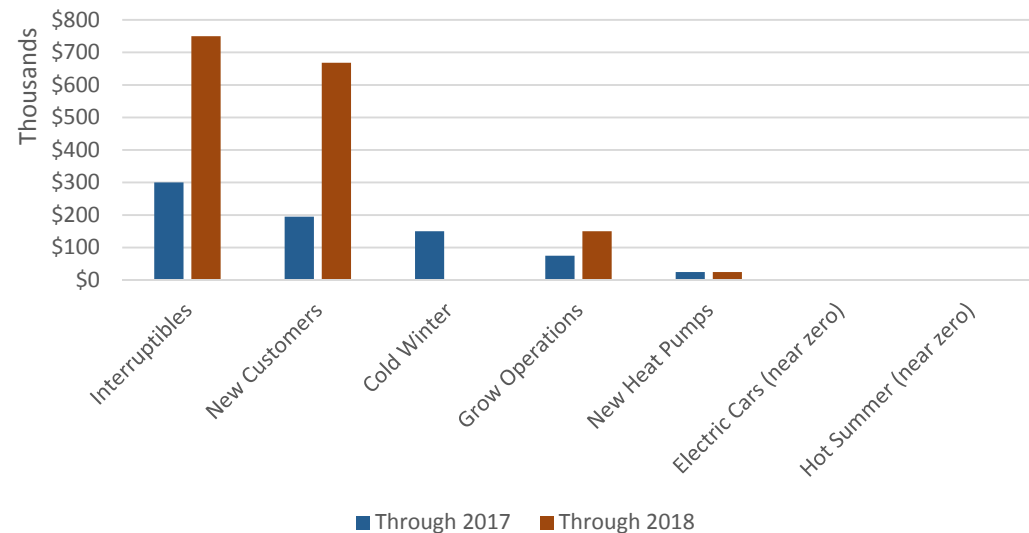


ELECTRIC DEPARTMENT – *RATES*

Summary

- **FY17 –**
 - 5% Increase in Rates
 - Eliminate First Tier
 - Shortfall Options
 - Rates comparison in AK
- **FY18 Shortfall Options-**
 - Fund from ?
 - 11%-20% Increase
 - Bond Convent Scenarios
- **RISKS –**
 - Electric Use trending down, not up
 - FY17 Commercial Fishing
- **UPSIDE POTENTIAL**
 - \$1.6M or 10% of Total Revenue

Potential New Electric Dept Revenue





CITY AND BOROUGH OF SITKA

Legislation Details

File #: 16-162 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 9/6/2016 In control: City and Borough Assembly

On agenda: 9/13/2016 Final action:

Title: Approve the minutes of the August 20, 23, 24 and September 6 Assembly meetings

Sponsors:

Indexes:

Code sections:

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

Date	Ver.	Action By	Action	Result
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CONSENT AGENDA

POSSIBLE MOTION

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

I wish to remove Item(s) _____

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

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

POSSIBLE MOTION

I MOVE TO approve the minutes of the
August 20, 23, 24 and September 6
Assembly meetings.



CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS
1332 Seward Ave.
Room 229
Sitka, AK
(907)747-1811

Minutes - Draft

City and Borough Assembly

Mayor Mim McConnell
Deputy Mayor Matt Hunter
Vice-Deputy Mayor Benjamin Miyasato
Aaron Swanson, Steven Eisenbeisz
Tristan Guevin, and Bob Potrzuski

Municipal Administrator: Mark Gorman
Acting Municipal Attorney: Brian Hanson

Saturday, August 20, 2016

10:00 AM

Assembly Chambers

Meeting to be held at the Sealing Cove Business Center 601 Alice Loop

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 6 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, and Potrzuski

Absent: 1 - Guevin

IV. CORRESPONDENCE/AGENDA CHANGES

None.

V. PERSONS TO BE HEARD

None.

VI. NEW BUSINESS:

- A 16-151 Municipal attorney applicant interviews via video conferencing (Gagnon, Hanson, Hickey, DiNardo Jones, Carlisle)

Applicant interviews via Skype were held for Carey Gagnon, Brian Hanson, Eugene Hickey, Rachel DiNardo Jones, and Kevin Carlisle.

- B 16-152 Discussion/Direction on today's interviews, further interviews, and other applications

A motion was made by Potrzuski to go into Executive Session to discuss

matters, the immediate knowledge of which could adversely affect the finances of the City and Borough of Sitka and invite in Mark Danielson and Reuben Yerkes. The motion PASSED by a unanimous voice vote.

The Assembly was in Executive Session from 4:32pm to 5:10pm.

A motion was made by Hunter to RECONVENE as the Assembly in regular session. The motion PASSED by a unanimous voice vote.

A motion was made by Potrzuski to direct the City Administrator to request Human Resources to facilitate a site visit for Carey Gagnon, candidate for Municipal Attorney. The motion PASSED by a unanimous voice vote.

VII. EXECUTIVE SESSION

See Item B.

VIII. ADJOURNMENT

A motion was made by Miyasato to ADJOURN. Hearing no objections, the meeting ADJOURNED at 5:12pm.

ATTEST: _____

Sara Peterson, CMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS
1332 Seward Ave.
Room 229
Sitka, AK
(907)747-1811

Minutes - Draft

City and Borough Assembly

*Mayor Mim McConnell
Deputy Mayor Matt Hunter
Vice-Deputy Mayor Benjamin Miyasato
Aaron Swanson, Steven Eisenbeisz
Tristan Guevin, and Bob Potrzuski*

*Municipal Administrator: Mark Gorman
Acting Municipal Attorney: Brian Hanson*

Tuesday, August 23, 2016

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 6 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, and Potrzuski

Telephonic: 1 - Guevin

IV. CORRESPONDENCE/AGENDA CHANGES

No agenda changes.

16-156 Reminders, Calendars and General Correspondence

V. CEREMONIAL MATTERS

16-148 Service Award - Lauren Hughey, Health Needs and Human Services Commission

McConnell read and presented a service award to Lauren Hughey for her service on the Health Needs and Human Services Commission.

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

None.

VII. PERSONS TO BE HEARD

Larry Crews suggested as a cost saving measure the Assembly hire one of the qualified local attorneys that had applied for the Municipal Attorney position and suggested it be a contract position. Crews noted a full time attorney was not needed.

VIII. REPORTS

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

Mayor - McConnell reported on the Alaska Municipal League (AML) Summer board meetings held in Wasilla. Of note, the City of Bethel would be presenting to the AML body in November two resolutions; one opposing a state sales tax and the other in support of Public Employees Retirement System reform. Cynthia Franklin spoke about marijuana regulations and Forrest Dunbar spoke about the PFD/Voter Registration topic which was scheduled to be on the November General Election ballot. McConnell reported that Municipal Attorney candidate Carey Gagnon withdrew her application for consideration.

Administrator - Gorman thanked participants of the landslide commemoration events, stated on September 1st Lt. Jeff Ankerfelt would become Acting Police Chief, advised that the week of August 29th the transition back to Harrigan Centennial Hall (HCH) would begin and noted HCH user policies had been updated, shared that he and Maegan Bosak, Planning and Community Development Director, would be presenting the FY16 CBS Annual Report at the August 31st Chamber of Commerce luncheon, and reported repair work on the float plane dock would begin soon.

Clerk - Peterson assisted Assembly members in scheduling a Special Meeting for August 24th at 6pm to discuss the next steps of the Municipal Attorney hire process.

IX. CONSENT AGENDA

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

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Potrzuski

A 16-149 Approve the minutes of the August 9 Assembly meetings

This item was APPROVED ON THE CONSENT AGENDA.

B RES 16-14 Authorizing a Municipal Matching Grant application to the Alaska Department of Environmental Conservation for South Lake Street and West DeGroff water and sewer improvements

This item was APPROVED ON THE CONSENT AGENDA.

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

C 16-150 Appoint Barbara Kendall to an unexpired term on the Health Needs and Human Services Commission

A motion was made by Miyasato that this Item be APPROVED. The motion

PASSED by the following vote.

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Potrzuski

XI. UNFINISHED BUSINESS:

- D ORD 16-28** Amending Sitka General Code Title 22 "Zoning" by amending Section 22.30.150 "Administrative Approvals Without Notice"
- A motion was made by Hunter that this Ordinance be APPROVED on SECOND AND FINAL READING. The motion PASSED by the following vote.**
- Yes:** 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Potrzuski
- E ORD 16-29** Amending the official Sitka Zoning Map to assign OS (Open Space) Zoning to ASLS 2015-06, a previously unzoned parcel
- A motion was made by Miyasato that this Ordinance be APPROVED on SECOND AND FINAL READING. The motion PASSED by the following vote.**
- Yes:** 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Potrzuski

XII. NEW BUSINESS:

- F 16-153** Approve a standard marijuana cultivation facility license for Jeremy J. Erickson dba Vern's Wicked Weed at 3872 Halibut Point Road Bay One
- A motion was made by Hunter that this Item be APPROVED. The motion PASSED by the following vote.**
- Yes:** 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Potrzuski
- G 16-154** Approve a retail marijuana store license for Anna M. Cleaver dba Weed Dudes at 1321 Sawmill Creek Road Suite J
- Potrzuski noted the review process had been thorough, both by the State and the City.
- A motion was made by Swanson that this Item be APPROVED. The motion PASSED by the following vote.**
- Yes:** 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Potrzuski
- H ORD 16-27S** Adjusting the FY17 Budget (Float Plane Dock Funding - *substitute ordinance first reading*)
- Administrator Gorman noted this was a substitute ordinance before the Assembly for first reading. Additional information had been added identifying it as an appropriation.
- Hunter and Potrzuski noted it was an appropriate use of funds. While Eisenbeisz felt the repairs were warranted, he disagreed with the use of the Southeast Economic Development Fund.

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

Yes: 5 - McConnell, Hunter, Miyasato, Guevin, and Potrzuski

No: 2 - Swanson, and Eisenbeisz

I 16-155

Discussion of FY18 General Fund budget revenue considerations including agenda items ORD 16-30 and ORD 16-31

Assembly members discussed possible revenue generating ideas: a homestead exemption (voter approval needed); year round 6% sales tax; and a fuel tax dedicated to harbors, roads and other infrastructure. Gorman predicted a \$2.5 million deficit for FY18. While concerned, members felt it was best to wait until after the October election and then based on the outcome of the ballot proposition, take a closer look at revenue generating ideas. It was reminded a 2 mill property tax increase would not solve the budget deficit but was a step in the right direction.

Members offered their views on the ballot proposition (2 mill property tax increase) and proposed uses for revenue generated from the increase: 1 mill for subsidization of the General Fund and 1 mill for subsidization of the Electric Fund or 1 mill to subsidize the removal of sales tax from groceries.

J ORD 16-30

Amending Sitka General Code Chapter 4.09 "Sales Tax" Section 4.09.100 "Exemptions" by including an exemption for sales tax on groceries and amending Section 4.09.420 "Definitions" by adding a definition for groceries (*first reading*)

Larry Crews and Joe Meador spoke in opposition to the ordinance.

Eisenbeisz believed exempting sales tax from groceries and increasing electric rates would create localized inflation negating any gains in the long run.

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

Yes: 5 - McConnell, Hunter, Miyasato, Guevin, and Potrzuski

No: 2 - Swanson, and Eisenbeisz

K ORD 16-31

Amending Sitka General Code Chapter 4.12 "Property Tax" by adding a new Section 4.12.430 titled "Mill rate proceeds transfer to electric rate stabilization fund" (*first reading*)

Eisenbeisz and Potrzuski offered there was no harm in passing both ordinances (Ordinance 2016-30 and Ordinance 2016-31) on first reading. This would allow the public the opportunity to comment on second reading September 13.

Larry Crews spoke to the high cost of living in Sitka.

School Board member, Tom Conley, provided a report on the Sitka School District (SSD) and offered the SSD would be voting on a resolution in support of raising the millage rate.

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

Yes: 5 - Hunter, Swanson, Miyasato, Eisenbeisz, and Potrzuski

No: 2 - McConnell, and Guevin

XIII. PERSONS TO BE HEARD:

Alene Henning voiced concern about the use of cell phones while driving and the lack of enforcement.

Hugh Bevan suggested reconfiguring the Airport Terminal Enterprise Fund to include the float plane dock. Bevan also shared concerns of long term parking at the airport.

Clyde Bright spoke to the high housing demand and suggested the City turn over land (No Name Mountain) to a private entity for housing development. He added it was likely landlords would pass along a property tax increase to their tenants.

Zachary Desmond of Brave Heart Volunteers expressed appreciation to the Assembly for their continued support of Non Profits.

XIV. EXECUTIVE SESSION

None.

XV. ADJOURNMENT

A motion was made by Miyasato to ADJOURN. Hearing no objections, the meeting ADJOURNED at 7:39pm.

ATTEST: _____
Sara Peterson, CMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS
1332 Seward Ave.
Room 229
Sitka, AK
(907)747-1811

Minutes - Draft

City and Borough Assembly

*Mayor Mim McConnell
Deputy Mayor Matt Hunter
Vice-Deputy Mayor Benjamin Miyasato
Aaron Swanson, Steven Eisenbeisz
Tristan Guevin, and Bob Potrzuski*

*Municipal Administrator: Mark Gorman
Acting Municipal Attorney: Brian Hanson*

Wednesday, August 24, 2016

6:00 PM

Assembly Chambers

Meeting to be held at the Sealing Cove Business Center 601 Alice Loop

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 6 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, and Potrzuski

Telephonic: 1 - Guevin

IV. PERSONS TO BE HEARD

None.

V. NEW BUSINESS:

A 16-157

Discussion/Direction on the Municipal Attorney Hire (*possible executive session*)

Human Resources Director, Mark Danielson, reviewed the available options in light of Municipal Attorney candidate, Carey Gagnon's, withdrawal of application. Danielson stated the Assembly could interview the remaining candidates, review the original fifteen applications, or readvertise and begin the search over.

A motion was made by Potrzuski to go into Executive Session to discuss subjects that tend to prejudice the reputation and character of a person with regards to review of the Municipal Attorney applicants and invite in Human Resources Director, Mark Danielson, and Legal Assistant, Reuben Yerkes. The motion PASSED by the following vote.

Yes: 5 - McConnell, Hunter, Miyasato, Guevin, and Potrzuski

No: 2 - Swanson, and Eisenbeisz

The Assembly was in Executive Session from 6:05pm to 6:25pm.

A motion was made by Hunter to RECONVENE as the Assembly in regular session. The motion PASSED by the following vote.

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Potrzuski

A motion was made by Potrzuski to direct Human Resources to set up an interview with Municipal Attorney candidate Brian Hanson. The motion PASSED by the following vote.

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Potrzuski

The Assembly scheduled Mr. Hanson's in-person interview for Tuesday, September 6, 2016 at 5pm.

VI. ADJOURNMENT

A motion was made by Miyasato to ADJOURN. The motion PASSED by the following vote and the meeting ADJOURNED at 6:28pm.

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Potrzuski

ATTEST: _____

Sara Peterson, CMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS
1332 Seward Ave.
Room 229
Sitka, AK
(907)747-1811

Minutes - Draft

City and Borough Assembly

Mayor Mim McConnell
Deputy Mayor Matt Hunter
Vice-Deputy Mayor Benjamin Miyasato
Aaron Swanson, Steven Eisenbeisz
Tristan Guevin, and Bob Potrzuski

Municipal Administrator: Mark Gorman
Acting Municipal Attorney: Brian Hanson

Tuesday, September 6, 2016

5:00 PM

Assembly Chambers

Meeting to be held at the Sealing Cove Business Center 601 Alice Loop

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Potrzuski

IV. PERSONS TO BE HEARD

None.

V. NEW BUSINESS:

A 16-158 In-person interview with Municipal Attorney candidate Brian Hanson

The Assembly interviewed Municipal Attorney candidate Brian Hanson.

A motion was made by Hunter to select Brian Hanson as the Municipal Attorney pending successful employment agreement negotiations. The motion PASSED by the following vote.

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Potrzuski

B 16-159 Contingent on outcome of item A: Possible discussion on potential employment agreement with Brian Hanson and possible elements to be considered in the Municipal Attorney employment agreement

Assembly members discussed the potential elements of an employment agreement.

A motion was made by Potrzuski to direct the Municipal Administrator to have the Human Resources Director prepare an employment agreement with Brian Hanson to include the following elements and bring back to the Assembly for approval.

Starting Salary: \$125,000 per year, paid bi-weekly, exempt full-time, benefitted (advertised salary)

Salary after 12 months: \$135,000 per year based on satisfactory performance review

Salary after 24 months: \$140,000 per year based on satisfactory performance review

Starting Annual Leave Bank: 80 hours, available on the first day of employment

Annual Leave Accrual: 12.67 hours per month for the first year, 20 hours per month (240 hours per year) after the first anniversary

Severance Pay: 90 days - except for misconduct - no severance pay

Moving Expenses: None

Other Benefits: Per City and Borough of Sitka Personnel Policies Handbook - PERS and SBS annuities are the main retirement programs

Starting Date: To be determined

The motion PASSED by the following vote.

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Potrzuski

VI. EXECUTIVE SESSION

None.

VII. ADJOURNMENT

A motion was made by Miyasato to ADJOURN. Hearing no objections, the meeting ADJOURNED at 6:02pm.

ATTEST: _____
Sara Peterson, CMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

Legislation Details

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

Type: Resolution Status: AGENDA READY

File created: 9/6/2016 In control: City and Borough Assembly

On agenda: 9/13/2016 Final action:

Title: Supporting Permanent Fund Dividend automatic voter registration - an act allowing qualified individuals to register to vote when applying for a Permanent Fund Dividend

Sponsors:

Indexes:

Code sections:

Attachments: [Res 2016-16.pdf](#)

Date	Ver.	Action By	Action	Result
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Should this item be pulled from the consent agenda, the following motion would be in order:

POSSIBLE MOTION

I MOVE TO approve Resolution 2016-16 on first and final reading.

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 2016-16

**A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF SITKA,
SUPPORTING PERMANENT FUND DIVIDEND AUTOMATIC VOTER
REGISTRATION – AN ACT ALLOWING QUALIFIED INDIVIDUALS TO REGISTER
TO VOTE WHEN APPLYING FOR A PERMANENT FUND DIVIDEND**

WHEREAS, every eligible Alaskan citizen, regardless of political affiliation, race, color, creed, sex, or national origin, has a fundamental right to vote; and

WHEREAS, rural communities, military families, and individuals who move frequently do not have adequate online and physical access to accurate voter registration processes; and

WHEREAS, over 90% of Alaskan residents apply for the Permanent Fund Dividend (PFD) annually, and 83% of PFD applicants file online through electronic processing; and

WHEREAS, "PFD Automatic Voter Registration" has been proposed for the General Election ballot of 2016 to allow simultaneous voter registration when an eligible citizen applies for the yearly Permanent Fund Dividend (PFD); and

WHEREAS, the Division of Elections estimates that approximately 70,000 eligible Alaska citizens could become new, registered voters within the first year of passage; and

WHEREAS, the PFD Division already utilizes comprehensive fraud detection analysis that would prevent voter registration fraud, rendering Alaska to have the most accurate voter database in the nation; and

WHEREAS, PFD Automatic Voter Registration would save money, as a PEW Foundation study demonstrated that processing electronic registrations cost ten times less than paper processing; and

WHEREAS, PFD Automatic Voter Registration would make government more efficient, reducing bureaucracy and paperwork by using the PFD's existing strict processing system; and

WHEREAS, PFD Automatic Voter Registration would regularly update addresses and register new eligible voters on an annual basis, making Alaska the highest rate of registered voters in the nation.

NOW, THEREFORE, BE IT RESOLVED by the Assembly of the City and Borough of Sitka, Alaska, that it supports the proposition of PFD Automatic Voter Registration as proposed on the General Election ballot of 2016.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 13th day of September, 2016.

Mim McConnell, Mayor

ATTEST:

Sara Peterson, CMC
Municipal Clerk



OVERVIEW

Contact Information:

Facebook:

Facebook.com/pfdvoter

Website:

PFDvoter.com

Email:

campaign@pfdvoter.com

Summary:

PFD Voter Registration is a commonsense proposal for streamlining government services and improving access to democracy, inspired by recent, similar successes in Oregon and other states. If passed, any voter-eligible Alaskan who applies for their annual Permanent Fund Dividend will be automatically registered to vote if unregistered, or have their registration updated if it's out of date.

Timeline:

In May 2015, project partners determined that this proposal was feasible, that the governor could not implement it unilaterally, and that the current legislature was unlikely to implement via legislation. In June 2015, the team submitted a ballot initiative application to the lieutenant governor's office, approved in August 2015, and then registered with the Alaska Public Offices Commission as a Ballot Initiative Group. In September 2015, the group launched a drive to gather the required 28,500 signatures from Alaskan voters before the start of the 2016 Alaska Legislative Session. In January 2016, the group submitted over 42,000 signatures to the Division of Elections. The Division of Elections certified the signatures in March 2016, and the initiative is now slated for a popular vote in the statewide general election on November 8th, 2016.

Impacts:

>10% Increase in Total Registered Voters:

The Alaska Division of Elections has publicly projected that this initiative could result in as many as 70,000 newly registered voters in year one. (Currently Alaska has about 500,000 registered voters.)

Comprehensive, Annual Updates to Registration

Get Out the Native Vote projects that there may be as many as 30-40,000 Alaskans registered in rural communities but living in urban areas, who are not reached by GOTV efforts in the status quo. (Over 95% of AK population applies for PFD annually.)

Enfranchising Marginalized Communities:

We project that many of these new voters would come from historically disenfranchised minority communities, whom census data shows are significantly underrepresented in today's voter rolls. For example, Alaska Natives make up 16-18% of the population of Alaska, but only 7-9% of the electorate.

Cost Savings:

Research by the Pew Foundation and the National Center on Budget and Policy Priorities indicate a proposal of this nature could save the State more than 10% on registration processing costs.



ORGANIZATION

Coalition – Local

AARP of Alaska
Anchorage Economic Development Corporation
ACLU of Alaska
AFL-CIO AK & Affiliates
Alaska Conservation Voters & Affiliates
Alaska Federation of Natives
Alaska Native Village Corporation Association
(12) Alaska Native Corporations
ANCSA Regional Association
BP Alaska
Bush Caucus – Alaska State Legislature
Coastal Villages Regional Fund
Get Out the Native Vote
Great Alaska Schools
League of Women Voters of Alaska
NEA—AK
NAACP AK
Our Alaska
Tanana Chiefs Conference

Coalition – National

AFL-CIO
AFSCME
AFT
Ballot Initiative Strategies Center
Brennan Justice Center
Center for Secure and Modern Elections
Common Cause
Demos
Democracy Initiative
Lawyers Committee
League of Conservation Voters
LIUNA
NEA
New Venture Fund
Oregon BUS

PFD VOTER REGISTRATION

Process:

What will the post-initiative process look like? How does voter information move through the various agencies currently handling PFD applications and voter registration?

The PFD Application collects new and updated registration information from the applicant. This information remains confidential except to: local, state, and federal agencies, banks handling direct deposits of PFD funds, a court order, by direction of the applicant, **or by the DoE under AS 43.23.016**



Once per year, after the end of the PFD Application period, this information is transferred to the DoE, which manages voter registration.

*Note: at this point, the PFD Division's (and DoR's) role is **complete for that calendar year**, other than data storage.*



DoE organizes the voter registration information into **2 lists**: one comprised of **potential new voters**, the second of **updated addresses**.



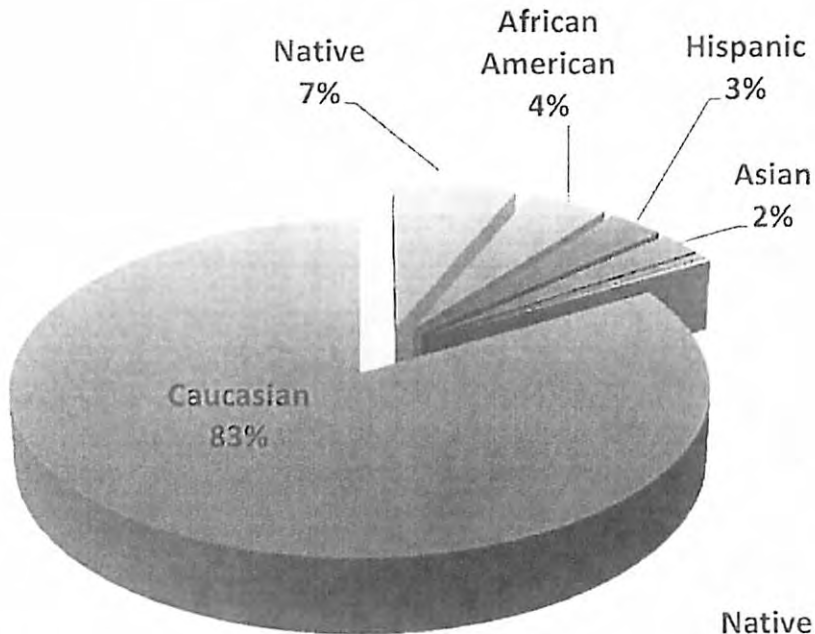
The DoE notifies the potential newly registered voters by mail that they may **choose to declare a party registration**, or may chose to **opt-out** of voter registration. DoE then processes returned notifications.



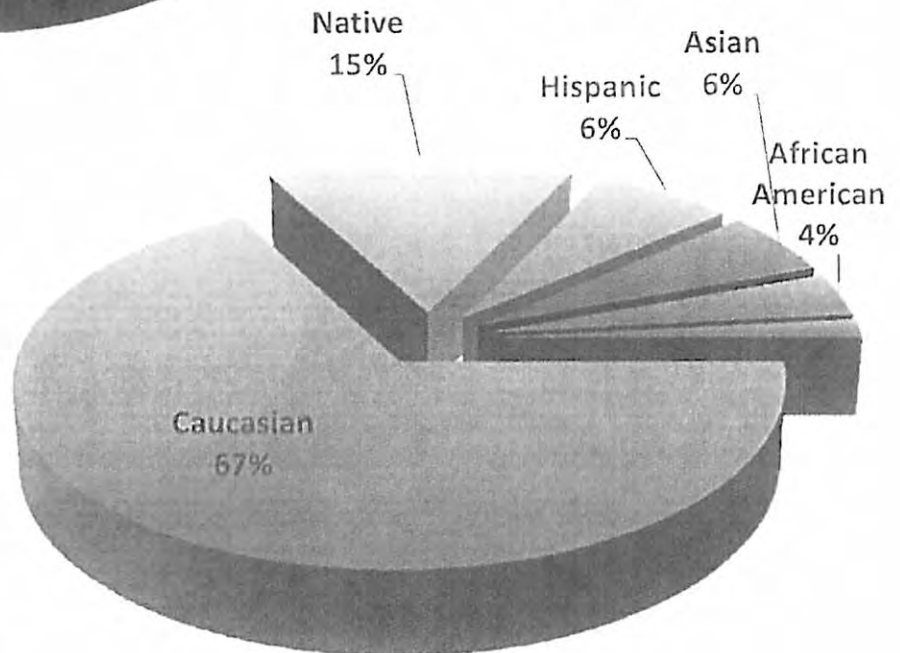
At this point the DoE will add all new registrants who did not opt out to the voter rolls, and complete all registration updates.

PFD VOTER REGISTRATION

Active Registered Voters (420,659)



General Population
(736,732)



PAID FOR BY: PFD Voter Registration, Anchorage AK.
This communication approved by Kim Reitmeier, Chair.

Election Day is November 8th. [Click Here](#) to Make Sure Your Voter Registration is Up to Date



THE INITIATIVE

BENEFITS

FAQ

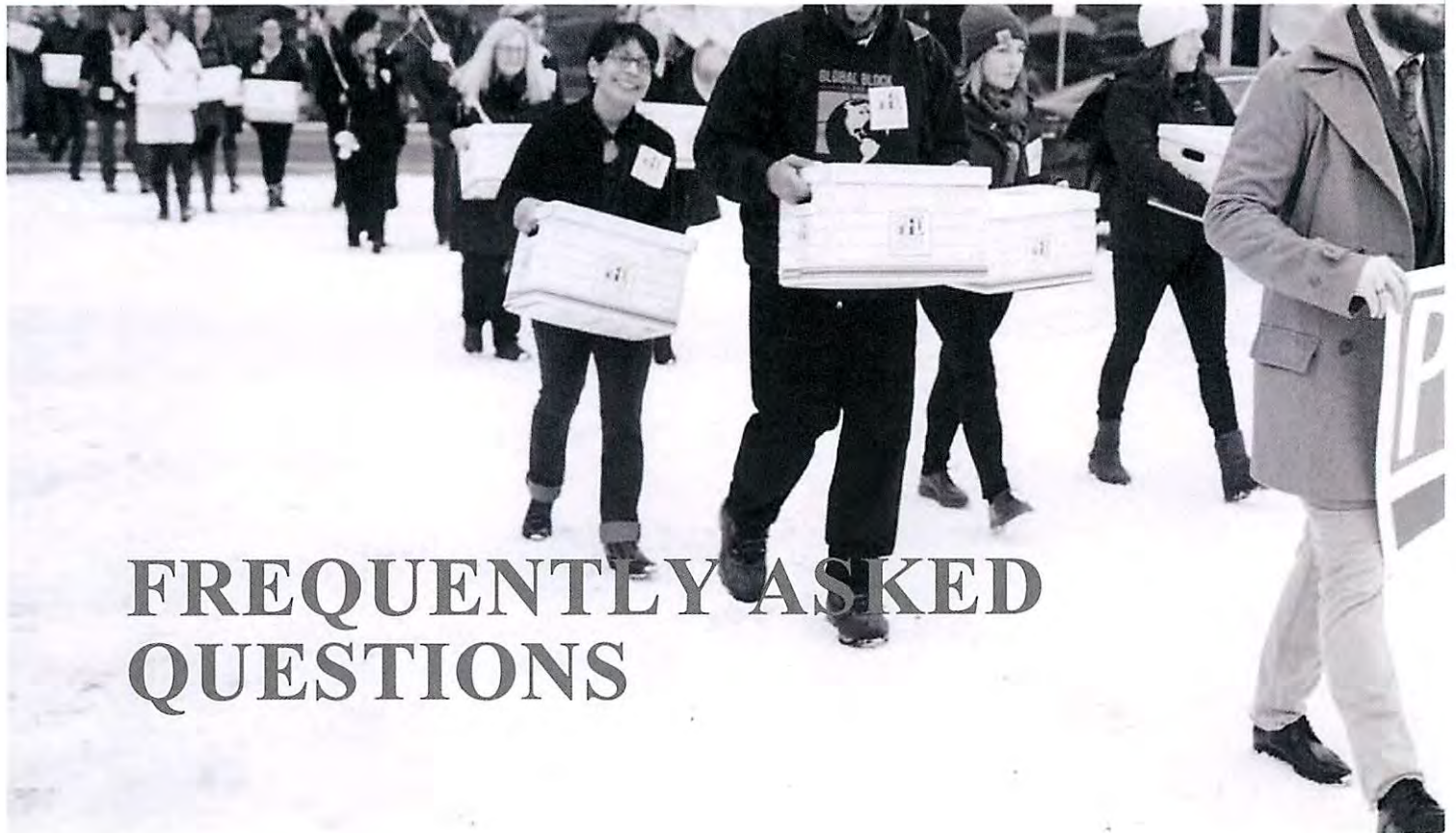
MEDIA

COALITION

SIGN UP

CONTACT

DONATE



FREQUENTLY ASKED QUESTIONS

Q: WHERE DID THIS IDEA COME FROM?

A: This idea was the shared result of hard work from the Lieutenant Governor's Elections Reform Working Group, as well as from many individual Alaskans who were committed to finding ways to improve our voting system. The idea was also inspired by the successful "New Moter Voter" law that passed in

Oregon in 2014, and will register hundreds of thousands of Oregonians to vote through the Oregon Division of Motor Vehicles (DMV).

Q: WHAT IS THE STATUS OF THE BALLOT INITIATIVE?

A: We are currently gathering signatures and support for the PFD voter initiative. Approximately 28,000 signatures from Alaskan voters (10% of the voter turnout in the 2014 General Election), must be submitted to the Division of Elections by the start of the 2016 Legislative Session in January. Once these signatures are submitted and verified, Alaskans will be able to vote on this initiative on either the Primary or the General Election ballot in 2016, depending on when the Legislature adjourns.

Q: WHO ARE THE CO-CHAIRS OF THE INITIATIVE?

A: There are three co-chairs of the initiative. Aaron Schutt is the President and CEO of Doyon Ltd. an Alaska Native Corporation headquartered in Fairbanks, and was born and raised in Tok. Kim Reitmeier is the President of the ANCSA Regional Association, previously worked in the oil pipeline industry, and was a recipient of Alaska's top 40 under 40 award. Tim Kacillas is a US Army veteran who served in Afghanistan and is now finishing his degree at the University of Alaska, Anchorage.

Q: WILL WE STILL BE ABLE TO REGISTER TO VOTE LIKE WE CURRENTLY DO?

A: Yes. This initiative does not change the conventional voter registration system, it adds an additional way for Alaskans to become registered to vote. Alaskans who do not receive a PFD or who want to update their registration manually may still do so using the regular form from the Division of Elections.

Q: VOTER REGISTRATION ROLLS ARE PUBLIC. WERE

THERE PRIVACY CONCERNS IN DRAFTING THIS INITIATIVE?

A: Alaska has some of the most stringent confidentiality protections for voter registration in the country. Information such as the voter's age, date of birth, social security number, driver's license number, place of birth, and signature is all protected. In addition, voters have the option to keep their place of residency confidential. The initiative will not change the confidentiality of any of this voter information. But any Alaskan who still has concerns about privacy can choose to opt out of being registered to vote through the PFD.

Q: WHAT ABOUT POTENTIAL VOTER FRAUD?

A: The Permanent Fund Dividend Division has stringent requirements for proof of identity, and some of the most sophisticated fraud detection resources in State government. Every year, there are only a handful of publicized cases of attempted PFD fraud, in which individuals are subject to felony prosecution and other serious consequences. This ballot initiative harnesses the resources we already invest in detecting PFD fraud, and brings them to bear against potential voter fraud as well. However, there is little-to-no evidence of voter fraud in Alaska.

Q: ISN'T THIS AIMED AT A LOT OF PEOPLE WHO AREN'T GOING TO VOTE ANYWAY?

A: Reducing the number of forms that people have to fill out, saving tax dollars by transitioning to online registration and making our Government more efficient are benefits that affect all Alaskans. But it's also true that some Alaskans don't think about politics until the end of an election cycle because they're living their regular lives. When Election Day comes and they turn their attention to politics, it's too late for them to register to vote. This initiative solves this problem for people that want to participate, in a way that is accurate and secure.

Q: WHAT ABOUT CHILDREN UNDER 18 OR FOREIGN NATIONALS WHO MAY RECEIVE A PFD?

A: PFD applicants are required to prove their age and citizenship, and these data-points are retained in the PFD database. PFD applicants who are not of voting age, not US citizens, or otherwise ineligible to vote will not be registered via the process prescribed in this initiative.

Q: DOES THIS INITIATIVE FORCE SOMEONE TO REGISTER TO VOTE?

A: No! In the first place, no one is forced to apply for the PFD. But more importantly, the ballot initiative includes an opt out feature, so that a PFD applicant may decline to be registered to vote via their PFD, through communication with the Division of Elections.

Q: WILL THIS INITIATIVE AFFECT MY ABILITY TO GET MY PFD?

A: No. This initiative has no bearing on PFD eligibility. The initiative simply uses information that already exists in the PFD database to update voter registration.

HELPFUL FACTS ABOUT PFD VOTER REGISTRATION:

- The PFD Division currently provides filtered data for several other State departments and programs, including the Pick-Click-Give charitable donation program, the UA College Savings Fund, and Department of Fish & Game license registration.
- The PFD Division recently set up a program called RPFI (Request Permanent Fund Information) to streamline the transmission of PFD data to other government departments when

requested.

- A study by the Pew Foundation, entitled "The Real Costs of Voter Registration", has shown that online voter registration can reduce the costs of processing registration applications by more than 10%.

This communication was Paid For By PFD Voter Registration, 8401 Pioneer Dr., Anchorage, AK and was approved by Kim Reitmeier, Chair. The top 3 contributors are ANCSA Regional Association, Anchorage, AK; New Venture Fund, Washington, DC; and The Alaska Center, Anchorage, AK.

Election Day is November 8th. [Click Here](#) to Make Sure Your Voter Registration is Up to Date

x



THE INITIATIVE

BENEFITS

FAQ

MEDIA

COALITION

SIGN UP

CONTACT

DONATE



REDUCE BUREACRACY AND PAPERWORK

Eligible Alaskan citizens can now apply for their PFD and register to vote at the same time, using a simple, modern, and safe online application system. Rather than having to remember to re-register every time they move and bother with paperwork and forms, Alaskans who use the PFD can count on an annual and automatic registration update, and the information already entered for a PFD can do “double duty.”

INCREASE VOTER

MAKE GOVERNMENT

REGISTRATION

A 2011 Division of Elections report found that approximately 70,000 Alaskans qualify for the PFD, but are not registered to vote.

ENGAGE ALASKANS

The initiative provides Alaskans with an easy, convenient path to voting. Young Alaskans, new residents, non-English speakers, members of the military, and Alaskans with disabilities are all populations that face unique challenges with maintaining up to date voter registration and keeping up with the paperwork. The initiative eases voting access for these Alaskans.

SAVE MONEY

83% of PFD applicants file their application online. A Pew study has shown that processing electronic registrations costs ten times less than paper processing. (“Real Cost of Voter Registration” - Pew).

MORE EFFICIENT

PFD registration reduces the workload at Division of Elections, while making the money we already spend on the PFDs application and fraud detection systems go further.

PREVENT VOTER REGISTRATION FRAUD

The PFD Division conducts a comprehensive fraud detection analysis, and aggressively pursues potential fraud cases. The initiative will capitalize on this analysis, and allow the Division of Elections to benefit from the fraud detection work already underway.

IMPROVE REGISTRATION ACCURACY

Online voter registration through the PFD reduces the possibility of mistakes that can disenfranchise voters. By making the process a seamless electronic one without the transfer of paper, the potential for data entry errors is drastically reduced.

**Young Alaskans, Alaskans who move
Frequently, Alaskans in the Military,
Rural Alaskans ... PFD Voter
Registration helps all ALASKANS keep
their voter registration current and cuts
down on paperwork.**

READ THE FULL INITIATIVE HERE

This communication was Paid For By PFD Voter Registration, 8401 Pioneer Dr., Anchorage, AK and was approved by Kim Reitmeier, Chair. The top 3 contributors are ANCSA Regional Association, Anchorage, AK; New Venture Fund, Washington, DC; and The Alaska Center, Anchorage, AK.

**AN INITIATIVE TO
ALLOW QUALIFIED INDIVIDUALS TO REGISTER TO VOTE
WHEN SUBMITTING A PERMANENT FUND DIVIDEND APPLICATION**

A Bill By Initiative
For An Act Entitled

"An Act relating to the permanent fund dividend application and the registration of voters; and providing for an effective date."

BE IT ENACTED BY THE PEOPLE OF THE STATE OF ALASKA:

***Section 1.** The uncodified law of the State of Alaska is amended by adding a section to read:

FINDINGS AND INTENT. (a) The People of the State of Alaska find:

- (1) the cornerstone of American democracy is the right to vote;
- (2) the state should not introduce needless bureaucratic requirements that make it more difficult for qualified citizens to exercise their right to vote;
- (3) the State of Alaska currently requires individuals who wish to receive a permanent fund dividend to submit an annual application to the State;
- (4) PFD applicants who also wish to register to vote, or to update their voter registration, must submit information to the State a second time, using a different form;
- (5) the State can relieve qualified voters who apply for a PFD from the burden of having to complete additional paperwork; and
- (6) the State can use PFD-application data to ensure voter-registration data are current.

***Section 2.** AS 15.07.050(a) is amended to read:

- (a) Registration may be made
 - (1) in person before a registration official or through a voter registration agency;
 - (2) by another individual on behalf of the voter if the voter has executed a written general power of attorney or a written special power of attorney authorizing that other individual to register the voter;
 - (3) by mail; [OR]
 - (4) by facsimile transmission, scanning, or another method of electronic transmission that the director approves; or
 - (5) by completing a permanent fund dividend application under AS 43.23.015.

*Sec. 3. AS 15.07.060(e) is amended to read:

(e) For an applicant requesting initial registration by mail, [OR] by facsimile or other electronic transmission approved by the director under AS 15.07.050, or completing a permanent fund dividend application, the director shall verify the information provided in compliance with (a)(2) and (3) of this section through state agency records described in AS 15.07.055(e). If the applicant cannot comply with the requirement of (a)(2) of this section because the applicant has not been issued any of the listed numbers, the applicant may instead submit a copy of one of the following forms of identification: a driver's license, state identification card, current and valid photo identification, birth certificate, passport, or hunting or fishing license.

* Sec. 4. AS 15.07.070(f) is amended to read:

(f) Incomplete or inaccurate registration forms may not be accepted. A person who submitted an incomplete or inaccurate registration form may register by reexecuting and resubmitting a registration form in person, by mail, or by facsimile or other electronic transmission approved by the director under AS 15.07.050. The requirements of (c) or (d) of this section apply to a registration form resubmitted under this subsection. Notwithstanding the foregoing, an application made under AS 43.23.015 that contains the information required by AS 15.07.060(a)(1)–(4) and (7)–(9), and an attestation that such information is true, shall not be deemed an incomplete registration form, and shall be accepted in accordance with AS 15.07.070(i).

* Sec. 5. AS 15.07.070 is amended by adding a new subsection to read:

(i) The division shall register voters who submit an application to receive a permanent fund dividend in accordance with this subsection.

(1) The division shall cooperate with the Department of Revenue under AS 43.23.016 to ensure that the permanent fund dividend application form furnished by the Department of Revenue under AS 43.23.015 allows an applicant, a person who is designated in a power of attorney to act on behalf of an applicant, or a person acting on behalf of a physically disabled applicant to submit voter registration information required under AS 15.07.060(a)(1)–(4) and (7)–(9), and an attestation that such information is true. The director may require proof of identification of the applicant, if not already in the Department of Revenue's possession, as required by regulations adopted by the director under AS 44.62 (Administrative Procedure Act).

(2) Upon receipt of the registration information, the director shall, as soon as practicable and in accordance with a schedule established by the director by rule, notify by U.S. mail, and any other means authorized by the director, each applicant not already registered to vote at the address provided in the applicant's application

(A) of the processes to

- (i) decline to be registered as a voter,
 - (ii) maintain an existing voter registration, or be newly registered, at a valid place of residence not the provided in the applicant's application, and
 - (iii) adopt a political party affiliation;
- and
- (B) that failure to respond to the notification shall constitute the applicant's consent to cancel any registration to vote in another jurisdiction.

(3) If an applicant does not decline to be registered as a voter within 30 calendar days after the director issues the notification, the application under AS 43.23.015 will constitute a completed registration form. The name of the applicant shall be placed on the master register if the director determines that the person is qualified to vote under AS 15.05.010, and the director shall forward to the applicant a registration card. If registration is denied, the applicant shall immediately be informed in writing that registration was denied and the reason for denial.

(4) Any person who is not eligible to vote and who becomes registered under this provision through human or mechanical error shall not be found on that basis to have had the intent to unlawfully register to vote.

***Sec. 6.** AS 43.23.015(b) is amended to read:

(b) The department shall prescribe and furnish an application form for claiming a permanent fund dividend. The application must include

- (1) notice of the penalties provided for under AS 43.23.035;
- (2) [AND CONTAIN] a statement of eligibility and a certification of residency;
- (3) the means for an applicant eligible to vote under AS 15.05, or a person authorized to act on behalf of the applicant, to furnish information required by AS 15.07.060(a)(1)-(4) and (7)-(9), and an attestation that such information is true.

***Sec. 7.** AS 43.23.016 is repealed and reenacted to read:

Sec. 43.23.016. Voter registration. The commissioner shall establish by rule a schedule by which the commissioner will provide, and shall provide as soon as is practicable the director of elections with

(a) electronic records from the permanent fund dividend applications of the information required by AS 15.07.060(a)(1)-(4) and (7)-(9), and the attestation that such information is true, for each permanent fund dividend applicant who

- (1) is a citizen of the United States, and
 - (2) is at least 18 years of age or will be within 90 days of the date of the application, and
- (b) the mailing addresses for all permanent fund dividend applicants.

*** Sec. 8.** AS 43.23.017(a) is amended to read:

(a) Except as provided in (c) of this section, information [INFORMATION] on each permanent fund dividend application, except the applicant's name, is confidential. The department may only release information that is confidential under this section

- (1) to a local, state, or federal government agency;
- (2) in compliance with a court order;
- (3) to the individual who or agency that files an application on behalf of another;
- (4) to a banking institution to verify the direct deposit of a permanent fund dividend or correct an error in that deposit;
- (5) as directed to do so by the applicant; [AND]
- (6) to a contractor who has a contract with a person entitled to obtain the information under (1) - (5) of this section to receive, store, or manage the information on that person's behalf; a contractor receiving data under this paragraph may only use the data as directed by and for the purposes of the person entitled to obtain the information[.];

(7) to the division of elections, as required by AS 43.23.016.

***Sec. 9.** AS 43.23.017 is amended by adding a new subsection to read:

(c) Information submitted on a permanent fund dividend application that is used for the purpose of registering an applicant to vote under AS 43.23.016 shall be kept confidential by the division of elections as provided in AS 15.07.195.

***Sec. 10.** The uncodified law of the State of Alaska is amended by adding a new section to read:

It is the intention of the people of Alaska that, if any provision of this Act shall be held to be invalid by a court of competent jurisdiction, the remainder shall not be affected and shall be given effect to the fullest extent possible.

***Sec. 11.** The uncodified law of the State of Alaska is amended by adding a new section to read:

This Act shall take effect 90 days after enactment.



CITY AND BOROUGH OF SITKA

Legislation Details

File #: RES 16-17 Version: 1 Name:
Type: Resolution Status: AGENDA READY
File created: 9/7/2016 In control: City and Borough Assembly
On agenda: 9/13/2016 Final action:
Title: Supporting the Standing Rock Sioux Tribe and their opposition to the Dakota Access Pipeline
Sponsors:
Indexes:
Code sections:
Attachments: [Res 2016-17.pdf](#)

Date	Ver.	Action By	Action	Result
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Should this item be pulled from the consent agenda, the following motion would be in order:

POSSIBLE MOTION

I MOVE TO approve Resolution 2016-17 on first and final reading.

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 2016-17

**A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF SITKA,
SUPPORTING THE STANDING ROCK SIOUX TRIBE AND THEIR OPPOSITION TO THE
DAKOTA ACCESS PIPELINE**

WHEREAS, the City and Borough of Sitka represents 9,061 citizens and a land area of 4,811.5 square miles in the Tongass Forest on Southeast Alaska's Alexander Archipelago; and

WHEREAS, as a community whose recreational, commercial and subsistence fisheries, wildlife and natural resources are integral to our way of life and rely on environmental protection and preservation, we stand with like communities throughout the United States, Canada and the world; and

WHEREAS, the Dakota Access Pipeline LLC has proposed to construct a 1,100 mile pipeline with the capacity of 570,000 barrels of crude oil per day to cross the Missouri River immediately above the mouth of the Cannonball River on the Standing Rock Reservation; and

WHEREAS, as Sitkans rely on the North Pacific Ocean and the waterways of the Pacific Coast, the people and tribes of the Missouri River rely on the waters of the life giving Missouri River for their continued existence, and the Dakota Access Pipeline poses a serious risk to the very survival of Missouri river peoples and tribes; and

WHEREAS, the horizontal direction drilling in the construction of the pipeline would destroy valuable cultural resources of the Standing Rock Sioux Tribe; and

WHEREAS, the Dakota Access Pipeline violates Article 2 of the 1868 Fort Laramie Treaty that guarantees that the Standing Rock Sioux Tribe shall enjoy the "undisturbed use and occupation" of their permanent homelands; and

WHEREAS, recent oil spills upstream from the Standing Rock Reservation, including the release of 840,000 gallons of oil near Tioga, North Dakota in October 2013; 51,000 gallons of oil released into the Yellowstone River upstream from Glendive, Montana, resulting in the shutdown of the community water system for 6,000 residents in January of 2015; as well as the release of 100,000 gallons of tar sand crude in Michigan's Kalamazoo River in July 2010 demonstrate the dangers to downstream communities and fish and wildlife from oil and gas pipelines such as the Dakota Access Pipeline; and

WHEREAS, the community of Sitka understands the how critical clean waterways are to the to the people, economies and social life of the communities who inhabit their shores; and

WHEREAS, the community of Sitka stands in solidarity with the Standing Rock Sioux as a community working actively for the protection of subsistence ways of life through environmental protection and preservation; and

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 13th day of September, 2016.

ATTEST:

Sara Peterson, CMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 16-161 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 9/6/2016 In control: City and Borough Assembly

On agenda: 9/13/2016 Final action:

Title: Appoint: 1) Melissa Viator to a three-year term on the Health Needs and Human Services Commission and 2) Joshua Thomas to a three-year term on the Library Commission

Sponsors:

Indexes:

Code sections:

Attachments: [Viator and Thomas.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO appoint 1) Melissa Viator to a three-year term on the Health Needs and Human Services Commission and 2) Joshua Thomas to a three-year term on the Library Commission.



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

Board/Commission/Committee: Health Needs and Human Service Commission

Name: Melissa Viator Daytime Phone: 845-667-9552

Address: PO Box 2298, Sitka Evening Phone: _____

Email Address: myhealthfitness1@gmail.com Fax Number: _____

Length of Residence in Sitka: 2 years Registered to vote in Sitka? ☒ Yes ☐ No

Employer: Unemployed

Organizations you belong to or participate in:

Public Safety Training Academy

Explain your main reason for applying:

Contribute/apply MPH, support community, public health advocacy

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

See resume for complete list. Strategic and conceptual thinker for public health problems.

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

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

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

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

Date: 8/18/2016 Signature: 

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

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

Return to:

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

MELISSA A. VIATOR

P.O. Box 2298, Sitka, Alaska 99835
(845)-667-9552; mvhealthfitness1@gmail.com

OBJECTIVE: To collaborate with community leaders to develop, improve, and implement health programs while using my leadership and managerial skills obtained during my military and graduate school experiences.

CAREER SUMMARY

Analyze operations to evaluate performance of a company or its staff in meeting objectives or to determine areas of potential desired outcomes, program improvement, or policy change. Coordinate the development and implementation of operations; ability to adapt in an austere environment and implement planning augmentation. Direct, plan, or implement policies, objectives, or activities of organizations or businesses to ensure continuing operations, to maximize returns on investments, or to increase productivity.

SKILLS

- 12 years leadership, management, analyzing, development, and planning operations
- Manager of over 200 personnel
- Microsoft Office Suite
- Maintain a Top Secret Security Clearance (JUN2002 – JAN2017)
- Researcher/collaborator of public health programs and health interventions

PROFESSIONAL EXPERIENCE

Research Assistant, University of Alaska Anchorage, AK AUG 2014 – JULY 2015

- Developed a research study to optimize rainwater catchment systems in southwest Alaska to improve domestic hygiene and decrease communicable disease as a health intervention.
- Collaborative member of the National Partnership for Action (NPA) Regional Health Equity Council (RHEC) Special Project Committee for Region X to develop health equity guidelines designed specifically for healthcare professionals.

UAA MPH Student Advisory Council Chairperson, University of Alaska Anchorage, AK AUG 2013 – FEB 2015

- Communicate, coordinate, and collaborate with local public health agencies to educate and empower graduate students on public health topics and academic goals.
- Developed, planned, executed events during National Public Health Week for UAA Master of Public Health students.

Graduate Student Association Volunteer, University of Alaska Anchorage, AK AUG 2012 – AUG 2014

- Developed, planned, coordinated conference plenary sessions, symposia, and events for the 20th IEA World Congress of Epidemiology 2014, Anchorage, AK.
- Conducted a program evaluation on the Matanuska-Susitna Public Health Center's Teen Reproductive Health Intervention program.

Company Commander U.S. Army, Ft. Drum, NY DEC 2010-MAY 2012

- Managed 238 personnel consisting of 21 different military occupational skills within the realm of Military Police, Chemical Corps, Medical Corps, Mechanics, Army Corps of Engineers, Logistics, and administrative personnel.
- Developed, planned, executed training programs to ensure combat readiness in support of future counter-insurgency operations.
- Directed all aspects of training, maintenance, operations, management and accountability of operational equipment valued in excess of \$30M.

Brigade Operations Officer U.S. Army, Ft. Drum, NY JUN 2010-DEC 2010

- Managed receipt, development, production, and distribution of operational planning and execution of counter-insurgency operations as a part of the International Security Assistance Force, Regional Command-North, and Afghanistan.
- Planned, coordinated, and established Combined Joint Command, Control, Communication, and Coordination for operational units in the Afghanistan Theater (ISAF, NATO).

Instructor, Course Director of Military Sciences U.S. Military Academy, West Point, NY MAY 2008-JUN 2010

- Taught undergraduate courses in military tactics for further development of future Army officers; coach, teach, mentor methods to expand abilities in the areas of critical thinking, problem solving, communicating, self-confidence, and decision-making.

- Developed course content and curriculum through Outcomes-Based Training and Education methodology.
- Serves as an advisor and mentor for leader development through planning and executing tactical operations.

Brigade Air Operations Officer U.S. Army, Ft. Richardson, AK MAR 2006-MAY 2008

- Conducted all air coordination and operations in Babil and Karbala Provinces, Iraq.
- Coordinated and planned air assaults, attack aviation operations, and airspace de-confliction.
- Developed the air pattern analysis assessment and identify insurgent/extremist activity.
- Managed 15,831 square miles of airspace and planned aviation operations for 3,500 soldiers for a 15 month combat tour, synchronizing all brigade and division assets to accomplish missions, planned over 150 air tactical combat operations.
- Author of "*Spartan Air [Space Management] Cell - Lessons Learned*", Fires Bulletin; JAN-FEB 2008. http://sill-www.army.mil/firesbulletin/2010/may_june_2010/index.html

General Officers Aide-de-Camp U.S. Army, Ft. Bliss, TX JUN 2004-MAR 200

- General Assist for coordination of Air and Missile Defense (AMD) and Space and Missile Defense Center (SMDC) modularity transition, accredited projects through various Missile Defense Agencies.
- Manages receipt, review and distribution of correspondence for the U.S. Air and Missile Defense School, U.S. Training and Doctrine Command.

Executive Officer U.S. Army, Ft. Bliss, TX JUN 2002-JUN 2004

- Facilitated the administrative correspondence for an Air Defense Battery consisting of 109 personnel.
- Managed tactical training associated with the employment of the PATRIOT anti-ballistic missile system.
- Maintained accountability for over \$50 million worth of equipment. Maintenance Program resulted in a 100% readiness rate throughout 1 year during a South Korea assignment.

Reserve Officer Training Corps U.S. Army, Syracuse University, NY AUG 1999-JUN 2002

- Distinguished Honor Graduate of Syracuse University's ROTC Candidates.
- Planned and managed Syracuse University's ROTC Training Operations.
- Captain of the Syracuse University's ROTC Ranger Challenge Team and Army 10-miler Team.
- Security Assist in Syracuse University Dormitories for the Department of Public Safety
- Volunteered as the Parliamentarian of Syracuse University's Student Government Association

EDUCATION

Master of Public Health and Public Health Practice, University of Alaska-Anchorage, Alaska	2015
Master Teaching and Excellence Certificate U.S. Military Academy, West Point, New York	2010
Master of Arts in Management and Leadership Webster University, Missouri	2006
Bachelor of Arts in Latin American Studies Syracuse University, New York	2002
Air and Missile Defense Senior Leaders Course Fort Bliss, Texas	2002
Air Defense Artillery Leadership Course Fort Bliss, Texas	2002

RECOGNITION

Crossfit Level-1 Certification, Anchorage, Alaska	2013
Inducted into the Phi Kappa Phi Honor Society, University of Alaska-Anchorage, Alaska	2014
Inducted into Delta Omega Public Health Honor Society, University of Alaska Anchorage	2015
Received student recognition, 21 st Annual Martin Luther King, Jr. Student Appreciation Luncheon University of Alaska-Anchorage, Alaska	2015



Health Needs and Human Services Commission

NAME	CONTACT NUMBERS	TERM STARTS	EXPIRES	CATEGORY
DOUG OSBORNE 209 Moller Avenue	747-0373 dosborne@sitkahospital.org	1/27/15	10/14/17	CHAIR <i>Williams term</i>
LOYD PLATSON 805 Charles Street	747-3636 x226 w 623-7560 c lplatson@scpsak.org	8/25/15	10/28/17	VICE CHAIR <i>Zanuzoski's term</i>
MYRON FRIBUSH, MD PO Box 303	738-1489 c 747-5377 h rfribush3@gmail.com	10/22/13	10/22/16	
CLARA GRAY 222 Tongass Drive 310	966-8936 w 752-7880 c clarag@searhc.org	12/8/15	12/8/18	
BARBARA KENDALL 206 Park Street	738-1808 bekendall40@yahoo.com	8/23/16	8/23/19	
JEFF ARNDT 207 Cedar Heights	738-2025 queenmab@gci.net	11/11/15	11/11/18	
Melissa Henshaw Deputy Clerk/Records Specialist	747-1826 melissa.henshaw@cityofsitka.org			Secretary
Tristan Guevin PO Box 6235	738-5415 c assemblyguevin@cityofsitka.org			Assembly Liaison

Established by Ordinance 2013-23

7 members 3-year terms (*except for first commission*): The first members appointed to the Commission shall, upon appointment, determine the length of the terms so that the terms of three (3) members shall be for one year, the terms of two (2) members shall be for two years, and the terms of two (2) members shall be for three years, resulting in staggered terms for members subsequently appointed. A vacancy on the commission shall be filled by appointment by the Assembly for any remainder of an unexpired term.

Meeting schedule: 2nd Wednesday of the month; noon at Sealing Cove Business Center at 601 Alice Loop – Meetings are to be held no less than four times per year.

Revised: August 24, 2016



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

Board/Commission/Committee: Library
Name: Joshua Thomas Daytime Phone: 817-471-6054
Address: PO Box 473 Sitka, AK, 99835 Evening Phone: _____
Email Address: Josh0417@att.net Fax Number: _____
Length of Residence in Sitka: 10 years Registered to vote in Sitka? ☒ Yes ☐ No
Employer: JKT Enterprises

Organizations you belong to or participate in:

have volunteered with several programs in the past.
member in good standing of a local religion.

Explain your main reason for applying:

I have a great deal of love for books and the library
and feel that I could bring a lot to help the library.

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

Knowledgeable about a wide variety of literature and movies, as well as
familiarity with the local library.

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

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

I am familiar with and friendly towards several people
employed by the library.

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

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

Date: 8/25/16 Signature: _____

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

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

Return to:

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

Library Board

8/25/16

Sitka, Alaska

To Whom It May Concern,

Dear Sir or Madam, I am interested in joining the Library Board here in Sitka. I have had a lifetime's love of books, and by extension libraries. As an extensive reader and autodidact I know the entertainment and educational value to a community of having a good working library available to all people.

For these reasons I feel that I would be a great asset to the Library Board. I await your response and I'm looking forward to serving on this board.

Sincerely,

A handwritten signature in black ink, appearing to read 'Joshua Keith Thomas', with a long horizontal flourish extending to the right.

Joshua Keith Thomas

PO Box 473

Sitka, AK 99835

817-471-6054

Josh0417@att.net



LIBRARY COMMISSION

NAME	CONTACT NUMBERS	TERM STARTS	EXPIRES	CATEGORY
ALICE JOHNSTONE 213 Shotgun Alley	747-3931 h johnstone@ak.net	7/22/03 7/11/06 7/14/09 7/24/12 7/14/15	7/22/06 7/11/09 7/14/12 7/24/15 7/14/18	Chair
JANE EIDLER PO Box 1673	747-5354 h eidlerjee@yahoo.com	6/27/06 7/8/08 6/28/11 6/24/14	7/12/08 7/8/11 6/28/14 6/24/17	
DORIK MECHAU 209 Observatory St.	747-7671 h twojuncos@icloud.com	1/12/16	1/12/19	
BARBARA BINGHAM PO Box 6112	738-3557 c bbingham23@gmail.com	9/12/06 9/8/09 10/23/12 1/26/16	9/12/09 9/8/12 10/23/15 1/26/19	
PJ FORD SLACK PO Box 6281	966-1906 w 738-0020 c fordpj@sitkaschools.org	8/27/10 11/9/10 11/12/13	11/13/10 11/9/13 11/12/16	Resigned 6/22/16
LORRAINE LIL 105 Austin Street	738-1350 c 747-3309 committeework@outlook.com	4/12/16	4/12/19	Secretary
CURT LEDFORD Little Marshall Island PO Box 2114	738-2794 c curtledford@gmail.com	7/10/01 8/10/04 7/24/07 7/27/10 8/13/13	7/10/04 8/10/07 7/24/10 7/27/13 8/13/16	Chair Resigned 4/6/16
Benjamin Miyasato 405 B DeGross St.	752-0163 c assemblymiyasato@cityofsitka.org			Assembly Liaison
Elizabeth O'Donnell 214 Observatory	747-8014			Emeritus Member

7 Members from Public 3-year terms
 Established by Ordinance 72-50, Ord. 03-1730 added 2 more members
 First Wednesday of the Month, 7 p.m.

OATH OF OFFICE REQUIRED

Revised: August 29, 2016



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 16-27S Version: 1 Name:
Type: Ordinance Status: AGENDA READY
File created: 8/2/2016 In control: City and Borough Assembly
On agenda: 9/13/2016 Final action:
Title: Adjusting the FY17 Budget (Float Plane Dock Funding)
Sponsors:
Indexes:
Code sections:
Attachments: [Motion Ord 2016-27S.pdf](#)
[Ord 2016-27S.pdf](#)

Date	Ver.	Action By	Action	Result
8/23/2016	1	City and Borough Assembly		
8/9/2016	1	City and Borough Assembly	PASSED ON FIRST READING	Pass

POSSIBLE MOTION

I MOVE TO approve Ordinance 2016-27S on
second and final reading.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2016-27S

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA
ADJUSTING THE FY17 BUDGET (FLOAT PLANE DOCK FUNDING)

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

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

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

3. **PURPOSE.** The purpose of this ordinance is to adjust the FY17 budgets for known changes.

4. **ENACTMENT.** The Assembly of the City and Borough of Sitka hereby adjusts the FY17 budget for known changes. In accordance with Section 11.10(a) of the Charter of the City and Borough of Sitka, Alaska, the budget for the fiscal period beginning July 1, 2016 and ending June 30, 2017 is hereby adjusted as follows:

<u>FISCAL YEAR 2017 EXPENDITURE BUDGETS</u>	
<u>CAPITAL PROJECTS</u>	
This is an FY2017 supplemental budget ordinance. The Assembly hereby appropriates \$170,000 from the Southeast Alaska Economic Development Fund to be transferred to the Harbor Fund.	
Explanation –	
Harbor Department: At the May 31 st Assembly meeting an Ordinance was approved to appropriate \$170,000 from the Harbor Department undesignated working capital for the Float Plane Dock Repairs. At the same meeting, the Assembly conceptually approved the transfer of funding from the Southeast Alaska Economic Development Fund to the Harbor Fund to reimburse it for the cost of the dock repairs. This Ordinance formalizes the appropriation necessary to accomplish the reimbursement.	

EXPLANATION

Necessary revisions in the FY 2017 budget were identified. These changes involve the increase of expenditure accounts and causes decreased cash flows to the fund balance of various funds. A short explanation of each budget revision is included.

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

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 13th day of September, 2016.

Mim McConnell, Mayor

ATTEST:

Sara Peterson, CMC
Municipal Clerk

Absent: 2 - Hunter, and Eisenbeisz

Sweeney indicated that staff was not equipped to handle judgment calls on eligibility and spoke to the difficulty of personnel time. Clyde Bright wondered what the cost would be to administer it. Guevin stated the amendment would leave options open to contracting it out or not and stated that line 136 would also need to change.

A motion was made by Potrzuski that this Ordinance be AMENDED deleting lines 128 to 131. The motion PASSED by the following vote.

Yes: 5 - McConnell, Swanson, Miyasato, Guevin, and Potrzuski

Absent: 2 - Hunter, and Eisenbeisz

F ORD 16-19

Amending Sitka General Code Title 19 "Building and Construction" by amending Chapter 19.01 "Building Code" by adding a new Section 19.01.105 entitled, "The International Building Code Chapter 18 Amended" (*first reading*)

Miyasato questioned if this was a part of the community mapping. Acting Municipal Administrator Michael Harmon stated the city mapping would move forward as a separate element, that this was similar to flood mapping, and was not currently in code. Potrzuski clarified that this would be an expense to the applicant. Harmon told of cost to the developer and their due diligence. Swanson asked the cost of the applicant to have property reviewed. Harmon stated a range of \$5,000 to \$15,000 or more with a major development. Harmon told that risk mapping was in place for the Gary Paxton Industrial Park.

A motion was made by Miyasato that this Ordinance be PASSED ON FIRST READING. The motion PASSED by the following vote.

Yes: 5 - McConnell, Swanson, Miyasato, Guevin, and Potrzuski

Absent: 2 - Hunter, and Eisenbeisz

G ORD 16-17

Adjusting the FY16 Budget (*disaster declaration work/PERS funding*)

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

Yes: 5 - McConnell, Swanson, Miyasato, Guevin, and Potrzuski

Absent: 2 - Hunter, and Eisenbeisz

H ORD 16-18

Adjusting the FY16 Budget (*second reading - Sitka Seaplane Base repairs*)

Kevin Knox, Chair of Port and Harbors Commission told of support from the Commission, SouthEast Alaska Aviation Association, and the public. He spoke of replacing the base as it was and brought up the Southeast Economic Development fund since he felt this was an economic driver of the community. Dave Gordon, a seaplane owner was in support of replacing the current structure. Mayor McConnell and Acting Municipal Administrator Michael Harmon told of this community need.

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

Yes: 5 - McConnell, Swanson, Miyasato, Guevin, and Potrzuski

Absent: 2 - Hunter, and Eisenbeisz

XIII. PERSONS TO BE HEARD:

Clyde Bright encouraged the Assembly to release public land for affordable housing.

XIV. EXECUTIVE SESSION

I 16-091 Legal matter - Baranof Island Brewing Company loans

A motion was made by Potrzuski to go into Executive Session with the Acting Municipal Attorney to discuss a legal matter affecting the municipality and the Baranof Island Brewing Company loans and invite in Chief Finance and Administrative Officer, Jay Sweeney.

Yes: 5 - McConnell, Swanson, Miyasato, Guevin, and Potrzuski

Absent: 2 - Hunter, and Eisenbeisz

The Assembly met in executive session for 45 minutes regarding two Southeast Alaska Economic Development loans to Baranof Island Brewing Company. Chief Finance and Administrative Officer Jay Sweeney briefed the Assembly on the status of the two loans.

A motion was made by Miyasato to RECONVENE as the Assembly in regular session. The motion passed by an unanimous voice vote.

XV. ADJOURNMENT

A motion was made by Miyasato to ADJOURN. Hearing no objections, the meeting ADJOURNED at 7:46pm.

ATTEST: _____
Melissa Henshaw
Acting Municipal Clerk



CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS
1332 Seward Ave.
Room 229
Sitka, AK
(907)747-1811

Minutes - Final

City and Borough Assembly

Mayor Mim McConnell
Deputy Mayor Matt Hunter
Vice-Deputy Mayor Benjamin Miyasato
Aaron Swanson, Steven Eisenbeisz
Tristan Guevin, and Bob Potrzuski

Municipal Administrator: Mark Gorman
Acting Municipal Attorney: Brian Hanson

Tuesday, May 31, 2016

6:00 PM

Assembly Chambers

Meeting to be held at the Sealing Cove Business Center 601 Alice Loop

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 4 - McConnell, Swanson, Miyasato, and Guevin

Absent: 3 - Hunter, Eisenbeisz, and Potrzuski

IV. CORRESPONDENCE/AGENDA CHANGES

None.

V. PERSONS TO BE HEARD

None.

VI. UNFINISHED BUSINESS:

A ORD 16-18

Adjusting the FY16 Budget (*second reading - Sitka Seaplane Base repairs*)

Administrator Mark Gorman pointed out in the accompanying document to the Ordinance, that it was suggested the Assembly consider providing a grant to the Harbor Enterprise Fund from the Southeast Alaska Economic Development Fund to pay for the float plane dock repairs. Assembly members agreed with this approach. Gorman stated staff would prepare an ordinance for a future meeting to appropriate money from the Southeast Alaska Economic Development Fund for transfer to the Harbor Fund.

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

Yes: 4 - McConnell, Swanson, Miyasato, and Guevin

Absent: 3 - Hunter, Eisenbeisz, and Potrzuski

VII. NEW BUSINESS:

B ORD 16-20 Adopting budgets for Fiscal Year July 1, 2016 through June 30, 2017

Assembly members spoke favorably of the FY2017 budget process and thanked staff for their work. Gorman stated that while the FY2017 budget had been unusually challenging, ultimately a balanced budget had been presented.

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

Yes: 4 - McConnell, Swanson, Miyasato, and Guevin

Absent: 3 - Hunter, Eisenbeisz, and Potrzuski

VIII. PERSONS TO BE HEARD:

None.

IX. EXECUTIVE SESSION

None.

X. ADJOURNMENT

A motion was made by Miyasato to ADJOURN. Hearing no objections, the meeting ADJOURNED at 6:07pm.

ATTEST: _____
Sara Peterson, CMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 16-30 Version: 1 Name:
Type: Ordinance Status: AGENDA READY
File created: 8/17/2016 In control: City and Borough Assembly
On agenda: 9/13/2016 Final action:
Title: Amending Sitka General Code Chapter 4.09 "Sales Tax" Section 4.09.100 "Exemptions" by including an exemption for sales tax on groceries and amending Section 4.09.420 "Definitions" by adding a definition for groceries

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Ord 2016-30.pdf](#)
[Ord 2016-30.pdf](#)

Date	Ver.	Action By	Action	Result
8/23/2016	1	City and Borough Assembly		

POSSIBLE MOTION

I MOVE TO approve Ordinance 2016-30 on
second and final reading.

CITY AND BOROUGH OF SITKA
ORDINANCE NO. 2016-30

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING SITKA GENERAL
CODE CHAPTER 4.09 "SALES TAX" SECTION 4.09.100 "EXEMPTIONS" BY INCLUDING
AN EXEMPTION FOR SALES TAX ON GROCERIES AND AMENDING SECTION 4.09.420
"DEFINITIONS" BY ADDING A DEFINITION FOR GROCERIES

1. **CLASSIFICATION.** This ordinance is of a permanent nature and is intended to be a part of the Sitka General Code of the City and Borough of Sitka, Alaska.
2. **SEVERABILITY.** If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person and circumstances shall not be affected thereby.
3. **PURPOSE.** The purpose of this ordinance is to add sales tax on groceries to the list of sales types that are exempt from taxation. This exemption would become effective July 1, 2017 but only if the amendment to the Charter set forth in Ordinance 2016-26 is approved by voters at the regular election held on October 4, 2016.
4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that Sitka General Code Chapter 4.04.100 is amended by adding a sales tax exemption for groceries and amending Section 4.09.420 to add a definition for (new language underlined; deleted language stricken):

Chapter 4.09
Sales Tax

* * *

4.09.100 Exemptions

* * *

R. ~~Reserved.~~ Sale of groceries, as defined elsewhere within this Chapter, are exempt.

* * *

4.09.420 Definitions.

In this chapter:

A. "Consideration" means a valuable inducement and includes, without limitation, money, property, and services;

B. "Engaging in business" means carrying on or causing to be carried on any activity with the purpose of direct or indirect benefit;

C. "Groceries" means breads, cereals, fruits, vegetables, meats, fish, poultry and dairy products as well as those foods and items that have been determined to be eligible for the USDA Supplemental Nutrition Assistance Program (SNAP) benefits. Groceries does not include beer, wine, liquor, cigarettes, tobacco products, any nonfood items such as pet foods, soaps, paper products, household supplies, vitamins and medicines, foods that will be eaten in the store and hot foods.

GD. "Lease," "leasing," or "rental," regardless of whether a transaction is characterized as a lease or rental under generally accepted accounting principles, 26 U.S.C. (Internal Revenue Code), AS 45.01 through AS 45.08, AS 45.12, AS 45.14, and AS 45.29 (Uniform Commercial Code), or other provisions of federal, state, or local law:

1. Means a transfer of possession or control of tangible personal property of a fixed or indeterminate term for consideration; a lease or rental may include future options to purchase or extend;

2. Does not include:

a. A transfer of possession or control of property under a security agreement or deferred payment plan that requires the transfer of title upon completion of the required payments;

b. A transfer of possession or control of property under an agreement that requires the transfer of title upon completion of required payments if payment of an option price does not exceed the greater of one hundred dollars or one percent of the total required payments; or

c. Providing tangible personal property along with an operator for a fixed or indeterminate period of time; a condition of this exclusion is that the operator is necessary for the equipment to perform as designed; for the purpose of this subsection, an operator must do more than maintain, inspect, or set up the tangible personal property;

3. Includes agreements covering motor vehicles and trailers if the amount of consideration may be increased or decreased by reference to the amount realized upon sale or disposition of the property as defined in 26 U.S.C. 7701(h)(1);

DE. "Maintaining an office or other place of business" means:

1. A person's having or maintaining in the city and borough of Sitka, directly or by an affiliate, an office, distribution house, sales house, warehouse, or place of business; or

2. An agent's operating within the city and borough of Sitka under the authority of the person or its affiliate, whether the place of business or agent is located in the city and borough of Sitka permanently or temporarily or whether the person or affiliate is authorized to do business in the city and borough of Sitka;

~~EE~~. "Manufacturing" means combining or processing components or materials, including the processing of ores in a mill, smelter, refinery, or reduction facility, to increase the value of the components or materials for sale in the ordinary course of business; "manufacturing" does not include construction;

~~EG~~. "Person" means an individual, estate, trust, receiver, cooperative association, club, corporation, company, firm, partnership, joint venture, syndicate, or other entity, including a gas, water, or electric utility owned or operated by a borough, municipality, or other political subdivision of the state;

~~GH~~. "Purchase price" means "sales price" and applies to the measure subject to sales tax;

~~HI~~. Residential Rent. Rent paid for residential housing for thirty or more consecutive days or an entire calendar month by a person or persons for a room, set of rooms, structure, or suite is exempt from sales taxes. This exemption does not apply to any transaction taxable under Chapter 4.24 regarding the hotel, motel, and bed and breakfast transient room tax;

~~IJ~~. "Sale," "selling," or "purchasing" means the transfer of property for consideration or the performance of a service for consideration;

~~JK~~. "Sales price":

1. Means the total amount of consideration, including cash, credit, property, and services, for which personal property or services are sold, leased, or rented, valued in money, whether received in money or otherwise, without any deduction for the following:

a. The seller's cost of the property sold;

b. The cost of materials used, labor or service cost, interest, losses, all costs of transportation to the seller, all taxes imposed on the seller, and any other expense of the seller;

c. Charges by the seller for any services necessary to complete the sale, other than delivery and installation charges;

d. Delivery charges;

e. Installation charges;

f. The value of exempt personal property given to the purchaser where taxable and exempt personal property have been bundled together and sold by the seller as a single product or piece of merchandise;

g. Credit for a trade-in, as determined by state law;

2. Does not include:

a. Discounts, including cash, term, or coupons that are not reimbursed by a third party that are allowed by a seller and taken by a purchaser on a sale;

b. Interest, financing, and carrying charges from credit extended on the sale of personal property or services if the amount is separately stated on the invoice, bill of sale, or similar document given to the purchaser;

~~K~~L. "Sales tax" means the applicable tax imposed by Section 4.09.010;

~~L~~M. "Service" means an activity that is engaged in for another person for consideration and that is distinguished from the sale or lease of property; in determining what a service is, the intended use, principal objective, or ultimate objective of the contracting parties is irrelevant; "service" includes:

1. Activities performed by a person for its members or shareholders;

2. Construction activities and all tangible personal property that will become an ingredient or component part of a construction project; and

3. Labor; professional services; transportation; telephone or other communications service; entertainment, including cable, subscription, or pay television or other telecommunications service; the supplying of food, lodging, or other accommodations in hotels, restaurants, or elsewhere; admission to exhibitions; the use of a computer, computer time, a computer system, a computer program, a computer network, or any part of a computer system or network; and the supplying of equipment for use;

4. Travel and adventure services means tours and charters on land and water, guide services, admissions, lectures, transportation services (excluding air transportation), and the rental of lodging, aircraft, vehicles, watercraft, and equipment, including fishing, boating, camping and other tour or adventure related goods. Travel and adventure services also include sales of goods incidental or related to such services.

MN. "Tangible personal property" means personal property that can be seen, weighed, measured, felt, or touched, or that is in any other manner perceptible to the senses; "tangible personal property" includes electricity, water, gas, steam, and prewritten computer software;

NO. "Tax" means the tax levied by Section 4.09.010.

* * *

5. **EFFECTIVE DATE.** Ordinance 2016-30 shall become effective on July 1, 2017 but only if the amendment to the Charter set forth in Ordinance 2016-26 is approved by voters at the regular election held on October 4, 2016.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 13th day of September, 2016.

Mim McConnell, Mayor

ATTEST:

Sara Peterson, CMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 16-31 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 8/17/2016 In control: City and Borough Assembly

On agenda: 9/13/2016 Final action:

Title: Amending Sitka General Code Chapter 4.12 "Property Tax" by adding a new Section 4.12.430 titled "Mill rate proceeds transfer to electric rate stabilization fund"

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Ord 2016-31.pdf](#)
[Ord 2016-31.pdf](#)
[Comments from Assembly Member Potrzuski.pdf](#)

Date	Ver.	Action By	Action	Result
8/23/2016	1	City and Borough Assembly		

POSSIBLE MOTION

I MOVE TO approve Ordinance 2016-31 on
second and final reading.

CITY AND BOROUGH OF SITKA
ORDINANCE NO. 2016-31

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING SITKA GENERAL
CODE CHAPTER 4.12 "PROPERTY TAX" BY ADDING A NEW SECTION 4.12.430 TITLED
"MILL RATE PROCEEDS TRANSFER TO ELECTRIC RATE STABILIZATION FUND"

1. **CLASSIFICATION.** This ordinance is of a permanent nature and is intended to be a part of the Sitka General Code of the City and Borough of Sitka, Alaska.
2. **SEVERABILITY.** If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person and circumstances shall not be affected thereby.
3. **PURPOSE.** The purpose of this ordinance is to clarify in code the process by which proceeds from a mill rate increase can be transferred to the electric rate stabilization fund with the intent to eliminate or at least minimize electric rate increases. This Ordinance would become effective on July 1, 2017 but only if the amendment to the Charter set forth in Ordinance 2016-26 is approved by voters at the regular election held on October 4, 2016.
4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that the Sitka General Code 4.12.430 is amended by adding a new section titled "Mill rate proceeds transfer to electric rate stabilization fund" (new language underlined; deleted language stricken):

Chapter 4.12
PROPERTY TAX

Sections:

* * *

4.12.430 Mill rate proceeds transfer to electric rate stabilization fund.

* * *

4.12.430 Mill rate proceeds transfer to electric rate stabilization fund

Property tax proceeds of up to one (1) Mill of the assessed value of real property shall be transferred annually from the general fund to the electric rate stabilization fund in order to achieve minimum rate covenants as specified by applicable electric revenue bond ordinances. If electric user fees are either sufficient or partially sufficient to meet minimum rate covenants then only that portion of property tax proceeds of up to one (1) Mill of the assessed value of real property shall be transferred. Any such transfer of property tax proceeds must be accomplished by ordinance either through adoption of the annual budget or supplemental budget ordinance.

* * *

50 5. **EFFECTIVE DATE.** Ordinance 2016-31 shall become effective on July 1, 2017 but only
51 if the amendment to the Charter set forth in Ordinance 2016-26 is approved by voters at the
52 regular election held on October 4, 2016.

53
54 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka,
55 Alaska this 13th day of September, 2016.

56
57
58
59 ATTEST: _____
Mim McConnell, Mayor
60
61
62 _____
Sara Peterson, CMC
63 Municipal Clerk

September 8, 2016

Members of the Assembly and public-

The purpose of this note is to express my preference for the Ordinance, which would support the electrical fund subsidization. I feel that it is important that the city keep three things in mind.

Balance- Though it is important to give relief to the citizens from some taxation, it is also important that we are asking for an increase because we are in desperate need of funds for day to day city operations. Sales taxes on food, as it has been pointed out to me many times by members of the public, are paid by many non-resident summer visitors and workers. I do not feel compelled to lower taxes on these folks as they are not our main focus. The city needs to balance relief with revenue and this gives us the best balance of the two.

Housing- Rental unit cost in Sitka are in the lower 1/3 in the region until you add on utilities. These add nearly an additional 40% to monthly housing. As housing is one of our biggest needs to retaining population, it is critical that we keep utility costs as low as possible.

Business- Our business community needs tax relief as well. Utility costs will be passed on to their customers therefore raising cost for local products. To stimulate more local purchasing and to keep dollars in town, we should keep the costs for businesses as low as possible.

In my absence, I hope that you will consider these issues before you vote on Tuesday.

Respectfully yours,
Bob Potrzuski



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 16-32 Version: 1 Name:
Type: Ordinance Status: AGENDA READY
File created: 9/6/2016 In control: City and Borough Assembly
On agenda: 9/13/2016 Final action:
Title: Amending Sitka General Code Chapter 4.05 "Marine Passenger Fee Fund"
Sponsors:
Indexes:
Code sections:
Attachments: [Motion Ord 2016-32.pdf](#)
[Ord 2016-32.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve Ordinance 2016-32 on
first reading.

CITY AND BOROUGH OF SITKA
ORDINANCE NO. 2016-32

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING
SITKA GENERAL CODE CHAPTER 4.05 "MARINE PASSENGER FEE FUND"

1. **CLASSIFICATION.** This ordinance is of a permanent nature and is intended to be a part of the Sitka General Code of the City and Borough of Sitka, Alaska.
2. **SEVERABILITY.** If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person and circumstances shall not be affected thereby.
3. **PURPOSE.** The purpose of this ordinance is to clarify and streamline the process by which the Marine Passenger Fee Fund is administered.
4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that the Sitka General Code Chapter 4.05 "Marine Passenger Fee Fund" is amended as follows (new language underlined; deleted language stricken):

Chapter 4.05
Marine Passenger Fee Fund

* * *

4.05.020 Use of proceeds.

The proceeds of the marine passenger fund shall be appropriated to address the impacts caused by the marine passenger ship industry ~~including in full compliance with all state and federal regulations governing the use of these funds.~~ CPET funds may be used for but are not limited to:

A. ~~Design, construction, operation, or maintenance of capital improvements to relieve impacts of marine passenger ships and marine passengers; For the design, construction, operation and maintenance of municipally-owned port and harbor facilities engaged in interstate and foreign commerce and interstate marine passenger transportation;~~

B. ~~Operating funds for personnel, training, commodities, rentals, services and equipment for services provided, made available to, or required as a result of marine passenger ships and marine passengers; For the design, construction, operation and maintenance of municipally-owned facilities with the exclusive purpose of enhancing the safety and efficiency of interstate and foreign commerce and interstate marine passenger transportation;~~

~~C. Projects and programs that promote safety, environmental improvements, or enforcement of laws caused or required by marine passenger ships and marine passengers; To pay for personnel, supply, equipment, and rental costs which enhance the safety and efficiency of interstate and foreign commerce and interstate marine passenger transportation if such costs are directly and exclusively related to the safety and efficiency of interstate and foreign commerce and interstate marine passenger transportation, or, if such costs can be determined by an auditable allocation method which calculates the percentage of total costs which are attributable to interstate and foreign commerce and interstate marine passenger transportation;~~

~~D. Acquisition of land required to execute the activities listed in this section; For the municipal portion of the costs of the design and construction of facilities funded through a matching grant from State of Alaska Commercial Passenger Excise Tax proceeds and with the approval of the State of Alaska.~~

~~E. Beautification and enhancement of the facilities listed in this section;~~

~~F. Surveys, analyses, polls, plans, monitoring, and similar efforts to measure, describe or predict, or manage the impacts of marine passenger ships and marine passengers, for items listed in this section.~~

4.05.030 Procedures.

~~A.—Annual Formation of the Marine Passenger Fee Fund Committee (MPFFC). Annually, no later than May 15th when projects and funding exist, the members of the MPFFC shall be reestablished to participate in the review and solicitation of projects for the marine passenger fee fund implementation plan. The MPFFC shall be made up of members representing the cruise line industry, Sitka Tribe of Alaska, Sitka convention and visitors bureau, tourism commission, port and harbors commission, historic preservation commission, and city and borough staff directly involved with capital projects and funding, including the administrator, finance director, and public works director. The administrator will notify the Assembly on an annual or as needed basis when there is a sufficient balance in the Marine Passenger Fee Fund for a solicitation of project proposals. Upon approval of the Assembly, the Administrator will initiate a call for proposals consistent with the use of CPET funds per section 4.05.020. The Assembly will review and select proposals for funding.~~

~~B.—Preparation of Marine Passenger Fee Fund Implementation Plan (MPFFIP). When projects and funding exist, the administrator shall annually prepare a draft MPFFIP identifying current active and planned projects for the next fiscal year, and submit it to the assembly for approval no later than the last assembly meeting in June. When undedicated funding is available for new projects, and then no later than July 15th, the administrator shall solicit new requests for marine passenger fee fund projects. The solicitation, including the current assembly-approved plan and a submission form for~~

~~new projects, will be available on the municipal website and in the municipal clerk's office. Annually, a PSA announcing this posting will be published in the newspaper of general circulation and sent to the local media no later than July 15th. The public solicitation period will close annually on August 15th.~~

~~C.— Annually, no later than September 15th, or when projects and funding exist, the current assembly-approved plan and the submitted project request forms shall be forwarded to the MPFFC to be reviewed. The MPFFC will review the project request forms and, no later than October 15th, submit a recommendation to the administrator regarding the merits of all requested projects and any recommended revisions to the current plan.~~

~~D.— The administrator will prepare recommendations regarding proposed projects. Annually, no later than November 1st, or only when project and funding exist, the administrator's final recommendations will be posted on the municipal website and a PSA announcing this posting shall be published in a newspaper of general circulation and sent to the local media. The administrator shall forward all submittals, comments, and documents received timely related to the solicitation, including review comments by the MPFFC and the administrator's final recommendations, to the assembly. The assembly shall vote on the recommendations during its first regularly scheduled meeting in November.~~

~~E.~~ B. Project funds shall be transferred or expended from the marine passenger fee fund only to the extent approved by the assembly.

* * *

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 September, 2016.

Matthew Hunter, Deputy Mayor

ATTEST:

Sara Peterson, CMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 16-33 Version: 1 Name:
Type: Ordinance Status: AGENDA READY
File created: 9/6/2016 In control: City and Borough Assembly
On agenda: 9/13/2016 Final action:
Title: Adjusting the FY17 Budget PULLED
Sponsors:
Indexes:
Code sections:
Attachments: [Motion Ord 2016-33.pdf](#)
[Electric Dept 10 Year Capital Plan.pdf](#)
[Ord 2016-33.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve Ordinance 2016-33 on
first reading.



September 1, 2016

To: Mark Gorman, Municipal Administrator
Via: Jay Sweeney, Chief Finance & Administrative Officer
From: Bryan Bertacchi, Electric Utility Director

Subject: Electric Department - 10 Year Capital Plan and Associated Funds Transfer

Executive Summary:

The Electric Department respectfully requests Assembly approval of a revised and consolidated ten year capital plan. This ten year plan includes expending a total of \$22M in capital over the ten year period while maintaining an emergency reserve of \$2.5M and a liquidity reserve of \$1.0M. These reserve requirements are based on industry best practice as recommended by the CBS Chief Finance and Administrative Officer. The currently available Electric Department total working capital of \$15,881,204 will be increased by a \$1.5M/year due to the bond covenants. This request includes a revision to all Electric Department existing capital projects ("re-appropriation") as well as newly identified projects to provide a complete consolidation. This recommendation comes after an eight month long process within the Electric Department which included detailed reviews coupled with 3rd party engineering studies. These projects are lengthy and interrelated, thus approval of the complete revision is requested.

Background:

The electrical infrastructure of the Electric Department required a thorough review to ensure that efficient and reliable operation will be sustained at the lowest reasonable cost. After review, it was identified that the available working capital was not sufficient to support the total number of capital projects identified. However, after an intensive and long process, staff is able to recommend a series of projects which can be completed within the existing capital constraints and that have the highest probability of ensuring reliability at low cost to our citizens and customers.

Highlights:

1. N-1 Project (\$3.9M): This term is used in our industry to describe redundancy and emergency backup. As we have often described, 80% of our citizens and customers are served from the Marine Street Substation. A back-up for this substation is imperative and necessary as the existing equipment is now over 35 years old. A new substation north of town would be ideal (Kramer Ave area) however the cost was identified as being too high (>\$13M of the available capital would be consumed). Alternatively, we are proposing to install a 2nd bay at the existing Marine Street Substation at a cost of approximately \$3.9M. This second bay would still utilize a portion of the older equipment, but the overall cost is substantially lower. This modification would also increase the amount of power that can be delivered from the Jarvis Substation to Marine Street customers in the

event of an emergency. While not ideal, this provides the greatest increase in emergency backup at the lowest cost.

2. Green Lake Power Plant Overhaul (\$4.8M): The Green Lake Power Plant is a very valuable asset for the community and has not been overhauled since the early 1990's. A major pre-inspection is scheduled for 2018 which will help to further define and identify the costs of a major overhaul. Similar plants have had overhauls in the cost range of \$8M when a full rewind of the generators was required. We are currently recommending a reserve of 4.8M for this item. Numerous small inspections during the last twelve months have clearly demonstrated specific needs to return this overhaul to the list of required capital items.
3. Jarvis Fuel System Repairs/Storage (\$1.5M) & Thimbleberry Bypass (\$3.8M): These two items are directly related. In August 2015 the fuel release demonstrated a need for extensive repairs and redesign to the Jarvis Street fuel storage system. Presently, the system was designed for over seven days of fuel storage. This period was defined by the time needed to repair the worst case scenario on the electrical transmission line....the Thimbleberry portion of the transmission line. The existing Thimbleberry portion of our 69kv backbone transmission line is installed in difficult and dangerous terrain and is subject to outages from fallen trees and extensive degradation of transmission poles. Presently, a repair during winter months has demonstrated to be dangerous and time-consuming (on the order of seven days), thus setting the amount of fuel storage required. This plan, proposes to permit and install a bypass to the existing transmission line from the Whale park area to the Blue Lake Switchyard. This line would be planned on the inside of the roadway to minimize the impacts to the viewshed. This line will reduce the cost of annual diesel fuel burned, reduce the redesign costs of the Jarvis fuel system (\$2M saved), likely eliminate the need to replace the very old diesel generation units at the Jarvis facility (\$10M saved) , and eliminate the costly and dangerous maintenance required on the existing transmission line.
4. Feeder Improvements (\$1.6M): A host of miscellaneous feeder improvements are planned and required. Extensive aging and environment requires sufficient engineering, planning, inventory and lead time.
5. Blue Lake 3rd Turbine (\$2.48M): A significant host of items are needed to close out this project and are required for compliance with the FERC permit including but not limited to: the dam overlook project, the campground, safety ladders on the dam, rock removal, etc.
6. SCADA System (\$230,000): A significant amount of work has already been performed to remove the Electric Department control system from the interface with commercial carriers thus making the system significantly more secure. Additionally, the Green Lake power house and many of the system field breakers have only very limited control capability making outages more frequent and longer with extensive personnel overtime. These changes will improve safety and reliability and will bring old systems up to date significantly extending the life of the equipment (which lowers overall costs).
7. Capital for Fuel Conversions (\$1.2M): With the assistance of Siemens Engineering, a number of facilities have been identified for conversion to dual fuel (Electric Interruptible boilers). These projects have a three year return on the invested capital and will subsequently improve revenue for the department and reduce the need for rate increases to all citizens.
8. Harbor Meters (\$75,000): The revised electric rates will include an increase to the monthly rate for harbor meters which was reviewed and supported by the Harbor

Commission. This increase will generate annual revenue of approximately \$75,000 per year to support the needed replacement of failed harbor meters (currently approximately 75 meters out of service). These capital funds will be used to “kick start” this program to allow replacement of first 30 meters. Additional funding will be requested as the revenue is generated.

9. Jarvis Electric Storage and Shop Building (previously \$1.2M being reduced to \$85,000): Assembly members previously expressed concern at the older approved capital project (over \$1.2M) to add a new warehouse to the Jarvis Street Complex. The approval of this project was suspended by the Electric Department last year and has been revised to adding a number of new replacement cargo containers and an office trailer adjacent to the existing switchgear room.
10. Other Items on the list – Include existing approved capital projects which are being updated to reflect the balance needed for completion. Some additional new items are included for Safety, automatic start of back-up generators at Blue Lake/Green Lake, and a replacement roof for Green Lake.

Recommendation:

Approve the Electric Department 10 year Capital Plan.

ELECTRIC DEPARTMENT 10 YEAR CAPITAL PLAN

B. Bertacchi - 8/25/2016

Rev 2

		Required	Desired Status	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	TOTAL
63010	Green Lake FERC Compliance: Inspect and Upgrades	141,291	OPEN	105,000	36,291								141,291
90562	Green Lake Power Plant Improvements	334,697	OPEN	50,000	50,000	50,000	50,000	50,000	50,000	34,697			334,697
90594	Blue Lake Third Turbine and Dam Upgrade	2,477,001	OPEN	500,000	560,000	340,000	760,000	250,000	67,001				2,477,001
90610	Blue Lake FERC License Mitigation	423,734	OPEN	220,000	93,790	109,944							423,734
90614	Takatz Lake Hydroelectric (open pending Grant Aug FY17)	(0)	OPEN										0
90646	Jarvis Street Diesel Capacity Increase	(21,361)	CLOSE	(21,361)									(21,361)
90717	Jarvis Street Improvements	27,781	OPEN	27,781									27,781
90794	Jarvis Bulk Tank Improvements	0	OPEN										0
90804	Blue Lake Powerhouse Conversion	150,000	OPEN									150,000	150,000
- New -	Blue Lake Howell Bunker Valve	0	NEW										0
- New -	Green Lake Power Plant 35yr Overhaul	4,900,000	NEW		0	4,900,000	0	0					4,900,000
- New -	Green Lake Power Plant pre overhaul inspection	380,000	NEW		380,000								380,000
- New -	Jarvis Fuel System Repairs and Storage Tanks	1,500,000	NEW		200,000	700,000	500,000	100,000					1,500,000
- New -	Blue Lake Auto start Back-up Diesel	70,000	NEW			70,000							70,000
- New -	Green Lake Auto start Back-up Diesel	20,000	NEW				20,000						20,000
- New -	Green Lake Re-roof	225,000	NEW						225,000				225,000
80003	Feeder Improvements	1,600,000	OPEN	200,000	200,000	200,000	200,000	200,000	200,000	200,000	100,000	100,000	1,600,000
90261	Island Improvements	225,000	OPEN	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	225,000
90512	SMC Road Upgrades Express Feeder	0	CLOSE										0
90627	Marine Street Substation Voltage Regulator	0	CLOSE										0
90645	HPR - Kramer - Cascade Creek Line Riser	0	CLOSE										0
90648	Transmission & 1220 Upgrade	0	CLOSE										0
90672	Medevette Hatchery Transformer Replacement	45,000	OPEN	45,000									45,000
90718	Marine Street Substation Replacements	160,000	OPEN	20,000	20,000	20,000	20,000	20,000	20,000	20,000	10,000	10,000	160,000
90765	Jarvis St. Control Building Roof Replacement	0	CLOSE										0
- New -	Marine St N-1 Design to New HPR North Sub	3,900,000	NEW	1,400,000	1,500,000	0							2,900,000
- New -	69 kV Thimbleberry Trans Line Bypass	3,800,000	NEW		20,000	20,000	60,000	300,000	1,000,000	1,400,000	1,000,000		3,800,000
80040	Automated Meter Reading	32,085	OPEN	32,085									32,085
90410	SCADA System Enhancements	230,000	OPEN	110,000	120,000								230,000
90611	Microwave or Fiber Optic	0	CLOSE										0
90628	Demand Side Load Management- (close 6/30/15)	14,437	OPEN	14,437									14,437
90777	Meter Replacement Upgrading Meters	95,000	OPEN	45,000	50,000								95,000
90791	Dual Fuel Interruptible Power	0	CLOSE										0
90719	Jarvis Warehouse Paving	0	CLOSE										0
90776	Jarvis Electric Storage & Shop Building	85,000	OPEN	85,000									85,000
- New -*	Capital for Fuel Conversions (Interruptibles)	1,200,000	NEW	600,000	600,000								1,200,000
- New -*	Asset Management	12,800	NEW	12,800									12,800
- New -*	Safety - Arc Flash, Training, Equipment and implementation support	50,000	NEW	20,000	10,000	10,000	10,000						50,000
- New -*	Harbor Meters	75,000	NEW	75,000									75,000
	TOTAL	22,152,464		3,565,742	3,865,081	6,444,944	1,645,000	945,000	1,587,001	1,679,697	1,135,000	285,000	21,152,464

Existing Total Working Capital as of 8/2016	15,881,204											
Working Capital Growth per year	1,500,000			1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	
Liquidity to Maintain	(1,000,000)											
Emergency Reserve to Maintain	(2,500,000)											
Calculated Avail Cap per year	12,381,204			8,815,462	6,450,381	1,505,437	1,360,437	1,915,437	1,828,437	1,648,740	2,013,740	3,228,740

ELECTRIC DEPARTMENT 10 YEAR CAPITAL PLAN

B. Bertacchi - 8/25/2016

Rev 2

		Required	Desired Status	FY17	Current Balance	Funding needed for FY2017	Closed Projects Re-appropriate Funds	Reappropriate	Balance
63010	Green Lake FERC Compliance: Inspect and Upgrades	141,291	OPEN	105,000	\$ 137,993.58				
90562	Green Lake Power Plant Improvements	334,697	OPEN	50,000	\$ 197,319.89				
90594	Blue Lake Third Turbine and Dam Upgrade	2,477,001	OPEN	500,000	\$ 5,531,526.28			\$ 971,213.76	\$ 4,060,312.52
90610	Blue Lake FERC License Mitigation	423,734	OPEN	220,000	\$ 423,733.62				
90614	Takatz Lake Hydroelectric (open pending Grant Aug FY17)	(0)	OPEN		\$ 488,555.66				
90646	Jarvis Street Diesel Capacity Increase	(21,361)	CLOSE	(21,361)	\$ 244,393.41		\$ 244,393.41		
90717	Jarvis Street Improvements	27,781	OPEN	27,781	\$ 27,780.97				
90794	Jarvis Bulk Tank Improvements	0	OPEN		\$ 381.05				
90804	Blue Lake Powerhouse Conversion	150,000	OPEN		\$ 150,000.00				
- New -	Blue Lake Howell Bunker Valve	0	NEW						
- New -	Green Lake Power Plant 35yr Overhaul	4,900,000	NEW						
- New -	Green Lake Power Plant pre overhaul inspection	380,000	NEW						
- New -	Jarvis Fuel System Repairs and Storage Tanks	1,500,000	NEW						
- New -	Blue Lake Auto start Back-up Diesel	70,000	NEW						
- New -	Green Lake Auto start Back-up Diesel	20,000	NEW						
- New -	Green Lake Re-roof	225,000	NEW						
80003	Feeder Improvements	1,600,000	OPEN	200,000	\$ 118,328.00	\$ 81,672.00			
90261	Island Improvements	225,000	OPEN	25,000	\$ 65,087.91				
90512	SMC Road Upgrades Express Feeder	0	CLOSE		\$ 9,574.57		\$ 9,574.57		
90627	Marine Street Substation Voltage Regulator	0	CLOSE		\$ 9,150.00		\$ 9,150.00		
90645	HPR - Kramer - Cascade Creek Line Riser	0	CLOSE		\$ 21,985.05		\$ 21,985.05		
90648	Transmission & 1220 Upgrade	0	CLOSE		\$ 4,519.98		\$ 4,519.98		
90672	Medevejie Hatchery Transformer Replacement	45,000	OPEN	45,000	\$ 153,954.20				
90718	Marine Street Substation Replacements	160,000	OPEN	20,000	\$ 89,521.54				
90765	Jarvis St. Control Building Roof Replacement	0	CLOSE		\$ 12,223.05		\$ 12,223.05		
- New -	Marine St N-1 Design to New HPR North Sub	3,900,000	NEW	1,400,000		\$ 1,400,000.00			
- New -	69 kV Thimbleberry Trans Line Bypass	3,800,000	NEW						
80040	Automated Meter Reading	32,085	OPEN	32,085	\$ 55,215.94				
90410	SCADA System Enhancements	230,000	OPEN	110,000	\$ 44,298.77	\$ 65,701.23			
90611	Microwave or Fiber Optic	0	CLOSE		\$ 37,618.48		\$ 37,618.48		
90628	Demand Side Load Management- (close 6/30/15)	14,437	OPEN	14,437	\$ 24,437.93				
90777	Meter Replacement Upgrading Meters	95,000	OPEN	45,000	\$ 181,514.75				
90791	Dual Fuel Interruptible Power	0	CLOSE		\$ 78,979.09		\$ 78,979.09		
90719	Jarvis Warehouse Paving	0	CLOSE		\$ 30,899.79		\$ 30,899.79		
90776	Jarvis Electric Storage & Shop Building	85,000	OPEN	85,000	\$ 919,616.05			\$ 834,616.05	\$ -
- New -	Capital for Fuel Conversions (Interruptibles)	1,200,000	NEW	600,000		\$ 600,000.00			
- New -	Asset Management	12,800	NEW	12,800		\$ 12,800.00			
- New -	Safety - Arc Flash, Training, Equipment and implementation support	50,000	NEW	20,000		\$ 20,000.00			
- New -	Harbor Meters	75,000	NEW	75,000		\$ 75,000.00			
TOTAL		22,152,464		3,565,742	\$ 1,372,580.80	\$ 2,255,173.23	\$ 449,343.42		

Closed Accts \$ 449,343.42
 \$ 1,805,829.81
 \$ 834,616.05 Jarvis Electric Storage & Shop Building #90776
 \$ 971,213.76 Blue Lake Third Turbine and Dam Upgrade #90594
 Balance \$ -

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2016-33

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA
ADJUSTING THE FY17 BUDGET

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

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

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

3. **PURPOSE.** The purpose of this ordinance is to adjust the FY17 budgets for known changes.

4. **ENACTMENT.** The Assembly of the City and Borough of Sitka hereby adjusts the FY17 budget for known changes. In accordance with Section 11.10(a) of the Charter of the City and Borough of Sitka, Alaska, the budget for the fiscal period beginning July 1, 2016 and ending June 30, 2017 is hereby adjusted as follows:

<u>FISCAL YEAR 2017 EXPENDITURE BUDGETS</u>
<p>In accordance with Section 11.10(a) of the Charter of the City and Borough of Sitka, Alaska, the budget for the fiscal period beginning July 1, 2016 and ending June 30, 2017 is hereby adjusted as follows for the purchase orders open as of June 30, 2016.</p> <p>General Fund – Amount of \$219,205.38; Electric Fund - \$129,805.47; Water Fund - \$865.70; Wastewater Treatment Fund - \$19,210.09; Solid Waste Fund - \$1,503; Harbor Fund - \$42,204.92; Gary Paxton Industrial Complex Fund - \$40,106.59; MIS Fund - \$84,647.56; Central Garage Fund - \$75,394.00; and Building Maintenance Fund - \$34,811.36.</p>
<p>Finance – Operations: The Finance Director has requested to re-appropriate funds in the amount of \$30,000 from personnel to contracted/ purchased services. This is due to the services performed from an outside accounting firm due to the Deputy Finance Director position vacancy.</p>

ENTERPRISE AND INTERNAL SERVICE FUNDS	
Electric Department – Capital Projects: The Electric Utility Director has requested to re-appropriate the following projects and amounts: Jarvis Street Diesel Capacity Increase #90646 in the amount of \$244,393.41; SMC Road Upgrades Express Feeder #90512 for \$9,574.57; Marine Street Substation Voltage Regulator #90627 for \$9,150.00; HPR-Kramer Cascade Creek Line Riser #90645 for \$21,985.05; Transmission & 1220 Upgrade #90648 for \$4,519.98; Jarvis St. Control Building Roof Replacement #90765 for \$12,223.05; Microwave or Fiber Optic #90611 for \$37,618.48; Duel Fuel Interruptible Power #90791 for \$78,979.09; Jarvis Warehouse Paving #90719 for \$30,899.79; Jarvis Electric Storage & Shop Building #90776 for \$834,616.05; to the following existing and new requested projects: Feeder Improvements #80003 for \$81,672.00; Marine St N-1 Design to New HPR North Sub for \$428,786.24; SCADA System Enhancements #90410 for \$65,701.23; Capital for Fuel Conversions (Interruptible) for \$600,000; Asset Management for \$12,800; Safety – Arc Flash, Training, Equipment and implementation Support for \$20,000; Harbor Meters for \$75,000.	
Electric Department – Capital Projects: The Electric Utility Director has requested to re-appropriate \$971,213.76 from the Blue Lake Third Turbine and Dam Upgrade Project #90594 to the Marine Street N-1 Design to New HPR North Sub Project.	
Electric Department – Personnel: At the August 9, 2016 meeting, the Assembly approved the 2016-2019 International Brotherhood of Electrical Workers (IBEW), Local 1547 Collective Bargaining Agreement. An amount of \$79,106 in wages and benefits will be increased in the Electric Department's personnel account.	

EXPLANATION

Necessary revisions in the FY 2017 budget were identified. These changes involve the increase of expenditure accounts and causes decreased cash flows to the fund balance of various funds. A short explanation of each budget revision is included.

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

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 27th day of September, 2016.

Matthew Hunter, Deputy Mayor

ATTEST:

Sara Peterson, CMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 16-34 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 9/6/2016 In control: City and Borough Assembly

On agenda: 9/13/2016 Final action:

Title: Authorizing the transfer of the City and Borough of Sitka's "Boomer property", composed of 48 acres located within the West Chichagof-Yakobi Wilderness Area (Wilderness Area), and also known as "US Mineral Survey 1453 & 1587", to the US Forest Service for incorporation into the Wilderness Area

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Ord 2016-34.pdf](#)
[Memo Ord 2016-34.pdf](#)
[Ord 2016-34.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve Ordinance 2016-34 on
first reading.



Memorandum

September 2, 2016

To: Mark Gorman, Municipal Administrator
From: Bryan Bertacchi, Utility Director
Subject: **Transfer of CBS Boomer Property to USDA Forest Service (FS) for incorporation into the West Chichagof-Yakobi Wilderness Area in order to fulfill mitigation requirements for unavoidable impacts of the Blue Lake Project Expansion**

Executive Summary:

On May 24th, 2011 the Assembly authorized the Utility Director to negotiate mitigation measures that were required as part of the FERC License under the Blue Lake Expansion Project. This authorization included the potential transfer of municipal lands. Subsequent to this approval, the Final Mitigation Plan for Blue Lake Project Expansion filed with FERC on October 11, 2012 included the donation of the CBS Boomer Property (U.S. Mineral Survey 1453& 1587). Thus, the donation of this CBS Boomer property became a requirement under the Blue Lake Expansion Permit. The attached Ordinance will authorize the transfer of this Property and complete the CBS obligation under this FERC license requirement as well as the Conditions of the Department of Army Permit.

A failure to complete this action, would likely result in a costly re-opening of the FERC permit and alternative mitigation measures would need to be approved by the parties.

Background:

Completion of Blue Lake Project Expansion resulted in unavoidable impacts to lands within the Project Area including inundation of 362 acres of National Forest Lands and loss of 0.055 acres of waters of the United States. Pursuant to the project license amendment that approved Blue Lake Project Expansion, CBS was required to negotiate measures to mitigate unavoidable impacts from Project construction with the FS and stakeholders.

In 2010 and 2011 preliminary mitigation meetings were held with the FS and other project stakeholders including the Sitka Tribe of Alaska, Sitka Conservation Society, the Army Corps of Engineers, the Alaska Department of Fish and Game, US Fish and Wildlife Service, National Marine Fisheries Service, and the Alaska Department of Natural Resources. During preliminary mitigation meetings the transfer of CBS Boomer Property to the Forest Service for incorporation into the West Chichagof-Yakobi Wilderness area was identified as a preferred alternative.

On May 24, 2011 the Assembly authorized the Utility Director to negotiate mitigation measures for the Blue Lake Project based on Assembly direction, including the potential transfer of municipal lands. A Final Mitigation Plan was filed by CBS with the Federal Energy Regulatory Commission (FERC) on October 11, 2012 and approved on October 17, 2013. In the Final Mitigation Plan the CBS agreed in principle to donate the Boomer Property, plus certain actions related to improving the area. These actions included:

- 1) *Remove any hazardous material concerns identified during the Phase 1 conducted by the FS.*
No hazardous material concerns were identified.

- 2) *Cleanup the equipment and buildings left at the exploration site and restore the land to a condition suitable for regrowth of native vegetation.* The FS completed the lengthy process of getting approval for temporary access to the Property across a Wilderness Area for the purpose of cleanup and restoration. The Assembly authorized a contract with Troy's excavation to complete cleanup and restoration of the Property. Sitka Conservation Society provided volunteers to complete the handwork under the direction of the FS. The work was completed in 2015.
- 3) *Quantitatively inventory the properties for wetlands and conduct wetland delineation of the Property.*
Completed in November 2014.

Additionally, the Property was appraised in 2011 and then assessed in 2016 to verify that the value of Property is less than \$500,000. In both cases, the value of the Property was well below the \$500,000 threshold.

The improvements outlined in the Final Mitigation Plan have been completed. Staff now requests Assembly authorization to transfer the Boomer Property to the FS in order to meet the conditions of the Blue Lake FERC license as well as the conditions of the Department of the Army Permit.

Community Impacts:

Transfer of the Boomer property is a reasonable and cost effective measure to compensate for the impacts resulting from Blue Lake Expansion. The 48 acre Boomer property is surrounded by Congressionally designated Wilderness and the 362 acres of inundated land adjacent to Blue Lake is within an Inventoried Roadless Area; therefore the land management is similar. Hydroelectric Project license mitigation plans are often lengthy and litigious. The Sitka mitigation negotiations and implementation have been an exceptional example of licensee, agency and stakeholder cooperation. Assembly authorization of this transfer will be a large step to completing CBS mitigation obligations.

Attachments:

- A. Memos presented to the Assembly related to Boomer from¹:
March 31, 2015
October 22, 2014
June 21, 2011
May 20, 2011
- B. Boomer Survey
- C. Final Mitigation Plan, Blue Lake Expansion Project (excerpt, 3 pages)
- D. FERC Order dated October 17, 2013
- E. Department of the Army Permit POA-2012-0441

Cc:

Jay Sweeney, Chief Finance and Administrative Officer
Brian Hanson, Interim Municipal Attorney
Maegan Bosak, Planning and Community Development Director

¹ Please note that packets from these meetings were not included in their entirety for brevity as documentation related to Boomer is extensive, however supporting documents from each meeting are available online.

Attachment A



Memorandum

May 20, 2011

To: Jim Dinley, Municipal Administrator
From: Christopher Brewton, Utility Director, Electric Department *CB*
Subject: **Blue Lake License Amendment – Protection, Mitigation & Enhancement (PM&E) Terms and Conditions**

Request:

This is to request Assembly approval to authorize the transfer of City & Borough of Sitka property in the negotiations of Blue Lake License Amendment PM&E terms and conditions between CBS and Federal/State Resource agencies for the Blue Lake Hydroelectric Expansion Project.

Background:

On November 23, 2010, the CBS filed the Final Application for License Amendment and Draft Environmental Assessment (EA) to the Federal Energy Regulatory Commission (FERC) for the Project. FERC requested additional information which was filed with FERC on March 10 and April 6, 2011, which specifically required PM&E measures to be developed in consultation with federal and state resource agencies. (Attachment A) FERC subsequently accepted the license application and provided formal notice on April 8, 2011 soliciting comments, motions to intervene, protests, recommendations, terms and conditions, and fishway prescriptions. (Attachment B) With this formal notification, interested parties had 60 days (June 7, 2011) to file comments.

PM&E meetings were held with stakeholders on June 2, 2010, November 5, 2010, and May 19, 2011. (Attachment C) The June and November meetings were conducted to fully explain the Project details and solicit comments from stakeholders relative to potential PM&E measures that may be required. Subsequent to these meetings draft PM&E measures were submitted by USFS, Sitka Conservation Society (SCS) and Sitka Tribe of Alaska (STA). (Attachment D)

The May 19, 2011 meeting began the process of negotiating mitigation conditions for the Blue Lake Project Expansion. This is the final phase of receiving authorization from FERC to begin construction; it's a requirement under federal law that we do this.

Purpose:

Our negotiations with the USFS are particularly critical because terms and conditions from that agency are mandatory, that is, FERC must issue them as non-negotiable conditions to the amended FERC license. Therefore, we'd like to negotiate a favorable mitigation package before the terms and conditions become final. The terms and conditions the USFS submits by June 7, 2011 will be final conditions.

During preliminary negotiations with the USFS, we have reviewed their proposals and found one, a land transfer involving the CBS owned Chichagof property, which appears to be favorable to both the City and USFS. The action would involve the City transferring approximately 48 acres of land on Chichagof Island currently owned by the City to compensate for impacts related

Transmittal Memorandum
Blue Lake PM&E
May 20, 2011

to inundation of 362 acres of land around Blue Lake after the dam is raised. Because the land on Chichagof Island is in a designated Wilderness Area, and the inundated area is an Inventoried Roadless Area, and is required for the Blue Lake Expansion Project, this action appears to be a reasonable concession.

To go forward with negotiations, we're asking the Assembly to consider approval of this land transfer. We believe that approval of this transfer would promote favorable progress on other mitigation measures still under discussion.

Recommended Motion:

I MOVE to authorize the Municipal Administrator to execute a land transfer of City owned property as part of PM&E measures for the Blue Lake Hydroelectric Expansion Project.

Cc: Jay Sweeney, Interim Finance Director
Theresa Hillhouse, Municipal Attorney
Wells Williams, Planning Director
Marlene Campbell, Gov. Relations Director

This item was pulled from the agenda prior to the meeting.

I [ORD 11-20](#)

Adopting Budgets for the Fiscal Year July 1, 2011 through June 30, 2012.

Christianson stated the budget process this year was strained. Hackett encouraged a worksession format versus special meetings in the future.

Acting Finance Director Jay Sweeney urged the Assembly to consider multiple year budgeting.

Hackett would like to see a permanent sinking fund for infrastructure maintenance. Sweeney indicated earnings of the working capital could be used or leave the existing working capital as is, and increase revenues; either way the earnings would fund maintenance.

A motion was made by McConnell that this Ordinance be PASSED ON FIRST READING. The motion PASSED by the following vote.

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

Additional New Business Items

J [11-110](#)

Authorize the Police Department to apply for a COPS grant.

Chief Schmitt explained these grants had recently been reconfigured. Administrator Dinley mentioned typically the Police Department has a police officer vacancy, and predicts they will have a funded vacancy to cover the fourth year requirement of the Cop Grant when the time comes.

A motion was made by Christianson that this Grant be APPROVED. The motion PASSED by the following vote.

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

K [11-113](#)

Negotiate a land transfer and/or municipal projects as part of the PM&E measures for the Blue Lake Hydroelectric Project.

Utility Director, Chris Brewton, advised no fisheries impacts are foreseen; however there would be impacts relative to loss of land, recreation, and wetlands etc. The strategy would be to focus on environmental protection. The most important requirement would be to protect the drinking water.

Brewton reviewed some of the projects on the table. The existing FERC license has 12 mandatory conditions. Other than that, the City would need to decide what is a fair trade.

A discussion ensued regarding the possible trade of city owned acreage on Chichagof. Municipal Attorney, Theresa Hillhouse, pointed out that the city can only transfer property by ordinance. Government Relations Coordinator, Marlene Campbell, recalled the Chichagof property has a significant amount of gold and silver deposits. It is an area of great mining potential. On the other hand, it is surrounded by National Wilderness, which would severely constrain mining operations.

Christianson mentioned if the "deal is not sweet enough" he doubts there would be four votes. Crews didn't agree with tying all these projects to it. He would like to walk away from the entire deal and not be supportive of any of them. Both Christianson

Memorandum

June 21, 2011

To: Jim Dinley, Municipal Administrator
From: Christopher Brewton, Utility Director
Subject: **Blue Lake License Amendment – Protection, Mitigation & Enhancement (PM&E) Terms and Conditions – Status Update**

Please included the following package in the reports section of the scheduled June 28, 2011 regular Assembly Meeting. I will be in attendance to answer questions.

In response to the April 8, 2011 Federal Energy Regulatory Commission (FERC) Notice of Application and Solicitation of Comments, the U.S. Forest Service (USFS) has filed final terms, conditions, and summary of management direction pursuant to Section 4(e) of the Federal Power Act. These terms and conditions are included as Attachment 1 and Attachment 2.

Attachment 1 is considered “boilerplate” conditions typically seen for all hydroelectric projects on USFS lands. Attachment 2 is potential project-specific mitigation measures under consideration for the inundation of an additional 362 acres of the Blue Lake watershed.

Because of requirements relative to the sale and/or disposal of City-owned property that is being considered for mitigation purposes, a contract has been awarded for a property appraisal of the West Chichagof-Yakobi Wilderness property. As noted in Sitka General Code 18.12.010, property valued greater than \$500,000 must be approved by ordinance ratified by a majority of the qualified voters.

Cc: Jay Sweeney, Interim Finance Director
Theresa Hillhouse, Municipal Attorney
Wells Williams, Planning Director
Marlene Campbell, Gov. Relations Director

extended a thank you to Public Works Director, Michael Harmon, and City staff for their involvement in installing the score board at Moller Field.

Sitka Sound Science Center Director, Lisa Busch, provided an update on activities at the Center.

VII. REPORTS

11-133

Blue Lake License Amendment - Protection, Mitigation & Enhancement Terms & Conditions

Utility Director, Chris Brewton, spoke to the Blue Lake License Amendment, specifically the protection, mitigation and enhancement terms and conditions. Brewton noted access would be limited to Blue Lake Road during construction.

VIII. CONSENT AGENDA

A 11-126

Approve the minutes of the June 14, 2011 Assembly meeting.

This item was APPROVED ON THE CONSENT AGENDA.

B 11-127

Appointments: 1) Reappoint Jane E. Eidler - Library Board, 2) Myron Fribush, MD - Local Emergency Planning Commission, 3) Thomas R. Brown - Sitka Community Hospital Board, 4) Senator Bert Stedman, Investment Committee, and appoint 5) Ann Wilkinson to a term on the Sitka Community Hospital Board, and 6) Darrell Windsor to a term on the Planning Commission.

This item was APPROVED ON THE CONSENT AGENDA.

C ORD 11-30

Adjusting the FY 2011 Budget for changes identified during the Third Quarter FY 2011 Formal Budget Execution Review.

This item was APPROVED ON THE CONSENT AGENDA.

D 11-131

Authorize the Administrator to execute a Material Sale Agreement with Southeast Earthmovers from July 13, 2011 to August 1, 2016 with a royalty rate of \$1.55 per cubic yard in place.

This item was APPROVED ON THE CONSENT AGENDA.

E 11-125

Awards Takatz Lake: A) Area 1 Botanical Resource Studies to HDR Alaska, Inc.- not to exceed \$85,000; and B) Area 2 Botanical Resource Studies to Bethel Environmental Solutions LLC - not to exceed \$75,000.

This item was APPROVED ON THE CONSENT AGENDA.

F 11-129

Approve proceeding with the purchase of a new fire truck previously approved in the FY 2012 Budget - July 1, 2012.

This item was APPROVED ON THE CONSENT AGENDA.

G 11-132

Approve award of the Professional Services Contract for Pacific High School Remodel to McCool Carlson and Green on a Time and Expense basis, total contract not to exceed \$220,215.00 - This expenditure was approved by Sitka voters at the October 5, 2010 election, using proceeds from seasonal sales tax revenue to fund Pacific High School Major Maintenance.

Memorandum

October 22, 2014

To: Mark Gorman, Municipal Administrator
From: Christopher Brewton, Utility Director
Subject: **Blue Lake License Amendment – Protection, Mitigation & Enhancement (PM&E) Terms and Conditions – Status Update**

Please include this memorandum in the reports section of the scheduled October 28, 2014 regular Assembly Meeting in regards to mitigation measures for the Blue Lake Expansion Project.

Pursuant to Section 4(e) of the Federal Power Act, the U.S. Forest Service (USFS) filed final terms and conditions relative to the PM&E measures required for the inundation of an additional 362 acres of the Blue Lake watershed. The Assembly was provided information on these proposed measures at the May 24, 2011 and June 28, 2011 meetings.

In summary, the proposed mitigation measures and current status include:

- Funding for Redoubt Lake Fertilization in the amount of \$10,000/year for 10 years
 - Collection Agreement with USFS signed on February 28, 2013 & expires December 31, 2022 – will be funded from Electric Department annual Operations Budget
- Funding in the amount of \$10,000/year for a Campground Host at the USFS Campground on the Blue Lake Road
 - Will be included in final PM&E document at conclusion of Blue Lake Construction – will be funded from Electric Department annual Operations Budget
- Establishment of a \$50,000 Mitigation Escrow Fund for post construction impacts that may arise
 - Budget item is included in the Blue Lake construction budget under License Amendment – monitoring will continue for 3-years after the lake reaches full pool
- Donation of two City-owned parcels within the West Chichagof-Yakobi Wilderness to the USFS
 - Initial property appraisal completed on September 30, 2011 to determine if value of property exceeds \$500,000 which would trigger a public vote for transfer – assessed value was well below this threshold
 - Wetlands Delineation field work was completed September 2014 – draft report due October 2014 with final report by end of year – this is a potentially positive outcome for the City as these wetlands may count towards the City's Wetlands Mitigation Bank

Transmittal Memorandum
Blue Lake PM&E
October 22, 2014

- Contractor visited site on September 26, 2014 to evaluate site for removing existing solid waste prior to lands transfer – City must develop a plan for removal and submit to USFS for approval – material will be moved across small section of Wilderness Area and authorization must be obtained prior to removal – draft plan will be submitted November/December 2014 & with USFS approval, materials will be removed Spring 2015

I would like to express my appreciation to the USFS Staff who have worked very closely with the City to develop mitigation measures that are reasonable, thoughtful, and will provide positive benefits to the environment and our community. In many cases, decisions on mitigation are expensive, protracted, and litigious. I have complete confidence the mutual respect and collaboration to complete these measures will continue to fruition.

Cc: Jay Sweeney, Chief Finance & Administrative Officer
Robin Koutchak, Municipal Attorney
Wells Williams, Planning Director
Marlene Campbell, Gov. Relations Director



CITY AND BOROUGH OF SITKA

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

Meeting Agenda City and Borough Assembly

Mayor Mim McConnell
Deputy Mayor Matt Hunter
Vice-Deputy Mayor Phyllis Hackett, Steven Eisenbeisz,
Benjamin Miyasato, Aaron Swanson, and Tristan J. Guevin

Municipal Administrator: Mark Gorman
Municipal Attorney: Robin L. Koutchak
Municipal Clerk: Colleen Ingman, MMC

Tuesday, October 28, 2014

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

IV. CORRESPONDENCE/AGENDA CHANGES

[14-214](#) Reminders and Correspondence

Attachments: [Reminders and Calendars](#)

[Blue Lake License Amendment](#)

[NWPPA Communications Award](#)

[Solar Turbines](#)

[SE Transportation Plan Comment](#)

V. CEREMONIAL MATTERS

[14-207](#) Certificate for Wells Williams

Attachments: [Ceremonial Williams](#)

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



Memorandum

March 31, 2015

To: Mark Gorman, Municipal Administrator
From: Christopher Brewton, Utility Director
Subject: **Award of Contract – Boomer¹ Property Solid Waste Disposal**

Request:

I request Assembly approval authorizing the Municipal Administrator to issue Troy's Excavation a Purchase Order in the amount of \$72,100 for completion of the Boomer Property Solid Waste Disposal. I further request a contingency of \$7,500 for disposal costs of the scrap materials. Total cost, including contingency, is \$77,600.00.

Background:

As noted in the Assembly meeting of May 24, 2011, the Assembly authorized the potential transfer of CBS owned property as part of the Prevention, Mitigation, and Enhancement (PM&E) measures for the Blue Lake Hydroelectric Expansion Project (Project). PM&E measures are required as the Project inundated an additional 362 acres of National Forest System (NFS) land.

Analysis:

During negotiations with the Forest Service and stakeholders, the transfer of CBS owned property in the West Chichagof area (Boomer) was identified as a preferred alternative. This is a reasonable and cost effective proposal to compensate for impacts related to Blue Lake inundation. The Boomer property is surrounded by Congressionally designated Wilderness and the inundated land at Blue Lake is within an Inventoried Roadless Area; therefore the land management is similar.

However, prior to any consideration of a property transfer the land in question must meet certain environmental conditions including the assessment and remediation of any potential environmental hazards. The Forest Service completed a Phase I Environmental Site Assessment dated September 21, 2012, with the following conclusions:

1. No recognized environmental conditions were identified in connection with the property.
2. Prior to property transfer, the solid waste on site must be removed.

The purpose of this contract is to remove the solid waste identified in the environmental assessment. Attachment (A) provides photographs of the materials in question; Attachment (B) identifies the scope of work required.

Fiscal Note:

Sufficient funds are available in the Blue Lake Hydroelectric Expansion Project, CIP No. 90594 to complete this work.

¹ U.S. Mineral Survey 1453 & 1587

- B** [15-043](#) Reappoint Hans von Rekowski to a term on the Parks and Recreation Committee.
- Miyasato thanked Hans von Rekowski for his many years of service on the Committee.
- A motion was made by Miyasato to APPROVE this appointment. The motion PASSED by the following vote.**
- C** [15-044](#) Approve liquor license renewal for Van Winkle and Sons
- This item was APPROVED on the Consent Agenda.**
- D** [15-041](#) Approve reappropriating all unspent harbor bond proceeds to the Sitka Transient Float Project - \$197,662.64 + accrued interest
- Putz applauded staff for their work on the ANB Harbor project.
- Eisenbeisz reminded the Assembly of the options associated with this request and encouraged the Assembly to explore other options.
- Jay Sweeney, Chief Finance and Administrative Officer, stated there was the possibility of bonding in the future for Crescent Harbor. Sweeney said the money in question could be used for debt service, however, the amount of money available to put toward municipal contributions down the road would require more of the fund balance to be spent.
- A motion was made by Putz that this item be APPROVED. The motion PASSED by the following vote.**
- Yes:** 5 - Hunter, Swanson, Miyasato, Guevin, and Putz
- No:** 1 - Eisenbeisz
- Absent:** 1 - McConnell
- E** [15-039](#) Award issuing Troy's Excavation a contract/purchase order, plus contingency for Boomer Property Solid Waste Disposal - \$77,600.00
- Mitch McGraw stated his displeasure at the steps involved in awarding the contract.
- Deputy Mayor Hunter asked Municipal Administrator Gorman to provide clarification of the process for sole source procurement. Chris Brewton, Utility Director, came forward to provide further explanation of the process, the USFS permitting process, and timeline to date.
- Municipal Attorney, Robin Koutchak, offered that one of the reasons for the interagency exception exists because the process was often arduous when governmental agencies were dealing with one another.
- Eisenbeisz asked Hal Spackman of the Sitka Historical Society if the Society would be interested in artifacts to which Spackman replied yes.
- A motion was made by Putz that this item be APPROVED. The motion PASSED by the following vote.**
- Yes:** 5 - Hunter, Miyasato, Eisenbeisz, Guevin, and Putz

Attachment B

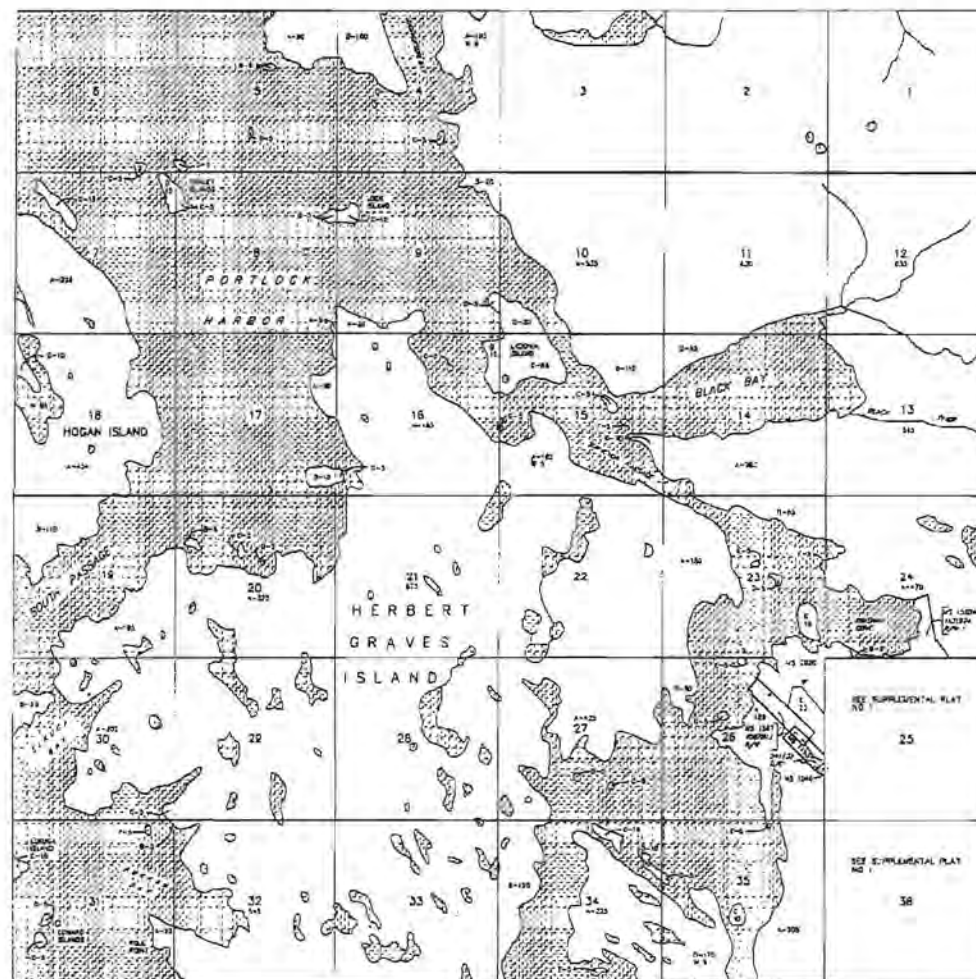
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MTP

FOR ORDERS RELATIVE DISPOSAL OR USE OF UN-
IDENTIFIED LANDS WITHIN/ARY FOR CLASSIFICATION
MINERALS WATER AND/OR OTHER PUBLIC PURPOSES
NOTED TO INDEX OF MISCELLANEOUS DOCUMENTS

ENTERED IN REGISTER OF DEEDS BY REC'D. MS. 936. MS. 936A.
MS. 937A. MS. 1046. MS. 1047. MS. 1453. MS. 1460.
MS. 1481. MS. 1802. MS. 1804. MS. 1874. MS. 1878.
MS. 1879. MS. 1903.

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Military.com



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Long. 128°35'25.860"E

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Attachment C

lose habitat in others, and would have a similar amount in the remainder, resulting in no net change among all areas) or by the reduced rate of reservoir fluctuation relative to the existing condition. Therefore, no avoidance, mitigation or compensation is proposed for fish.

2.2.2 Resources with Impacts Addressed by Avoidance Measures

Wildlife. One of the Project's significant impacts would be increased access to Blue Lake if increased boat access from raised water level were not restricted. To avoid this occurrence, the City plans to restrict access to blue lake, particularly for the purpose of launching a boat. This restriction would be achieved by emplacement of a gate, near the current parking lot, past which no vehicles may pass. No specific mitigation measures are proposed at this time because the City believes that the access restriction will avoid wildlife impacts

Water Quality. Similar to increased access-related impacts to wildlife, it is expected that water quality might be affected by facilitating easier boat launching and consequent recreation usership. Restrictions in the City's Watershed Control Plan prohibit increased usership, beyond current levels, on Blue Lake because the lake is the City's drinking water supply. Therefore, without access restrictions, lake use could increase violating Control Plan conditions and possibly impacting drinking water quality.

As with the plan for wildlife resources, the City believes that restricting access, using the gate, will sufficiently impede access to avoid water quality impacts.

2.2.3 Resources with Impacts Addressed by Mitigation

Inundation of 362 acres of National Forest System land around the Blue Lake Creek valley and other areas of the lakeshore.

Description of Impacts

The most significant unavoidable impact would be permanent loss of the timber, recreation, subsistence, wildlife habitat, and botanical resources around the lake due to raised water levels. All of these land areas are currently within the National Forest System and are under ownership of and management by USFS. (Certain potentially-affected botanical resources, specifically meadow and mudflat vegetative types, are the subject of FERC Article 406).

Also included in discussions of the 362 acre inundation were wetlands which would be inundated. A quantitative functional analysis of impacts to wetlands and Waters of the U.S. was performed in consultation with the US Army Corps of Engineers and other Stakeholders.

Also included in discussions of the 362 acre inundation are the loss of 15.2 acres of wetlands, and 32.7 acres of stream channels (approximately 20,129 linear feet). A

quantitative functional analysis of impacts to wetlands and Waters of the U.S. was performed by DOWL HKM dated November 2011. The Corps provided an approved jurisdictional determination of the inundation area on July 5, 2012.

City-Proposed Mitigation

The City proposes to donate 48 acres of land on Chichagof Island as mitigation for the inundated area. The lands in question, in three parcels known as “Basoiniuer No. 1, Basoiniuer No. 2, and Golden West” on City planning documents, are currently municipal owned lands within the West Chichagof-Yakobi Wilderness Area managed by the USFS Sitka Ranger District. These lands are depicted in Plat 87-32BS, Boundary Line Retracement of MS 1587 and MS 1453 recorded at the Sitka Recording District on December 21, 1987 and will be referred to as the “Boomer lands” in this document. The property will be incorporated in the Wilderness area within 5 years of the time of donation.

Mining claims for these properties were staked; MS 1453 (Golden West) was patented as Patent 941732 in 1924 and patent 1087814 was issued to Joseph T. Baur and John Soini in 1936 at which time the property was located in the Sitka mining district. Sitka records indicate that the properties were on the delinquent tax roll and foreclosure list for the tax year 1968. In 1971, as Statutory Warranty Deed was issued to the Borough by the Superior Court of the State of Alaska.

In 1984, the City and Borough of Sitka leased the property to Boomer Exploration Inc. Boomer Inc. prospected the property but filed no mineral report. The Boomer prospecting camp was abandoned and the City removed potential hazardous material from the site in the late 1990s. The deteriorated camp and prospecting equipment remain to this day.

The non-Wilderness designation of the Boomer property is not consistent with that in the surrounding West Chichagof-Yacobi Wilderness area. It has been suggested by the USFS that the most appropriate use of the property would be to include it in the Wilderness area after certain rehabilitation measures have been performed.

The City has in principle agreed to this donation, plus certain actions related to improving the area. The actions currently under discussion are:

- 1) Donate in fee all ownership rights to the Boomer lands by Warranty Deed to the United States of America and its assigns. The acquiring agency of the United States is the Forest Service, United States Department of Agriculture.

Forest Service acceptance of the donation will require review of the title to make sure it meets Department of Justice Title Standards for federal land acquisition. If it does not meet this standard the City agrees to work to remove title conditions and exceptions that are unacceptable to the Forest Service.

The Forest Service agrees to inspect the property and complete an Environmental Site Assessment as described in the American Standards for Testing and Materials (ASTM) E-1527-05, Standard Practice for Environmental Site Assessments: Phase 1 Environmental

Site Assessments; and United States Department of Agriculture (USDA) / United States Department of the Interior (DOI) Pre-Acquisition Environmental Assessment Guidance for Federal Land Transactions. The City should make every effort to participate in the inspection. Should hazardous material concerns be identified in the Phase 1 report they would need to be addressed to the satisfaction of the Forest Service before a donation could be accepted.

2) Clean up the equipment and buildings left at the exploration site and restore the land to a condition suitable for regrowth by native vegetation. The equipment and buildings are located at the very east end of the property documented by photos. The cleanup will require access to the exploration site via an existing road crossing USFS property.

The Forest Service agrees to evaluate in accordance with the Alaska National Interests Land Conservation Act (ANILCA) of 1980 the suitability of the Secretary granting temporary access across Wilderness and the conditions necessary to insure that access is accomplished in a manner that is not inconsistent with the purposes for which the public lands are reserved and which insures that no permanent harm will result to the resources of the area.

3) Quantitatively Inventory the properties for wetlands and conduct wetlands delineation for wetlands on the Boomer property. This delineation will serve as quantitative inventory of wetlands and waters of the United States to be used as total mitigation for impacts on Waters of the United States and wetlands relative to the Blue Lake Project Expansion. The Blue Lake wetlands delineation and functional analysis, including both field and office work has been completed.

The City further proposes to mitigate the loss of Waters of the United States located in the inundation area at Blue Lake with the donation of Waters of the United States located on the Boomer property as outlined in the Clean Water Act Section 404 permit application filed with the U.S. Army Corps of Engineers on July 23, 2012.

Recreation and Aesthetics, Wildlife Habitat and Botanical Resources.

Description of Impacts

Recreation. Restriction to reservoir access for the purposes of meeting the City's Watershed Control Plan (discussed under wildlife and water quality sections, above) would reduce recreation access for certain recreation elements resulting in no impact relative to access. However, recreational use of the reservoir has decreased in recent years (based on ADF&G harvest records) and ADF&G closed goat hunting in the Blue Lake drainage in 2011 due to over-harvest of females.

Surveys conducted by Sitka Conservation Society indicate there is significant recreation in the Blue Lake watershed, particularly in the Blue Lake Creek valley. Fishing in Blue Lake Creek, a high quality sport fishery which will be almost entirely eliminated by the dam raise. This impact is difficult to quantify, but, whatever the use level, it is recognized as significant based the qualities of the fishery and its surrounding environs.

Attachment D

145 FERC ¶ 62,043
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

City and Borough of Sitka, Alaska

Project No. 2230-053
and -054

ORDER MODIFYING AND APPROVING MITIGATION AND MONITORING PLAN
PURSUANT TO ARTICLES 405 AND 406

(Issued October 17, 2013)

1. On October 11, 2012, the City and Borough of Sitka (City), Alaska, licensee for the Blue Lake Hydroelectric Project (FERC No. 2230) filed the project mitigation and monitoring plan pursuant to Articles 405, 406 and U. S. Forest Service (USFS) 4(e) condition 19 of the project license.¹ The Blue Lake Hydroelectric Project is located on Sawmill Creek in the Borough of Sitka, Alaska. The project occupies federal lands managed by the USFS within the Tongass National Forest.

LICENSE REQUIREMENTS

2. Article 405 requires, in part, the licensee to file the project mitigation and monitoring plan per USFS 4(e) condition 19, for Commission approval, within ninety days of the date of issuance of the license amendment.² USFS 4(e) condition 19 requires the plan shall include detailed descriptions of the mitigation and monitoring measures, implementation schedules (including public notification strategy), and detailed steps for planning, design, and construction, etc. of the approved measures. The plan shall also provide a mechanism for the licensee to meet periodically with the USFS to review and modify the implementation schedule of the measures. The licensee is required to prepare the project mitigation and monitoring plan in consultation with the USFS and interested stakeholders.

¹ See Order Amending License and Revising Annual Charges, issued May 30, 2012 (139 FERC ¶ 62,165).

² On August 30, 2012 the City and Borough of Sitka, Alaska, filed a request for extension of time and proposed filing mitigation plans by September 30, 2012 and monitoring plans by October 30, 2012. Both the mitigation and monitoring plans were filed on October 12, 2012.

3. As a component of USFS 4(e) condition 19, Article 406 requires the licensee to develop a grassland mitigation measure to compensate for reductions in grasslands caused by the project. As part of the measure the licensee is required to develop a monitoring plan to measure natural generation of wetlands around the new high water elevation and develop mitigation measures to ensure wetland functions are restored and the effects on wetlands are minimized.

LICENSEE'S PROPOSED PLANS

The licensee combined the requirements of articles 405 and 406. Both articles are components of USFS 4(e) condition 19, project mitigation and monitoring plan. In consultation with the USFS, the City has separated the mitigation plan from the monitoring plans.

Mitigation Plan

4. The City's mitigation plan addresses resource-specific impacts based on the analysis in the environmental assessment (EA).³ The mitigation plan divides project resources into three categories: (1) resources with no impacts; (2) impacts to resources to be addressed through avoidance measures; and (3) unavoidable impacts to resources for which mitigation is proposed.

5. The avoidance measure proposed are gates to restrict increased access to the reservoir by recreationists using motorized boats. The reservoir is the municipal water supply for the City and maintaining water quality is of primary importance. Unavoidable impacts include the permanent loss of timber, recreation, subsistence, wildlife habitat, aesthetics, and botanical resources around Blue Lake due to the raised water levels and inundation of 362 acres, including the loss of 15.2 acres of wetlands and 32.7 acres of stream channels.

6. In consultation with stakeholders, the City proposes the following mitigation measures: (1) donate 48 acres of land on Chichagof Island to be incorporated into the West Chichagof-Yakobi Wilderness Area; (2) a quantitative inventory of wetlands and conduct wetlands delineations on the donated land, which will serve as total mitigation for impacts on waters of the United States and wetlands relative to the Blue Lake

³ On January 12, 2012, Commission staff issued a draft environmental assessment in response to the City's proposal to raise the dam, expand the reservoir, and modify other project features. The final environmental assessment was issued concurrent to the Order Amending License and Modifying Annual Charges, issued May 30, 2012 (139 FERC ¶ 62,165).

expansion;⁴ (3) fund a campground host at the Sawmill Creek campground at \$10,000 per year for the term of the license, payable to the USFS, as well as absorbing the cost of electrical service to the campground host site and service to the vault toilets; and (4) directly fund the Redoubt Lake fertilization project in the amount of \$10,000 per year for ten years or as long as the fertilization project is continued.

7. Additionally, the City will establish a mitigation escrow fund in the amount of \$50,000 to be used in addressing unforeseen impacts to any resource arising during or after construction. The City will use part of the fund to mitigate for reservoir access impacts on recreation as suggested by the USFS as a comment on the reservoir access plan.⁵

Monitoring Plans

8. The City subdivided the monitoring plan into the following parts: (a) final grassland mitigation and monitoring plan; (b) revised final cultural resources protection and monitoring plan; (c) final fisheries monitoring plan; and (d) final wildlife monitoring plan.

9. The City's grassland mitigation and monitoring plan proposes to provide pre-construction and post-construction monitoring of grasslands and post-construction monitoring of existing and future wetlands above the 425-foot contour elevation mean sea level (msl). Post monitoring, the City will compare actual grassland areas in both the pre- and post-expansion growth zones. If grasslands have not been fully replaced, mitigation of grasslands losses will be addressed through agency consultation. Additionally, if wetland functions have been damaged in the lands adjacent to the full reservoir, the City will restore or mitigate for those losses by utilizing the mitigation escrow fund.

10. The revised final cultural resources protection and monitoring plan indicates: (1) the licensee shall not initiate any work other than that specifically authorized in the project license before consulting with the USFS, the Alaska State Historic Preservation

⁴ A quantitative functional analysis of impacts to wetlands and waters of the United States was performed by DOWL HKM, dated November 2011. The U. S. Army Corps of Engineers (Corps) provided an approved jurisdictional determination of the inundation area on July 5, 2012. The City outlined the wetland mitigation proposal in the Clean Water Act Section 404 permit application filed with the Corps on July 23, 2012.

⁵ The reservoir access plan is a requirement of article 415 of the project license and was filed by the City on August 2, 2012.

Officer (SHPO), and the Tribes consulted during the licensing process; (2) conducting a cultural resources survey of these areas; and (3) filing a USFS approved Cultural Resources Management Plan (CRMP) to avoid or mitigate impacts to any archeological, cultural, or historic sites encountered during the project implementation or cultural resource survey. Prior to the onset of construction, the CRMP will be developed in consultation with the USFS and submitted to the Sitka Tribe of Alaska (Tribe) and SHPO for concurrence. The licensee will file the CRMP for Commission approval. Additionally, the licensee, in cooperation with the USFS, will develop a memorandum of understanding (MOU) in consultation with the SHPO and Tribe to mitigate any adverse effects. The MOU will be based on the CRMP. Signatories to the MOU will be the USFS, the City, Tribe, and SHPO.

11. The City's fisheries monitoring plan will fund and conduct a series of studies beginning prior to construction and continuing for three years after reservoir filling, covering a period approximately beginning in 2013 and ending in 2018. The plan provides a method to detect water quality changes resulting from construction; assess predictions of Blue Lake inflow tributary access and habitat availability; and measure predicted water temperature regime in lower Sawmill Creek, as well as effects on pink salmon spawning and emergence timing. Any necessary mitigation measures indicated by the analysis will be determined in cooperation with the appropriate resource agencies and funds would be available from the mitigation escrow fund for unforeseen impacts.

12. The final wildlife monitoring plan provides the City will conduct a series of wildlife monitoring studies beginning prior to construction and continuing for three years after reservoir filling, covering a period beginning in 2012 and ending in 2018. The monitoring studies are divided in to four parts: (1) pre-construction monitoring focusing on establishing baseline surveys and updating wildlife temporal and spatial use of the project area; (2) monitoring during construction focusing on assessing effects on wildlife from activities in construction areas; (3) monitoring during filling of the reservoir focusing on wildlife responses to raising the water levels; and (4) long-term operation monitoring using standard field methods, as well as analysis of data from prior study periods to assess the impact of the project on wildlife. Any necessary mitigation measures indicated by the analysis will be determined in cooperation with the appropriate resource agencies.

13. For both the wildlife and fisheries monitoring plans, the City will prepare an annual report of all wildlife monitoring study results for the previous calendar year and distribute the report to appropriate resource stakeholders prior to March 1. The City will meet with appropriate resource stakeholders once per year thirty to forty-five days after issuance of the annual monitoring report to discuss, evaluate, and if necessary, redirect the monitoring program. The report will contain copies of all field notes. Following the annual meeting, the City will prepare a draft monitoring study plan documenting the time period, study areas, and study methods for the upcoming calendar year and will distribute

the draft plan for stakeholder review. Stakeholder comments will be incorporated with the objective of addressing all reviewer concerns without dispute.

CONSULTATION

14. The City met with stakeholders (Sitka Conservation Society, Tribe, and USFS) on July 20, 2012, to discuss mitigation measures. Agreement was reached at this meeting regarding the mitigation measures described in the final mitigation plan. The USFS provided written comments on August 1, 2012, and the Corps provided written comments on August 16, 2012. The comments consisted of minor editorial changes and requests to provide additional language. The City incorporated all language and comments into the final mitigation plan without dispute.

15. The City provided the USFS with a draft copy of the grassland mitigation and monitoring plan on August 14, 2012. The USFS provided written comments on August 31, 2012. The USFS suggested consultation with the Corps regarding forested wetlands and additional language regarding the natural generation of wetlands around the new high water mark. The City indicated that the Corps had reviewed the wetland delineation and issued a jurisdictional determination and further consultation was not required. The City incorporated the additional language requested by the USFS into the final grassland mitigation and monitoring plan.

16. A draft copy of the cultural resources protection and monitoring plan was distributed on May 11, 2011 to the USFS, Tribe, and SHPO. Comments were received via email from the Tribe on June 1, 2011. In addition to editorial comments and request for clarification of acronyms, the Tribe suggested developing a MOU prior to construction and that Tribe be a signatory to the MOU. The City revised language in the final plan to incorporate Tribe's comments. The City will develop a MOU based on the CRMP in cooperation with the USFS and in consultation with the SHPO and Tribe to mitigate any adverse effects. After the plan was distributed as final, the SHPO provided written comments on December 15, 2011, regarding certain findings and statements included in the final plan. On February 7, 2012, the City prepared a detailed response to the SHPO's comments. On April 6, 2012, the SHPO responded by letter indicating their concerns had been addressed.

17. A draft copy of the fisheries monitoring plan was distributed to ADFG, USFS, FWS, and the National Marine Fisheries Service in July 2011 and requested comments. No comments were received. A final version of the plan was distributed in October 2011. After a July 20, 2012 meeting with stakeholders, the licensee distributed the fisheries monitoring plan as an attachment to the revised draft mitigation plan on July 25, 2012. Comments were received from the USFS on August 2, 2012 regarding consultation with other agencies which was addressed by the City.

18. A draft copy of the wildlife monitoring plan was distributed in July 2011 requesting comment. No comments were received. However, upon review of the draft wildlife study plan for the City's Takatz Lake Hydroelectric Project (FERC No. 13234) the ADFG requested brown bears be tagged to address cumulative effects on Takatz and Blue Lakes. The City agreed to assist the ADFG by agreeing to tag two bears and provide tracking assistance. A final version of the plan was sent to stakeholders in September 2011 and no comments were received.

DISCUSSION

19. The final mitigation plan meets the needs of stakeholders and the resource agencies and fulfills the requirements of USFS 4(e) condition 19 and Article 405. However, if extensive mitigation is required, the \$50,000 allocated for the mitigation escrow fund may or may not meet the need to implement remedial measures. The need for mitigation identified by the monitoring plans should not be limited to or designed to meet the funds available in the City's mitigation escrow fund. The City would be required to fund the full cost of any mitigation needed to meet the requirements of each monitoring plan.⁶

20. The final grassland mitigation and monitoring plan generally fulfills the requirements of Article 406 and USFS 4(e) condition 19. The City proposes to monitor both grassland regeneration and existing and future wetlands above the full pool reservoir (425-contour msl) for three years following attainment of full pool. To keep the Commission apprised, the City should file a report with the Commission describing the results of the monitoring program for both grasslands and wetland functions, including a detailed description of any required mitigation measures and a schedule for their implementation. Documentation of consultation with the USFS should be provided with the report.

21. The revised cultural resources protection and monitoring plan generally fulfills the requirements of Article 405 and USFS 4(e) condition 19. Prior to the onset of construction, the City includes a provision to file a copy of a USFS approved CRMP for

⁶ The Commission has consistently held that a spending cap is inconsistent with its responsibility to ensure that mitigation measures are carried out and to ensure that the public interest requirements of the FPA are met throughout the life of the license. See Thunder Bay Power Co., 88 FERC ¶ 61,078 (1999). See also Central Vermont Public Service Corp., 113 FERC ¶ 61,167 (2005); Power Authority of the State of New York, 105 FERC ¶ 61,102 (2003); Southern California Edison Co., 77 FERC ¶ 61,313 (1996); PG&E, 107 FERC ¶ 61,232 (2004), order on reconsideration, 108 FERC ¶ 61,266 (2004); Wisconsin Electric Power Co., 94 FERC ¶ 61,180 (2001); PG&E, 97 FERC ¶ 61,031 (2001); and Virginia Electric Power Co., 110 FERC ¶ 61,241 (2005).

Commission approval. However, since the SHPO determined during relicensing that the project would have no effect on cultural resources listed or eligible for the National Register and Article 403 of the license⁷ requires the City to consult with the Commission, SHPO, and the Tribe, and file a site-specific plan if archaeological or historic sites are discovered during the license term, Commission approval is not required. To keep the Commission apprised of how the City intends to manage the future discovery of cultural resources, the City should file copies of both the USFS approved CRMP and the MOU signed by the USFS, the SHPO, and the Tribe.

22. The final fisheries and wildlife monitoring plans propose a combination of pre-construction monitoring to either establish baseline information or augment existing information; monitoring during construction; monitoring during the filling of the reservoir; and monitoring for long-term effect. The plans provide for annual reporting of monitoring results for the previous year and a proposed monitoring plan for the current year, with an opportunity for agency review and comment and will continue for three years following the reservoir attaining full pool elevation (425-contour msl). The City indicates that all comments and suggestions from the agencies will be incorporated without objection. Additionally, the City is proposing an annual meeting with resource agencies to facilitate the review and consultation process. To keep the Commission informed, the City should file copies of the annual monitoring reports, including a detailed description of any required mitigation measures and a schedule for their implementation. Documentation of consultation with the USFS and other resource agencies should be provided with the report.

23. The final mitigation plan, final grassland mitigation and monitoring plan, revised cultural resource protection and monitoring plan, final wildlife monitoring plan, and final fisheries monitoring plan with the proposed modifications meet the requirements of Article 405, Article 406, and USFS 4(e) condition 19 and should be approved.

The Director orders:

(A) The City and Borough of Sitka, Alaska's final mitigation plan, final grassland mitigation and monitoring plan, revised cultural resource protection and monitoring plan, final wildlife monitoring plan, and final fisheries monitoring plan with the proposed modifications filed October 11, 2012, pursuant to Article 405, Article 406, and U. S. Forest Service 4(e) condition 19 of the Blue Lake Project license as modified by ordering paragraph (B) through (E), is approved.

(B) By January 31, following the third year after the reservoir has achieved full pool elevation, the licensee should file a report with the Commission describing the

⁷ See Order Issuing New License, issued July 10, 2007 (120 FERC ¶ 62,024).

results of the monitoring program for both grasslands and wetland functions, including a detailed description of any required mitigation measures and a schedule for their implementation. The licensee shall prepare the report after consultation with the U.S. Forest Service. The licensee's report shall include documentation of consultation, including copies of comments and recommendations, and specific descriptions of how the agency's comments were accommodated in the report. If the licensee does not adopt a recommendation made by the agency, the filing shall include the licensee's reasons, based on site specific conditions. The licensee shall allow a minimum of 30 days for agency to review and provide comments on the report.

(C) Sixty days prior to the onset of construction, the licensee shall file a copy of the U.S. Forest Service approved cultural resources management plan and a copy of the memorandum of understanding signed by the licensee, the U.S. Forest Service, the Sitka Tribe of Alaska, and the Alaska State Historic Preservation Officer.

(D) By May 1st of each year, the licensee should file copies of the annual fisheries and wildlife monitoring reports. The reports shall include a summary of the previous year's monitoring results; items discussed during the annual meeting with the resource agencies; a description of any modifications to the monitoring program for the coming year; a description of any required mitigation measures; and a schedule for their implementation. The report shall include documentation of consultation with the U.S. Forest Service and the Alaska Department of Fish and Game, the Alaska Department of Environmental Conservation, and the U. S. Fish and Wildlife Service, including copies of comments and recommendations, and specific descriptions of how the agencies' comments were accommodated in the report. If the licensee does not adopt a recommendation made by the agencies, the filing shall include the licensee's reasons, based on site specific conditions. The licensee shall allow a minimum of 30 days for agency to review and provide comments on the report. The licensee shall continue to file reports until and including the third year after the reservoir achieves full pool elevation.

(E) This order constitutes final agency action. Any party may file a request for rehearing of this order within 30 days from the date of its issuance, as provided in section 313(a) of the FPA, 16 U.S.C. § 8251 (2012), and the Commission's regulations at 18 C.F.R. § 385.713 (2013). The filing of a request for rehearing does not operate as a stay of the effective date of this order, or of any other date specified in this order. The licensee's failure to file a request for rehearing shall constitute acceptance of this order.

Robert J. Fletcher
Chief, Land Resources Branch
Division of Hydropower
Administration and Compliance

Document Content(s)

p-2230-053.DOC.....1-9

Attachment E

DEPARTMENT OF THE ARMY PERMIT

Permittee: City and Borough of Sitka – Point of Contact: Dean Orbison

Permit No.: POA-2012-0441

Issuing Office: U.S. Army Engineer District, Alaska

NOTE: The term "you" and its derivatives, as used in this permit, means the permittee or any future transferee. The term "this office" refers to the appropriate district or division office of the Corps of Engineers having jurisdiction over the permitted activity or the appropriate official of that office acting under the authority of the commanding officer.

You are authorized to perform work in accordance with the terms and conditions specified below.

Project Description: Upgrade the existing Blue Lake Hydropower facility to meet electrical needs of the community of Sitka, Alaska.

The following work below the Ordinary High Water Mark (OHWM) of Sawmill Creek and Blue Lake is authorized:

- 1) Discharge 8,000 cubic yards of concrete at the OHWM of the existing Blue Lake dam structure. The overall increase in dam area will be approximately 83' high x 256' wide x 8' thick.
- 2) Discharge 1,165 cubic yards of rock fill material below the OHWM of Sawmill Creek to create a scour wall and plunge pool area resulting in the loss of 0.005 acres of waters of the U.S.
- 3) Discharge 2,400 cubic yards of rock fill material below the OHWM of Sawmill Creek to permanently fill the existing tailrace (40' x 60') resulting in the loss of 0.05 acres of waters of the U.S.

All work will be performed in accordance with the enclosed plan (sheets 1-8), dated July 25, 2012.

Project Location:

The project site is located within Section 35, T. 55 S., R. 64 E., Copper River Meridian; USGS Quad Map Sitka A-4; Latitude 57.06232° N., Longitude 135.20033° W.; at the terminus of Forest Road 7577 in Sitka, Alaska.

Permit Conditions:

General Conditions:

1. The time limit for completing the work authorized ends on **October 31, 2017**. If you find that you need more time to complete the authorized activity, submit your request for a time extension to this office for consideration at least one month before the above date is reached.
2. You must maintain the activity authorized by this permit in conformance with the terms and conditions of this permit. You are not relieved of this requirement if you abandon the permitted activity, although you may make a good faith transfer to a third party in compliance with General Condition 4 below. Should you wish to cease to maintain the authorized activity or should you desire to abandon it without a good faith transfer, you must obtain a modification of this permit from this office, which may require restoration of the area.

3. If you discover any previously unknown historic or archeological remains while accomplishing the activity authorized by this permit, you must immediately notify this office of what you have found. We will initiate the Federal and State coordination required to determine if the remains warrant a recovery effort or if the site is eligible for listing in the National Register of Historic Places.
4. If you sell the property associated with this permit, you must obtain the signature of the new owner in the space provided and forward a copy of the permit to this office to validate the transfer of this authorization.
5. A conditioned water quality certification has been issued for your project. You must comply with the conditions specified in the certification as special conditions to this permit. For your convenience, a copy of the certification is attached.
6. You must allow representatives from this office to inspect the authorized activity at any time deemed necessary to ensure that it is being or has been accomplished in accordance with the terms and conditions of your permit.

Special Conditions:

1) As compensatory mitigation for unavoidable impacts to waters of the U.S., the permittee shall preserve 3.04 acres of wetlands. The 3.04 acres of wetlands shall be located in the 48 acre tract adjacent to the West Chichagof–Yakobi Wilderness Area and further described in the Federal Energy Regulatory Commission (FERC) License Article 405, Final Mitigation and Monitoring Plan dated September 2012. The wetland shall be conveyed to the U.S. Forest Service, Tongass National Forest.

The permittee shall provide a delineation of the 3.04 acres within the tract within one-year of the date of this permit. Additionally, the permittee shall also provide documentation of the land conveyance described in the FERC License Article 405, Final Mitigation and Monitoring Plan once completed at the following address:

U.S. Army Corps of Engineers
Sitka Field Office
P.O. Box 16
Sitka, Alaska 99835

- 2) The applicant shall not discharge fill material into flowing water. The project feature or equipment causing water to flow through the work area shall be shut down during times of discharge.
- 3) No fill or construction materials shall be stockpiled on adjacent wetlands outside the project boundary.

Any condition incorporated by reference into this permit by General Condition 5, remains a condition of this permit unless expressly modified or deleted, in writing, by the District Engineer or his authorized representative.

Further Information:

1. Congressional Authorities: You have been authorized to undertake the activity described above pursuant to:

() Section 10 of the Rivers and Harbors Act of 1899 (33 U.S.C. 403).

(X) Section 404 of the Clean Water Act (33 U.S.C. 1344).

() Section 103 of the Marine Protection, Research, and Sanctuaries Act of 1972 (33 U.S.C. 1413).

2. Limits of this authorization.

a. This permit does not obviate the need to obtain other Federal, State, or local authorization required by law.

b. This permit does not grant any property rights or exclusive privileges.

c. This permit does not authorize any injury to the property or rights of others.

d. This permit does not authorize interference with any existing or proposed Federal project.

3. Limits of Federal Liability. In issuing this permit, the Federal Government does not assume any liability for the following:

a. Damages to the permitted project or uses thereof as a result of other permitted or unpermitted activities or from natural causes.

b. Damages to the permitted project or uses thereof as a result of current or future activities undertaken by or on behalf of the United States in the public interest.

c. Damages to persons, property, or to other permitted or unpermitted activities or structures caused by the activity authorized by this permit.

d. Design or construction deficiencies associated with the permitted work.

e. Damage claims associated with any future modification, suspension, or revocation of this permit.

4. Reliance on Applicant's Data: The determination of this office that issuance of this permit is not contrary to the public interest was made in reliance on the information you provided.

5. Reevaluation of Permit Decision. This office may reevaluate its decision on this permit at any time the circumstances warrant. Circumstances that could require a reevaluation include, but are not limited to, the following:

a. You fail to comply with the terms and conditions of this permit.

b. The information provided by you in support of your permit application proves to have been false, incomplete, or inaccurate (See 4 above).

c. Significant new information surfaces which this office did not consider in reaching the original public interest decision.

Such a reevaluation may result in a determination that it is appropriate to use the suspension, modification, and revocation procedures contained in 33 CFR 325.7 or enforcement procedures such as those contained in 33 CFR 326.4 and 326.5. The referenced enforcement procedures provide for the issuance of an administrative order requiring you to comply with the terms and conditions of your permit and for the initiation of legal action where appropriate. You will be required to pay for any corrective measures ordered by this office, and if you fail to comply with such directive, this office may in certain situations (such as those specified in 33 CFR 209.170) accomplish the corrective measures by contract or otherwise and bill you for the cost.

6. Extensions. General Condition 1 establishes a time limit for the completion of the activity authorized by this permit. Unless there are circumstances requiring either a prompt completion of the authorized activity or a reevaluation of the public interest decision, the Corps will normally give favorable consideration to a request for an extension of this time limit.

Your signature below, as permittee, indicates that you accept and agree to comply with the terms and conditions of this permit.

Don Oh GENERATION ENGINEER
(PERMITTEE) AND TITLE

11/1/12
(DATE)

This permit becomes effective when the Federal official, designated to act for the Secretary of the Army, has signed below.

Linda Speerstra
FOR (DISTRICT COMMANDER)
Colonel Christopher D. Lestochi
Linda Speerstra, Project Manager
South Branch, Regulatory Division

11/2/12
(DATE)

When the structures or work authorized by this permit are still in existence at the time the property is transferred the terms and conditions of this permit will continue to be binding on the new owner(s) of the property. To validate the transfer of this permit and the associated liabilities associated with compliance with its terms and conditions have the transferee sign and date below.

(TRANSFEREE)

(DATE)

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2016-34

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AUTHORIZING THE TRANSFER OF THE CITY AND BOROUGH OF SITKA'S "BOOMER PROPERTY", COMPOSED OF 48 ACRES LOCATED WITHIN THE WEST CHICHAGOF-YAKOBI WILDERNESS AREA (WILDERNESS AREA), AND ALSO KNOWN AS "US MINERAL SURVEY 1453 & 1587", TO THE US FOREST SERVICE FOR INCORPORATION INTO THE WILDERNESS AREA

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

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

3. **PURPOSE.** Completion of the Blue Lake Project Expansion (Project) resulted in unavoidable impacts to lands within the Project Area, including inundation of 362 acres of National Forest Lands and loss of 0.055 acres of waters of the United States. Pursuant to the project license amendment that approved the Project, the City and Borough of Sitka was required to negotiate measures to mitigate unavoidable impacts from the Project's construction with the US Forest Service and stakeholders. On May 24, 2011, the Assembly authorized the Utility Director to negotiate mitigation measures for the Project based on Assembly direction, including the potential transfer of municipal lands. A Final Mitigation Plan was filed by the City and Borough of Sitka with the Federal Energy Regulatory Commission (FERC) on October 11, 2012, and approved on October 17, 2013. The Final Mitigation Plan included the donation of the Boomer Property, plus certain actions related to improving the area.

This ordinance authorizes the land transfer and ensures that the City and Borough of Sitka meets the conditions of the Blue Lake FERC License No 2230, as well as the conditions of the Department of the Army Permit Number POA-2012-0441.

4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that:

- A. The donation of the Boomer Property from the City and Borough of Sitka to the United States of America is hereby authorized.
- B. The Boomer Property shall be incorporated into the Wilderness Area within 5 years of the time of donation.
- C. If the title does not meet Department of Justice Title Standards for federal land acquisition, the City and Borough of Sitka will work to remove title conditions and exceptions that are unacceptable to the United States of America, acting by and through the Forest Service.
- D. Upon the acceptance of the donation, the Municipal Administrator is authorized to execute documents necessary to convey the Boomer Property to the United States of America, acting by and through the Forest Service.

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 September, 2016.

Matthew Hunter, Deputy Mayor

ATTEST:

Sara Peterson, CMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 16-35 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 9/6/2016 In control: City and Borough Assembly

On agenda: 9/13/2016 Final action:

Title: Authorizing the extension of the lease of the land at 323 Seward Street to November 1, 2046 to White Elephant Shop, Inc.

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Ord 2016-35.pdf](#)
[White Elephant Renewal of Lease rotated.pdf](#)
[Ord 2016-35.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve Ordinance 2016-35 on
first reading.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

MEMORANDUM

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

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

Subject: Renewal of Lease of 323 Seward Street to White Elephant

Date: August 22, 2016

White Elephant has requested to renew the lease of land at 323 Seward Street from the City and Borough of Sitka. The Planning Department is processing this request in accordance with existing procedures. Following SGC, an ordinance is required to authorize the lease.

The land at 323 Seward Street has been leased to charitable organizations since 1966. These leases have been in 10-year increments. The White Elephant is requesting a 30-year lease renewal to allow for major investment and repairs to the building.

Representatives of the White Elephant requested a lease renewal in 2014. Neighbors raised concerns with White Elephant donors and patrons blocking the access easement that serves their homes. The Assembly did not renew the lease at the time, and requested that easement concerns be resolved before the renewal returned to the Assembly.

Planning staff worked with the White Elephant and adjacent neighbors to address problems and possible solutions. The White Elephant has since placed signage and newspaper ads to notify donors to drop off donations on the side of the building that is not adjacent to the easement. A staff visit concluded that appropriate changes have been made. No neighbors voiced concern at the August 16, 2016 Planning Commission meeting, and the Commission voted 4-0 to recommend that easement concerns had been resolved.

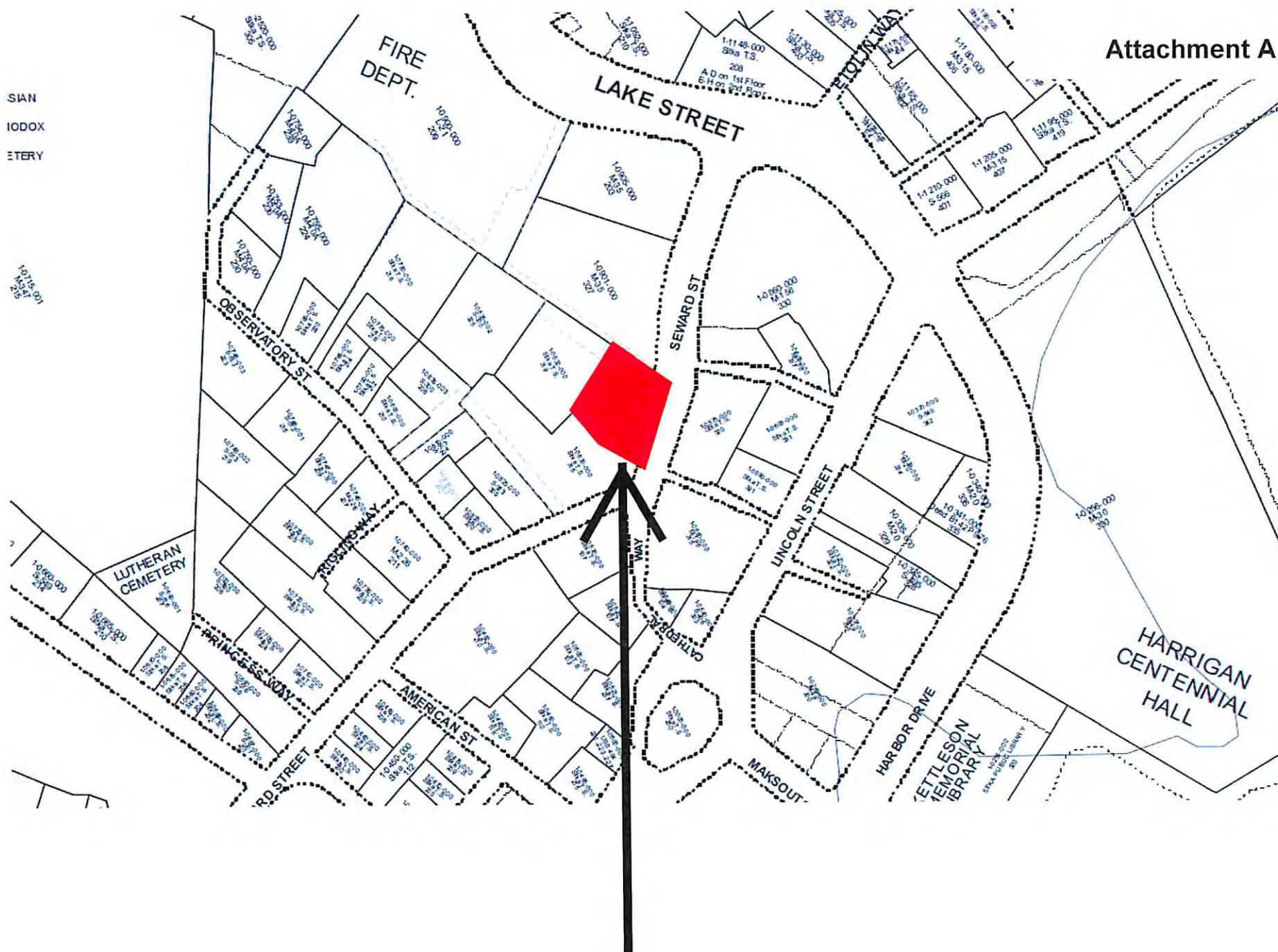
The land request is 10,559 square feet located at 323 Seward Street. The White Elephant owns the building that sits on the land. The applicant has requested a 30 year lease with two 5-year renewal periods.

The City Assessor, Wendy Lawrence, determined a fee simple assessed value of \$127,100.00. Previous leases have been for \$1 per year, and the applicants request that this continues to be the lease rate.

RECOMMENDED ACTION: Pass a motion granting approval of the lease of land at 323 Seward Street to White Elephant.

Providing for today...preparing for tomorrow

Attachment A





LEASE AGREEMENT

BETWEEN

**THE
CITY AND BOROUGH OF SITKA**

AND

SITKA WHITE ELEPHANT SHOP INC.

SUBLEASE PREAMBLE	1
SPECIAL PROVISIONS	1
ARTICLE I: LEASE, TERM OF LEASE, AND TERMINATION OF SUBLEASE	1
Section 1.1 Conveyance of Estate in Lease.....	1
Section 1.2 Lease Term.	1
Section 1.3 Options to Renew.	1
Section 1.4 Disposition of Improvements and Tenant's Personal Property Following Term of Lease.....	1
Section 1.5 Covenants to Perform.	2
ARTICLE II RENT	2
Section 2.1 Calculation & Method of Payment of Rent During the Initial Five-Year Term of the Lease.....	2
Section 2.2 Cost of Living Adjustment to Lease Rate Upon Exercise of Lease Renewal	2
Section 2.3 Calculation and Method of Payment of Rent During Successive Optional Five Year Renewal Periods of the Lease.	3
Section 2.4 Property Tax Responsibility	3
ARTICLE III: RESTRICTIONS UPON USE OF SUBJECT PROPERTY	3
Section 3.1 Tenant's Obligations as to Construction, Maintenance, Repair and Safety.....	3
Section 3.2 CBS's Approval of Certain Alterations or Improvements.....	4
Section 3.3 Rights of Access to Subject Property	4
Section 3.4 Additional Conditions of Subleasing.....	5
Section 3.5 Control of Rodents and Other Creatures on Subject Property.	6
ARTICLE IV UTILITY SERVICES & RATES.....	6
Section 4.1 Provision of Utility Services.	6
Section 4.2 CBS Not Liable for Failure of Utilities or Building.....	7
Section 4.3 Janitorial.	8
ARTICLE V LIABILITY.....	7
Section 5.1 Limits on CBS Liability	7
Section 5.2 Limits on Tenant Liability.....	7
Section 5.3 Reimbursement of Costs of Obtaining Possession.....	9
GENERAL PROVISIONS	8
ARTICLE VI DEFINITIONS	8
Section 6.1 Defined Terms.	8
ARTICLE VII INSURANCE.....	9
Section 7.1 Insurance.....	9
Section 7.2 Notification of Claim, Loss, or Adjustment.	9
Section 7.3 Waiver of Subrogation.	9
ARTICLE VIII RESTRICTIONS REGARDING ASSIGNMENT, LEASES, AND TRANSFERS OF SUBJECT PROPERTY.....	10
Section 8.1 Tenant Without Power to Assign, Lease, or Encumber Subject Property.....	10
Section 8.2 Limitations on Leases.....	10

ARTICLE IX USE AND PROTECTION OF THE SUBJECT PROPERTY	10
Section 9.1 Subject Property As Is - Repairs.	10
Section 9.2 Compliance with Laws.	10
Section 9.3 Notification of CBS Public Works Director of Discovery of Contamination.....	10
Section 9.4 Use of Utility Lines.	12
Section 9.5 Permits and Approvals for Activities.	11
ARTICLE X CBS’S RIGHT TO PERFORM TENANT’S COVENANTS; REIMBURSEMENT OF CBS FOR AMOUNTS SO EXPENDED	11
Section 10.1 Performance of Tenant's Covenants To Pay Money.	11
Section 10.2 CBS's Right To Cure Tenant's Default.....	11
Section 10.3 Reimbursement of CBS and Tenant.	11
ARTICLE XI DAMAGE OR DESTRUCTION.....	12
Section 11.1 Repair and Replacement of Structures and Improvements Following Damage....	12
ARTICLE XII LIENS.....	13
Section 12.1 Discharge of Mechanics' and Other Liens.....	13
ARTICLE XIII LIEN FOR RENT AND OTHER CHARGES.....	13
Section 13.1 Lien for Rent.....	13
ARTICLE XIV DEFAULT PROVISIONS	13
Section 14.1 Events of Default.....	13
Section 14.2 Assumption or Assignment of Lease to Bankruptcy Trustee.	14
Section 14.3 Remedies in Event of Default.....	14
Section 14.4 Waivers and Surrenders To Be In Writing.	15
ARTICLE XV CBS’S TITLE AND LIEN.....	15
Section 15.1 CBS's Title and Lien Paramount.	15
Section 15.2 Tenant Not To Encumber CBS's Interest.	16
ARTICLE XVI REMEDIES CUMULATIVE	16
Section 16.1 Remedies Cumulative.....	16
Section 16.2 Waiver of Remedies Not To Be Inferred.	16
Section 16.3 Right to Terminate Not Waived.	16
ARTICLE XVII SURRENDER AND HOLDING OVER	16
Section 17.1 Surrender at End of Term.	16
Section 17.2 Rights Upon Holding Over.....	17
ARTICLE XVIII MODIFICATION	17
Section 18.1 Modification.	17
ARTICLE XIX INVALIDITY OF PARTICULAR PROVISIONS.....	17
Section 19.1 Invalidity of Provisions.	17
ARTICLE XX APPLICABLE LAW AND VENUE	19
Section 20.1 Applicable Law.	17
ARTICLE XXI NOTICES.....	17
Section 21.1 Manner of Mailing Notices.	17
Section 21.2 Notice to Leasehold Mortgagee and Secured Parties.	18
Section 21.3 Sufficiency of Service.	18
Section 21.4 When Notice Deemed Given or Received.....	18

ARTICLE XXII MISCELLANEOUS PROVISIONS.....	18
Section 22.1 Captions.....	18
Section 22.2 Conditions and Covenants.....	18
Section 22.3 Entire Agreement.....	18
Section 22.4 Time of Essence as to Covenants of Lease.	19
ARTICLE XXIII COVENANTS TO BIND AND BENEFIT RESPECTIVE PARTIES AND TO RUN	
WITH THE SUBJECT PROPERTY	19
Section 23.1 Covenants to Run with the Subject Property.....	19
ARTICLE XXIV ADDITIONAL GENERAL PROVISIONS.....	19
Section 24.1 Absence of Personal Liability.	19
Section 24.2 Lease Only Effective As Against CBS Upon Approval of Assembly and DOT&PF.	19
Section 24.3 Binding Effects and Attorneys Fees.	19
Section 24.4 Duplicate Originals.....	19
Section 24.5 Declaration of Termination.	19
Section 24.6 Authority.....	20

Exhibits

 Exhibit A – Description of the area leased

**LEASE AGREEMENT BETWEEN
CITY AND BOROUGH OF SITKA
AND SITKA WHITE ELEPHANT SHOP, INC.**

PREAMBLE

City and Borough of Sitka, 100 Lincoln Street, Sitka, Alaska 99835 ("CBS") and Sitka White Elephant Shop, Inc., an Alaskan nonprofit corporation, whose mailing address is PO Box 6571, Sitka, Alaska 99835 ("Tenant"), enter into this Lease Agreement Between City And Borough Of Sitka And Sitka White Elephant Shop, Inc. ("Lease"). This Lease consists of the Special Provisions, General Provisions, and the following attached Exhibit:

Exhibit A – Description of the area leased

SPECIAL PROVISIONS

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

Section 1.1 Conveyance of Estate in Lease.

CBS, for and in consideration of the Rents received and of the covenants and agreements made by Tenant, does lease to Tenant, and Tenant leases from CBS, the "Subject Property" as shown on Exhibit A. Exhibit A shows an approximately 10,559 square foot parcel located at 323 Seward Street in Sitka, Alaska for purposes of operating a thrift store.

Section 1.2 Lease Term.

The Lease term is for thirty (30) years and commences on November 1, 2016, and ends on November 1, 2046, 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 Tenant under this Lease at the time of exercise of this right or at commencement of any extended term, Tenant shall have the right to exercise the option for two successive terms 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) Tenant 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) Tenant is in compliance with all applicable laws; and (c) Tenant is not in default under this Lease. The option to renew must be approved by simple motion of CBS Assembly.

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

With the exception of such improvements described in the next sentence, Tenant 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 Tenant makes a separate written agreement with CBS to do otherwise. Subject to the provisions of the next sentence, Tenant shall leave behind at no cost to CBS 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 CBS's option, shall become the property of CBS. Tenant shall repay to CBS any costs of removing such improvements or personal property from the Subject Property if CBS does not exercise such option. Subject to CBS's obligations under Subsection 3.1 below, Tenant 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, Tenant shall pay Rent each year in advance on the term start date at a rate of **\$1.00/year**.

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

If the option to renew is exercised and approved by CBS Assembly, the Lease rate as set in Section 2.1 will be adjusted annually based on the percentage difference between the "All Items" figure for Anchorage, Alaska in the "Consumer Price Index for All Urban Consumers," beginning with the edition published the soonest after January 1. The adjustment shall occur annually on April 1, and shall apply to all subsequent month's sublease payments. The adjustment shall be determined by dividing the most recent CPI by the preceding year CPI and multiplying the result times the monthly sublease payment and add the result to current sublease payments. Tenant 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 Tenant decides to exercise the option to renew a successive five-year term under Section 1.2, Tenant must notify CBS of this intent no less than six (6) months before the end of the current term of the Lease. CBS may commission a professional market appraisal of the lease property in its "as is" condition. The appraisal will not take into consideration improvements made to the property by Tenant but may take into consideration improvements made by CBS. Subject to the provision of the next sentence, the rental rate for each month of the successive five-year term shall be less than or equal to one-twelfth of ten percent (10%) of the appraised value as determined by the appraisal described in this section. Notwithstanding any other provision of this Lease, the Lease rate for Tenant during each successive 5-year term shall not increase by more than ten percent (10%) per year over what the lease rate was during the thirty-year lease, if the appraisal described in this section shows that the lease rate for the successive 5-year term should increase over the lease rate for the thirty-year lease. Precise lease rate for renewal periods to be determined by CBS Assembly at the time of renewal.

Section 2.4 Property Tax Responsibility.

Beginning with the term of this Lease and each calendar year after, Tenant will be responsible to pay CBS 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 Tenant's Obligations as to Construction, Maintenance, Repair and Safety

(a) Except as otherwise provided in this Lease, Tenant acknowledges the leasehold is in an "as is" condition. At the sole cost and expense of Tenant and in compliance with all legal requirements, Tenant may purchase, construct, develop, repair, transfer to the Lease property, and/or maintain any improvements, personal property, fixtures, and other items on the interior Subject Property in a first-class manner using materials of good quality.

CBS shall maintain the subject property and any CBS provided equipment. CBS reserves the right to expand or modify the Subject Property. In that event, CBS and Tenant will work together to complete such expansion or modification in a manner that minimizes disruption to Tenant'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) Tenant acknowledges that CBS has made no representation or warranty with respect to Tenant's ability to obtain any permit, license, or approval.

(c) Tenant shall also use the Subject Property and any improvements placed on the Subject Property only for lawful uses and as specified in the Lease for an espresso stand.

(d) Tenant shall confine their equipment, storage and operation to the leasehold area.

(e) Tenant shall not permit the accumulation of waste or refuse matter on the Subject Property, and Tenant 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 CBS or other municipal authorities having jurisdiction. Tenant 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 Tenant.

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

Section 3.2 CBS's Approval of Certain Alterations or Improvements.

Tenant 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 CBS, 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, Tenant shall comply with all applicable laws and ordinances, and shall submit to the Public Works Director of CBS 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. CBS shall notify Tenant of its approval or objections no later than 30 days after receiving the information described in the previous sentence. In approving or objecting, CBS shall be acting in its proprietary function and not its regulatory function, any such approval in this proprietary function does not relieve Tenant of any obligation to obey the law. Nothing in this Section shall be interpreted to prevent Tenant 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) CBS 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. CBS 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. CBS 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 Tenant's business; and (3) placing "For Sale" or "For Rent" signs on Subject Property. Tenant shall not charge for any of the access allowed in the situations described in this subsection.

(b) Tenant 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 CBS and any applicable utility company.

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

Section 3.4 Additional Conditions of Subleasing.

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

(a) Tenant will cooperate with CBS equipment and building maintenance contractor and will notify CBS of any maintenance deficiencies or of any equipment failures that require maintenance or repair. Tenant will be provided a 24 hour telephone number to notify CBS of any event that requires immediate response by CBS.

(b) Lease payments will be made in yearly 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 year.

(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% annum.

(d) The charges and fees paid by Tenant to CBS must be separated according to the CBS accounting standards.

(e) CBS will only invoice if Lease payments are delinquent. CBS will only invoice if failure to make Lease payment within 30 days of due date. CBS at its option can terminate the Lease for Tenant's failure to make payment, and in accordance with this Lease.

(f) Tenant 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 Tenant further grants CBS 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) CBS may, upon at least 10 days prior written notice to Tenant, 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 CBS shall not be responsible for any such costs or expenses as a result of suspending such utilities.

- (h) Tenant shall timely pay the CBS 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) Tenant shall be responsible for taking any measures that Tenant deems necessary to provide security for their property. CBS is not responsible for theft or vandalism.
- (j) CBS sales tax applies to Lease payments. Sales tax rates, limits, exemptions, and exclusions are subject to change by the CBS Assembly.
- (k) Tenant shall timely pay all other CBS billings (i.e., electricity, business taxes, etc.).
- (l) Failure of Tenant to file and pay such CBS taxes, and pay utilities, assessment payments, etc. may subject this Lease to be terminated.
- (m) _____ 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.

Tenant 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.

Tenant will pay for utilities, if available.

Section 4.2 Rates for Utility Services Provided by CBS.

Utility rates charged by CBS for utility services shall be those set forth in CBS and Borough of Sitka's Customer Service Policy and/or Sitka General Code. Tenant acknowledges the requirements of Section 9.4 as to utility lines. The Assembly of CBS and Borough may change utility rates from time to time by amending the Customer Service Policies and/or Sitka General Code.

Section 4.3 Tenant to Pay for Utility Services.

Tenant 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, CBS shall have the right, but shall not be obligated, to pay it, with the understanding that amounts paid by CBS shall constitute additional rent due and payable under this Lease, and shall be repaid to CBS by Tenant immediately on rendition of a bill by CBS. Interest at the highest rate allowable by law shall be added as a charge for unpaid utility bills paid by CBS on behalf of Tenant. CBS

reserves the right to suspend utility services if Tenant does not pay for utility services. Failure to timely pay utility services may also result in CBS terminating this Lease.

Section 4.4 CBS Not Liable for Failure of Utilities or Building.

Except to the extent that any such failure, injury, or other casualty is due to CBS's negligence or breach of any obligation under this Lease, CBS shall not be liable for any failure of building roof, 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. CBS 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 CBS'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.

ARTICLE V LIABILITY

Section 5.1 Limits on CBS Liability Limitation.

Tenant agrees to indemnify, defend, and save harmless CBS 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 CBS, 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. Tenant also agrees to indemnify, defend, and save CBS harmless against and from any and all claims and damages arising, other than due to acts or omissions of CBS, 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 Tenant regarding any act or duty to be performed by Tenant pursuant to the terms of this Lease; and (c) any act or negligence of Tenant or any of its agents, contractors, servants, employees or licensees. Tenant agrees to indemnify, defend, and save harmless CBS from and against all costs, counsel and legal fees, expenses, and liabilities incurred, other than due to acts or omissions of CBS, 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 CBS. The agreements of indemnity by Tenant do not apply to any claims of damage arising out of the failure of CBS to perform acts or render services in its municipal capacity.

Section 5.2 Limits on Tenant Liability.

Except to the extent of liabilities arising from Tenant's acts or omissions, including Tenant's failure to comply with the Prospective Purchaser Agreement and the Management Agreement (both of which are attached to this Lease), CBS indemnifies, defends, and holds Tenant 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 CBS's acts or omissions. CBS also agrees to indemnify, defend, and save Tenant harmless against and from any and all claims and damages arising, other than due to acts or omissions of Tenant, 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 CBS regarding any act or duty to be performed by CBS pursuant to the terms of the Lease; and (c) any act or negligence of CBS or any of its agents, contractors, servants, employees, or licensees. CBS agrees to indemnify, defend, and save harmless Tenant from and against all costs, counsel and legal fees, expenses, and liabilities incurred, other than due to acts or omissions of Tenant, 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 Tenant.

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 CBS'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 Tenant, 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 Tenant or any sublessee of Tenant, 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 Tenant periodically owes and is obligated to pay CBS 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 subtenant, concessionaire, licensee, or occupant of space in or on the Subject Property holding by or through Tenant; the term "sublease" shall mean any lease, license, concession or other agreement for the use and occupancy of any part of the Subject Property made by any Person holding by or through Tenant, which has been approved by CBS Assembly.

(i) "Term" means the period of time Tenant rents or leases the Subject Property from CBS.

ARTICLE VII INSURANCE

Section 7.1 Insurance

Tenant shall have and maintain property damage and comprehensive general liability insurance in the amount of five hundred thousand dollars (\$500,000), including leasehold improvements. CBS shall be named as an additional insured. Additionally, Tenant shall have the statutory amount of any Worker's Compensation.

Section 7.2 Notification of Claim, Loss, or Adjustment

Tenant shall advise CBS 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 Tenant Without Power to Assign, Lease, or Encumber Subject Property.

Tenant has no power without CBS Assembly approval under this Lease to assign the Lease. Tenant has no power under this Lease to transfer the Subject Property. Tenant 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.

Tenant shall not sublease the Subject Property or any portion of it without the prior written approval of CBS 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. CBS's consent to a sublease of the Subject Property shall not release Tenant from its obligations under the Lease. CBS'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.

Tenant 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 CBS as to their condition or as to the use or occupancy which may be made of them. Tenant assumes the sole responsibility for the condition of the improvements located on the Subject Property. The foregoing shall not be deemed to relieve CBS of its general municipal obligations, or of its obligations under Section 3.1 above or under Subsection 9.1(c) below.

Section 9.2 Compliance with Laws.

Tenant shall throughout any term of this Lease, at Tenant'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 CBS of its general obligations to CBS and Borough of Sitka in its municipal capacity.

Section 9.3 Notification of City and Borough of Sitka's Public Works Director of Discovery of Contamination.

Tenant shall promptly notify the Public Works Director of CBS 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.

Tenant 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.

Tenant shall be responsible for obtaining all necessary permits and approvals including food processing for its activities unless otherwise specifically allowed by CBS. Not less than ten (10) days in advance of applying for permits to any public entity other than CBS, Tenant shall provide copies of all permit applications and associated plans and specifications to CBS Director of Public Works to facilitate review by departments of CBS. CBS is not obligated to comment on the permit applications and plans, and the result of any review by CBS does not affect Tenant's obligation to comply with any applicable laws.

ARTICLE X CBS'S RIGHT TO PERFORM TENANT'S COVENANTS; REIMBURSEMENT OF CBS FOR AMOUNTS SO EXPENDED**Section 10.1 Performance of Tenant's Covenants To Pay Money.**

Tenant covenants that if it shall at any time default resulting as condition of the Lease 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 Tenant, then CBS may, but shall not be obligated so to do, and without further notice to or demand upon Tenant and without releasing Tenant from any obligations of Tenant under this Lease, make any other payment in a manner and extent that CBS may deem desirable.

Section 10.2 CBS's Right To Cure Tenant's Default.

If there is a default involving the failure of Tenant 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 CBS shall have the right, but shall not be required, to make good any default of Tenant. CBS shall not in any event be liable for inconvenience, annoyance, disturbance, loss of business, or other damage of or to Tenant 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 Tenant under this Lease shall remain unaffected by such work, provided that CBS uses reasonable care under the circumstances prevailing to avoid unnecessary inconvenience, annoyance, disturbance, loss of business, or other damage to Tenant.

Section 10.3 Reimbursement of CBS and Tenant.

All sums advanced by CBS 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 CBS by Tenant in the respective amounts so advanced. This reimbursement shall be made on demand, or at the option of CBS, may be added to any Rent then due or becoming

due under this Lease. Tenant covenants to pay the sum or sums with interest. CBS shall have, in addition to any other right or remedies, the same rights and remedies in the event of the nonpayment by Tenant as in the case of default by Tenant in the payment of any installment of Rent.

Conversely, Tenant shall be entitled to receive from CBS prompt payment or reimbursement on any sums due and owing from CBS to Tenant, together with interest at the highest rate allowed by law. However, nothing contained in this Lease shall entitle Tenant to withhold any Rent due to CBS or to offset or credit any sums against rent, except with respect to unpaid Rent due from CBS to Tenant 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 Tenant shall not be entitled to surrender possession of the Premises, nor shall Tenant's liability to pay Rent under this Lease cease, without the mutual consent of the Parties. In case of any such destruction or injury, CBS shall repair with all reasonable speed and shall complete such repairs within ninety (90) days from the date of such damage or destruction. If during such period Tenant shall be unable to use all or any portion of the Premises, a proportionate allowance shall be made to Tenant from the Fixed Rent corresponding to the time during which and to the portion of the Premises of which Tenant shall be so deprived of the use.

(b) If such destruction or injury cannot reasonably be repaired within ninety (90) days from the date of such damage or destruction, CBS shall notify Tenant within fifteen (15) days after the determination that restoration cannot be made in ninety (90) days. If CBS elects not to repair or rebuild, this Lease shall be terminated. If CBS elects to repair or rebuild, CBS shall specify the time within which such repairs or reconstruction will be complete, and Tenant shall have the option, to be exercised within thirty (30) days after the receipt of such notice, to elect either to terminate this Lease and further liability, or to extend the Term of this Lease by a period of time equivalent to the time from the happening of such destruction or injury until the Premises are restored to their former condition. In the event Tenant elects to extend the Term of this Lease, CBS shall restore the Premises to their former condition within the time specified in the notice, and Tenant shall not be liable to pay Rent for the period from the time of such destruction or injury until the Premises are so restored to its former condition.

(c) In addition to all rights to cancel or terminate this Lease set forth in Subsections 11.1(a) and 11.1(b), if the Subject Property is destroyed or damaged during the last two (2) years of the renewal Term of this Lease or any extension or renewal to the extent of fifty per cent (50%) or more of the value of the Subject Property, then CBS shall have the right to cancel and terminate this Lease as of the date of such damage or destruction by giving Tenant notice within ninety (90) days after the date of such damage or destruction.

ARTICLE XII MECHANIC'S LIENS

Section 12.1 Discharge of Mechanics' Liens.

Tenant shall neither suffer nor permit any mechanics' liens to be filed against the title to the Subject Property, nor against Tenant'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 Tenant or anyone having a right to possession of the Subject Property or Improvements as a result of an agreement with or the assent of Tenant. If any mechanics' lien shall be filed against the Subject Property, including the Improvements, Tenant shall cause it to be discharged of record within 30 days after the date that Tenant 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 CBS under the provisions of this Lease, and all costs, attorney's fees and other expenses which may be incurred by CBS in enforcing the provisions of this Lease or on account of any delinquency of Tenant 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 Tenant, 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 Tenant 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 CBS to Tenant.
- (b) Failure of Tenant 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 CBS's notice in writing. The notice shall specify the respects in which CBS contends that Tenant has failed to perform any of the covenants, conditions and agreements. With respect to any default which cannot be cured within thirty (30) days, Tenant, or any person holding by, through or under Tenant, 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 Tenant (the term, for this purpose, to include any approved transferee other than a sublessee of Tenant'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 Tenant 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 CBS 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.

CBS 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 Tenant and each Secured Party and Leasehold Mortgagee of whom CBS has notice (such notice not to be effective unless served on each such person) of the Event of Default, CBS shall have, in addition to other remedies provided by law, one or more of the following remedies:

(a) CBS may terminate this Lease. In such an event, CBS 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 Tenant 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 CBS. Any personal property not removed after such termination shall be addressed as provided for in Section 1.3 above.

(b) CBS may terminate Tenant'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 Tenant (except as above expressly provided for) and without terminating this Lease. In such event, CBS 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 CBS (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, CBS may make any repairs, changes, alterations or additions in or to the Subject Property and Improvements that may be reasonably necessary or convenient in CBS's judgment reasonably exercised. If CBS 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 Tenant shall pay to CBS 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, Tenant shall satisfy and pay any deficiency upon demand from time to time. Tenant acknowledges that CBS 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 Tenant shall be no defense to any subsequent action brought for any amount not reduced to judgment in favor of CBS. 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 Tenant of any of the terms, covenants, agreements, provisions or conditions in this Lease, CBS 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 Tenant's right of possession, whether by lapse of time or at the option of CBS, Tenant 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, CBS 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. CBS may at its option seek expedited consideration to obtain possession if CBS determines that the Lease has terminated as described in the first sentence of this paragraph, and Tenant agrees not to oppose such expedited consideration.

(e) In the event that Tenant 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 Tenant 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, CBS 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, CBS shall have the right to carry out or complete the work on behalf of Tenant 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 CBS unless the waiver be in writing, signed by CBS, or CBS'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 Tenant from the obligation, wherever required under this Lease, to obtain the consent of CBS to any other act or matter.

ARTICLE XV CBS'S TITLE AND LIEN

Section 15.1 CBS's Title and Lien Paramount.

CBS will hold title to the Subject Property.

Section 15.2 Tenant Not To Encumber CBS's Interest.

Tenant shall have no right or power to and shall not in any way encumber the title of CBS regarding the Subject Property. The fee-simple estate of CBS 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 Tenant. Tenant's interest in the Improvements shall in all respects be subject to the paramount rights of CBS in the Subject Property.

ARTICLE XVI REMEDIES CUMULATIVE**Section 16.1 Remedies Cumulative.**

No remedy conferred upon or reserved to CBS 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 CBS may be exercised from time to time and as often as occasion may arise or as may be deemed expedient by CBS. No delay or omission of CBS 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 CBS 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, Tenant shall peaceably and quietly leave, surrender and deliver the entire Subject Property to CBS, 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, Tenant shall also surrender any and all security deposits and rent advances of Sublessees to the extent of any amounts owing from Tenant to CBS. If the Subject Property is not so surrendered, Tenant shall repay CBS for all expenses which CBS shall incur by reason of it, and in addition, Tenant shall indemnify, defend and hold harmless CBS from and

against all claims made by any succeeding Tenant against CBS, founded upon delay occasioned by the failure of Tenant to surrender the Subject Property.

Section 17.2 Rights Upon Holding Over.

At the termination of this Lease, by lapse of time or otherwise, Tenant shall yield up immediately possession of the Subject Property to CBS and failing to do so agrees at the option of CBS, to pay to CBS 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 CBS during the last month of the term of the Lease. The provisions of this Article shall not be held to be a waiver by CBS 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 Tenant 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 CBS and Tenant.

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 CBS or Tenant, 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 CBS 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 Tenant, 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.

CBS shall provide each Leasehold Mortgagee and Secured Party, who has so requested, copies of all notices from CBS to Tenant 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 CBS or Tenant 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 CBS and Tenant.

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. 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 CBS shall be personally liable to Tenant, its successors and assigns, or anyone claiming by, through or under Tenant or any successor in interest to the Subject Property, in the event of any default or breach by CBS or for any amount which may become due to Tenant, 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 Tenant shall be personally liable to CBS, its successors and assigns, or anyone claiming by, through, or under CBS or any successor in interest to the Subject Property, in the event of any default or breach by Tenant or for any amount which become due to CBS, its successors and assigns, or any successor in interest to the Subject Property, or on any obligation under the terms of this Lease.

Section 24.2 Lease Only Effective As Against CBS Upon Assembly Approval.

This Lease is effective as against CBS only upon the approval of such Lease by the Assembly of CBS.

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 CBS's rights to obtain possession of the Subject Property or to revest title in itself with respect to the leasehold estate of Tenant in the Subject Property, CBS 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 Tenant in the Subject Property, and the reversioning of any title in CBS as specifically provided in this Lease.

Section 24.6 Authority.

CBS and Tenant 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.

**SITKA WHITE ELEPHANT SHOP,
INC.**

Janette Nelson, Registered Agent

STATE OF ALASKA)
) ss:
FIRST JUDICIAL DISTRICT)

THIS CERTIFIES that on this ____ day of _____, 2016, personally appeared before me JANETTE NELSON, 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 she is the Registered Agent for Sitka White Elephant Shop, Inc., and individually and as registered agent, is authorized to sign this document on and does so freely and voluntarily.

Notary Public for Alaska
My Commission Expires: _____

CITY AND BOROUGH OF SITKA

Mark Gorman, Municipal Administrator

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

THIS CERTIFIES that on this ____ day of _____, 2016, before me, a Notary Public in and for the State of Alaska, personally appeared 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.

Notary Public for Alaska
My Commission Expires: _____

[illegible]

SURVEY 124
U.S. RESERVATION

795W
CERTIFICATE OF LIABILITY INSURANCE

WHITE-1 OP ID: STKA

DATE (MM/DD/YYYY)

08/15/2016

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 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 Stedman Insurance Agency, Inc. 118 American St Sitka, AK 99835 Karl E. Stedman	CONTACT NAME: Karl E. Stedman	
	PHONE (A/C, No, Ext): 907-747-8618	FAX (A/C, No): 907-747-8620
INSURED Sitka White Elephant, Inc. P.O. Box 6571 Sitka, AK 99835	E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE	
	INSURER A: Allstate Insurance Company	NAIC # 19232
	INSURER B:	
	INSURER C:	
	INSURER D:	
	INSURER E:	
INSURER F:		

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 INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR	X		648111423	12/08/2015	12/08/2016	EACH OCCURRENCE \$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000
							MED EXP (Any one person) \$ 5,000
							PERSONAL & ADV INJURY \$ 1,000,000
							GENERAL AGGREGATE \$ 2,000,000
							PRODUCTS - COMP/OP AGG \$ Included
	GEN'L AGGREGATE LIMIT APPLIES PER:						
	<input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						
	OTHER:						
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident) \$
	<input type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS						BODILY INJURY (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS						PROPERTY DAMAGE (Per accident) \$
	UMBRELLA LIAB						EACH OCCURRENCE \$
	EXCESS LIAB						AGGREGATE \$
	DED						
	RETENTION \$						
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						PER STATUTE
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)						OTH-ER
	If yes, describe under DESCRIPTION OF OPERATIONS below						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)

Evidence of insurance

CERTIFICATE HOLDER

CITY&-1

City & Borough of Sitka
100 Lincoln Street
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

Karl E Stedman

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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

8/10/2016

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 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 Venneberg Insurance Inc. 225 Harbor Drive Sitka, AK 99835	CONTACT NAME: Sarah Newhouse PHONE (A/C, No. Ext): (907) 747-8625 FAX (A/C, No): (907) 747-5065 E-MAIL: sarahn@venneberginsurance.com ADDRESS: INSURER(S) AFFORDING COVERAGE INSURER A: Liberty Mutual Insurance Co. INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:
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COVERAGES CERTIFICATE NUMBER: WC 2016 REVISION NUMBER:

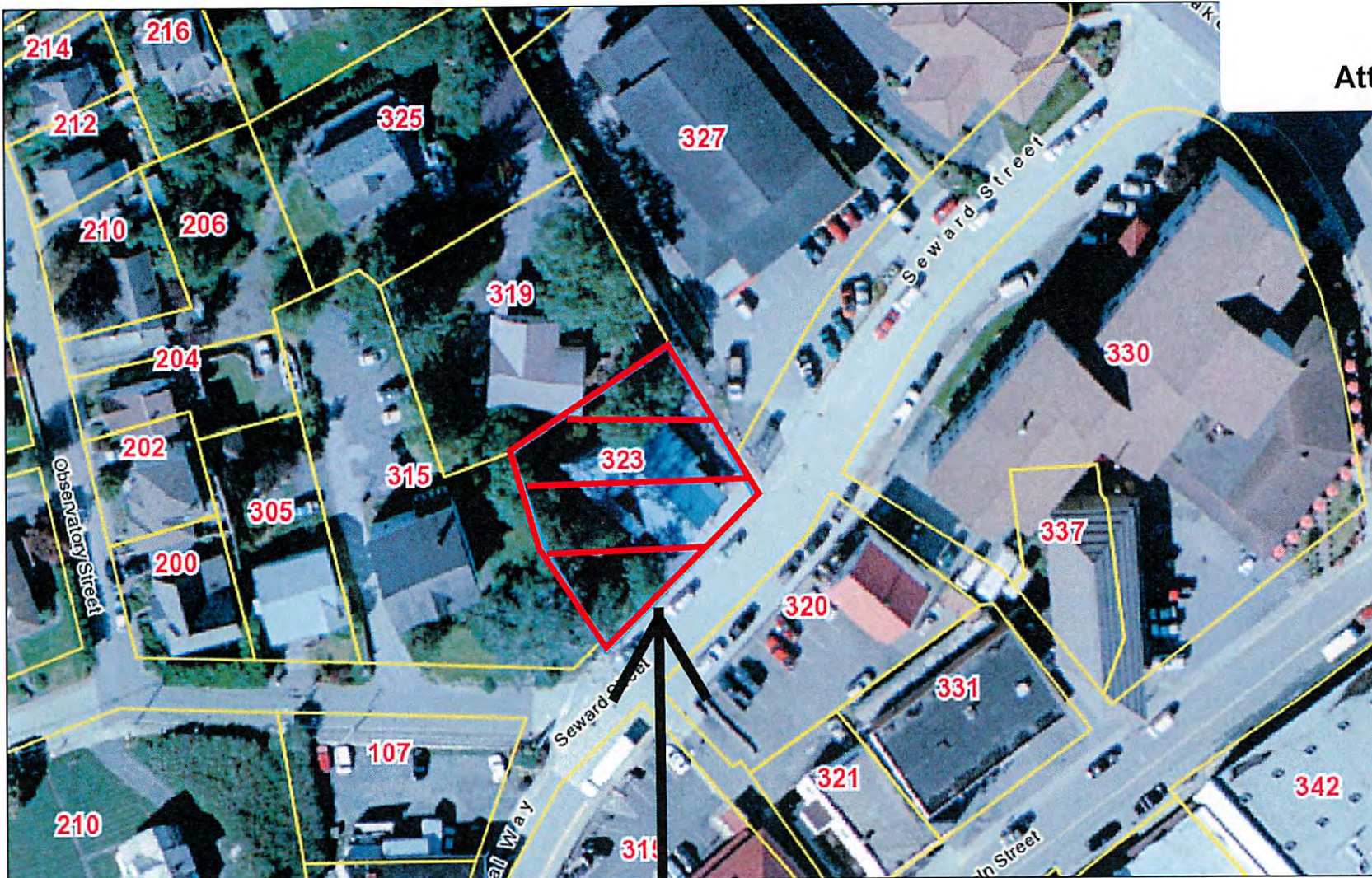
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE 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
	COMMERCIAL GENERAL LIABILITY CLAIMS-MADE <input type="checkbox"/> OCCUR <input type="checkbox"/> GEN'L AGGREGATE LIMIT APPLIES PER: POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER:					EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$
	AUTOMOBILE LIABILITY ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/>					COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$ <input type="checkbox"/>					EACH OCCURRENCE \$ AGGREGATE \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N Y N/A	WC5-39S-347579-016	7/5/2016	7/5/2017	X PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ 100,000 E.L. DISEASE - EA EMPLOYEE \$ 100,000 E.L. DISEASE - POLICY LIMIT \$ 500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Evidencing Workers Compensation coverage in place.

CERTIFICATE HOLDER (907) 747-7403 samantha.pierson@cityofsit City & Borough of Sitka 100 Lincoln Street 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 Michael Venneberg/SJN
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City & Borough of Sitka, Alaska

Selected Parcel: 323 SEWARD ID: 10834001

Printed on 7/26/2016 from <http://www.mainstreetmaps3.com/ak/sitka/internal.asp>

20 m
100 ft



MainStreetGIS
MainStreetGIS, LLC
www.mainstreetgis.com

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City & Borough of Sitka, Alaska

Selected Parcel: 323 SEWARD ID: 10834001

Printed on 7/26/2016 from <http://www.mainstreetmaps3.com/ak/sitka/internal.asp>

20 m
100 ft



MainStreetGIS
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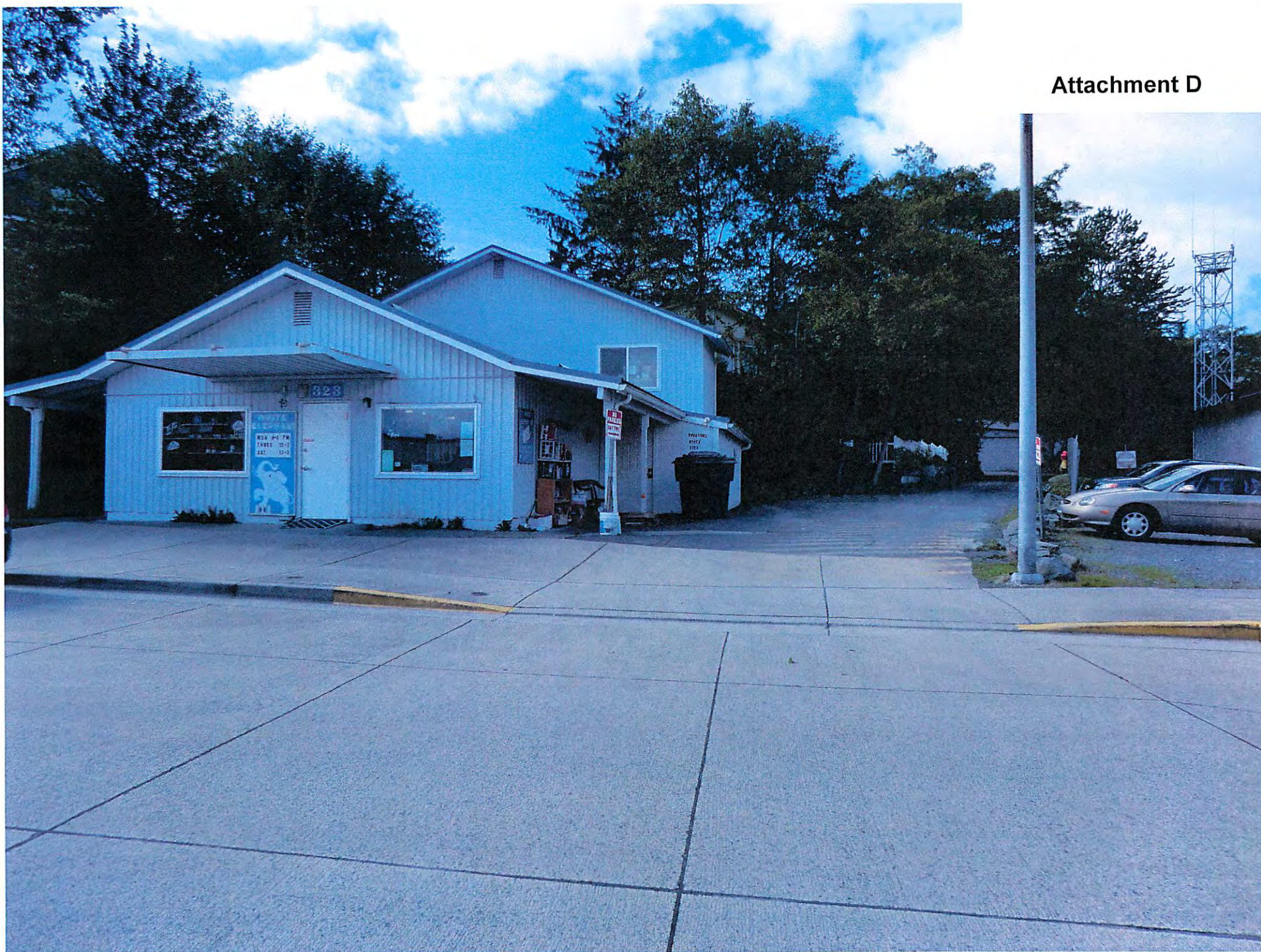
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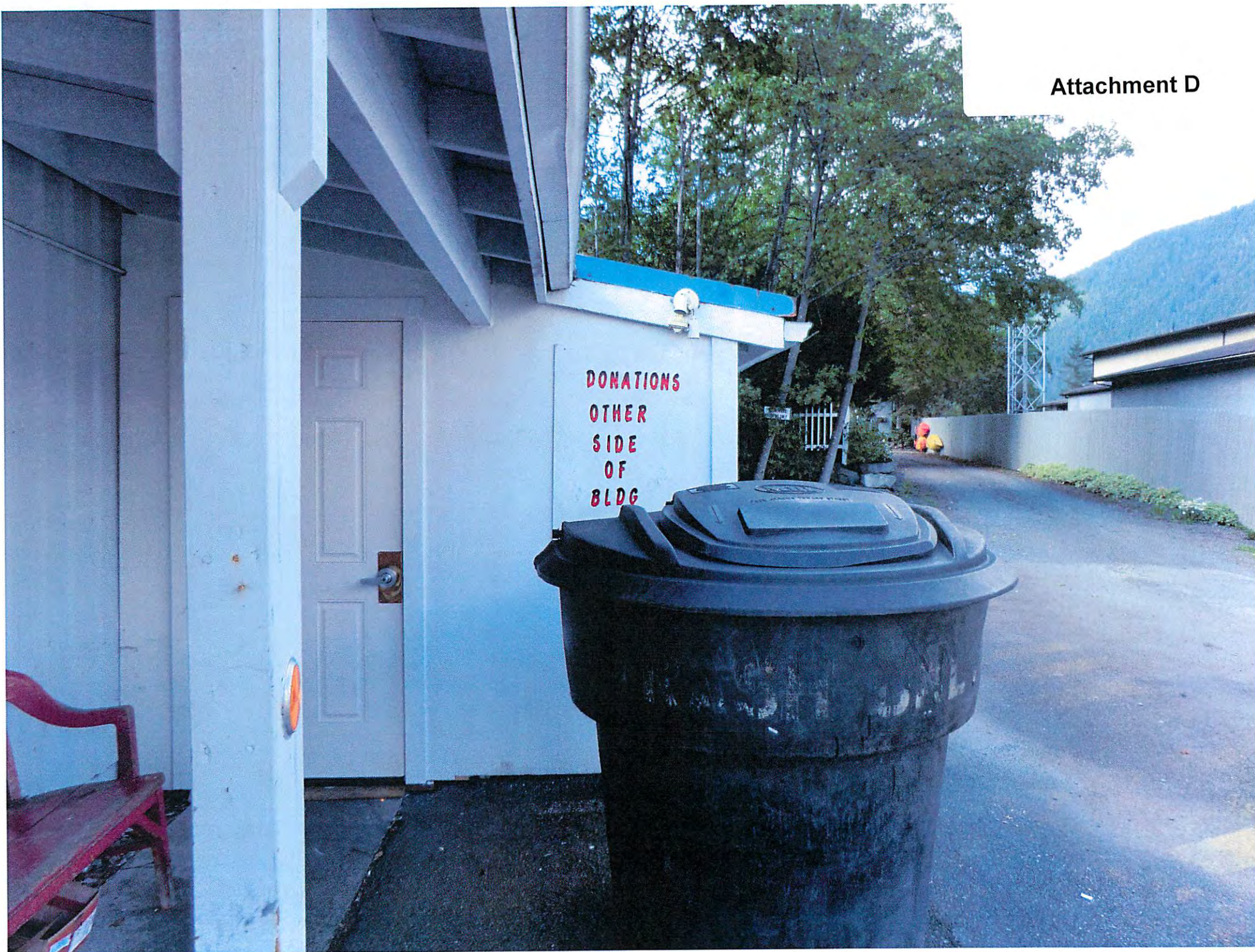
Attachment D

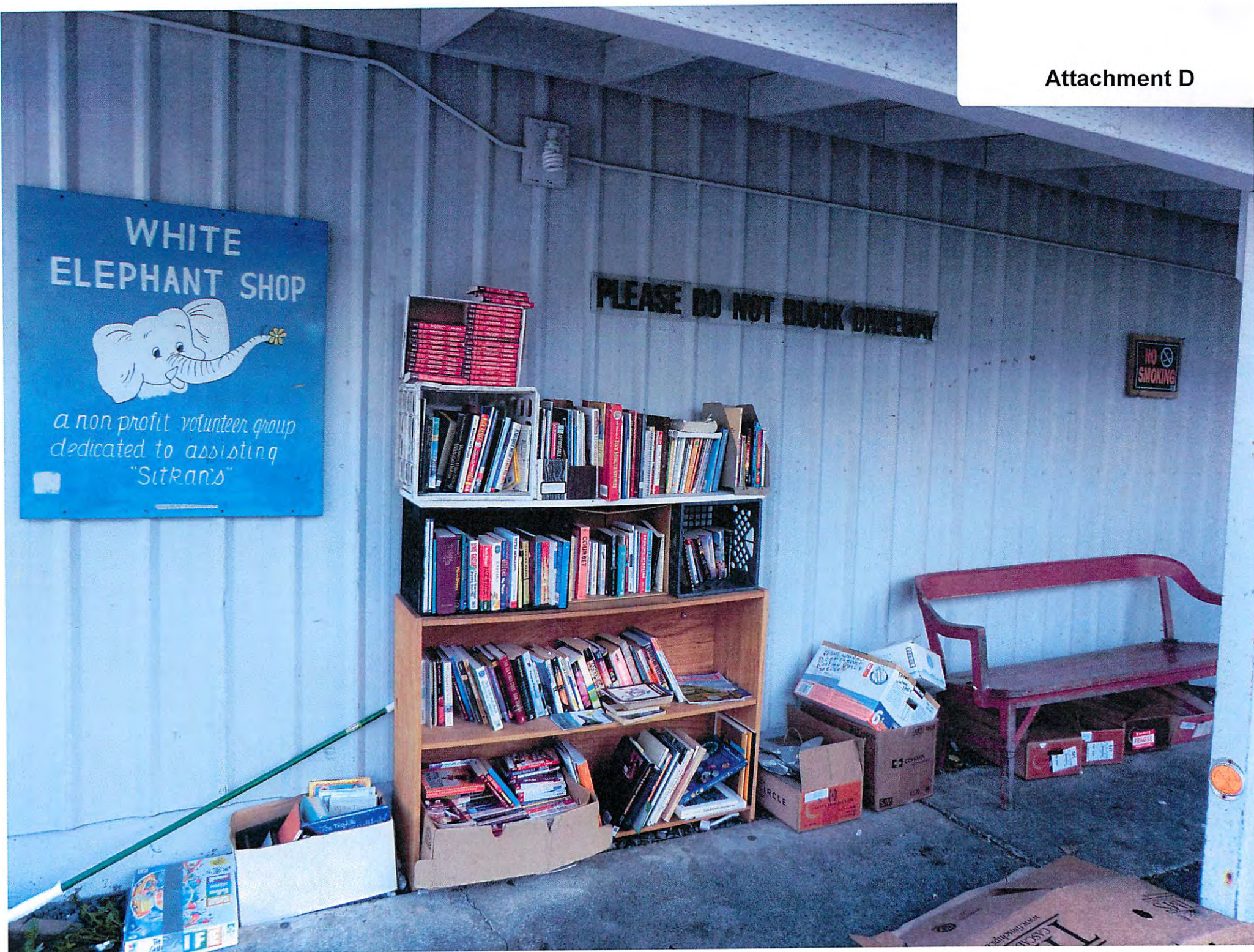




Attachment D



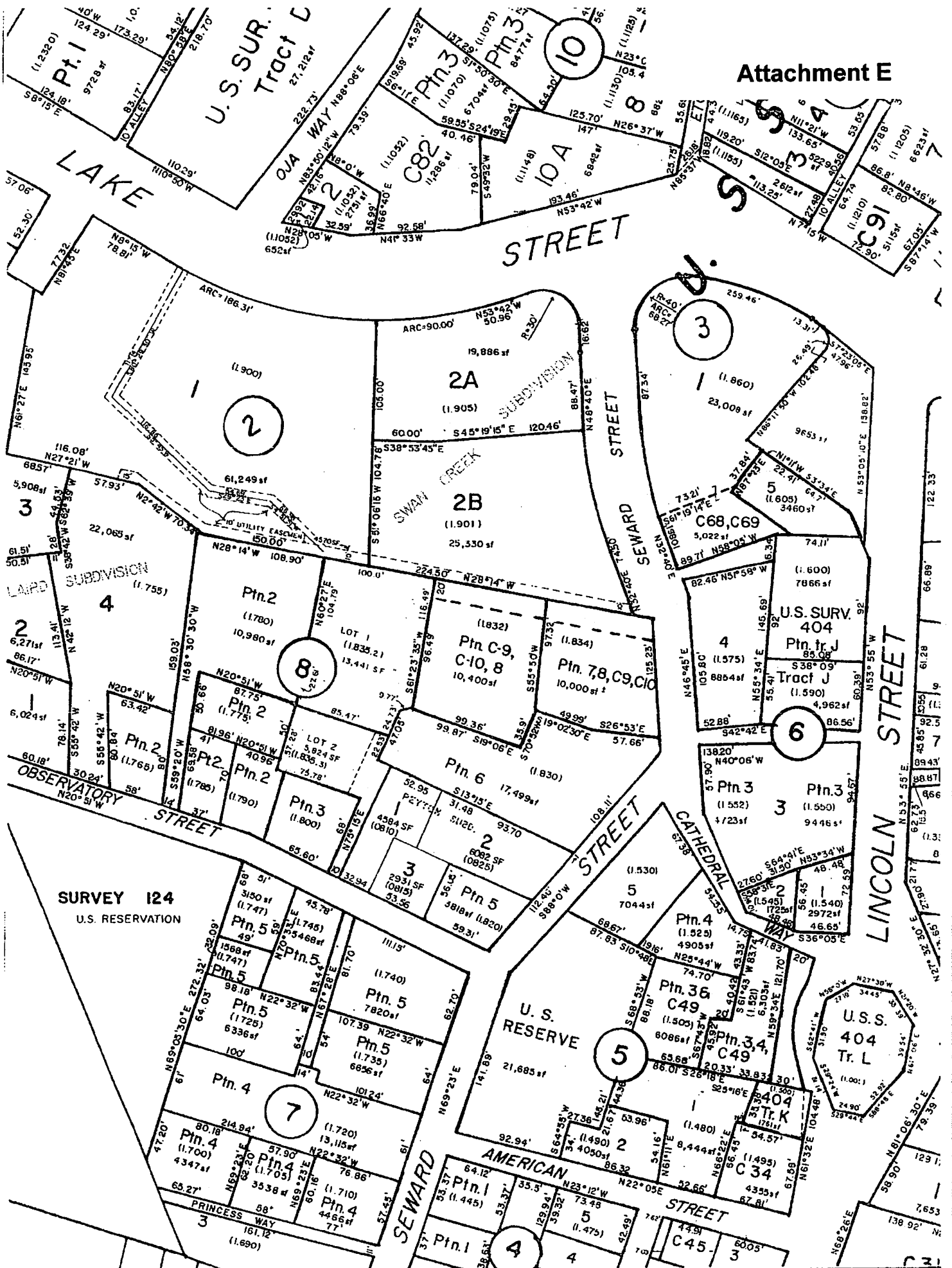




Attachment D



Attachment E



Hughey/Parker Song moved to APPROVE a modified variance request for 216 Lakeview Drive. The variance is for the reduction in the northwesterly side setback from 5 feet to 3 feet for the replacement of a carport with a garage. The property is also known as Lot 51 Lakeview Heights Subdivision. The request is filed by Ida Eliason. The owner of record is Ida Eliason.

Motion PASSED 3-0.

- G** Public hearing and consideration of a minor subdivision and easement change request for 204 Jeff Davis Street, in the R-2 zone. The property is also known as Lot 17 Sheldon Jackson Campus Subdivision. The request is filed by Randy Hitchcock. The owner of record is Randy Hitchcock.

Item was PULLED from the agenda.

- H** Public hearing and consideration of a minor subdivision request filed for tidelands adjacent to 1 Lincoln Street, as required for the tideland lease process. The property is also known as a portion of ATS 15, and is in the Waterfront District. The request is filed by Petro Marine Services. The owner of record is the City and Borough of Sitka.

Bosak explained the request. The applicant seeks to lease tidelands on which to build a replacement fuel dock. Staff recommend approval of the final plat. Spivey asked why this would be a 50 year lease. Bosak stated that the Attorney's office determined that 50 was the right length to support investment in new infrastructure.

Jerry Jacobs represented Petro Marine, and stated that he had nothing additional to add.

No public comment.

Spivey stated that it is straight-forward.

Pohlman/Parker Song moved to adopt and APPROVE the findings as discussed in the staff report.

- 1) That the proposed minor subdivision complies with the Comprehensive Plan and Sitka General Code by delineating an area for a prospective tideland lease; and
- 2) That the subdivision would not be injurious to public health, safety, and welfare.

Motion PASSED 4-0.

Pohlman/Parker Song moved to APPROVE the final plat of the minor subdivision for tidelands adjacent to 1 Lincoln Street. The property is also known a portion of ATS 15. The request is filed by Petro Marine Services. The owner of record is the City and Borough of Sitka.

Motion PASSED 4-0.

- I** Public hearing and discussion of easement concerns and a lease renewal at 323 Seward Street filed by the White Elephant Shop. The renewal would be for 30 years. The property is also known as all of lot 7 and a

fractional part of lots 8, C-9, and C-10 of Block 8, U.S. Survey 1474 Tract A. The owner of record is the City and Borough of Sitka.

Pierson explained the history of the lease and easement concerns. Staff believes that White Elephant has adequately addressed easement issues.

Karen Grussendorf represented the board of White Elephant Shop, and stated that the board believes that they have done their job in remedying the easement concerns.

No public comment.

Spivey stated that he believes the White Elephant Shop has done their due diligence.

Parker Song/Pohlman moved to RECOMMEND that the access easement concerns at 323 Seward Street have been adequately addressed.

Motion PASSED 4-0.

J

Public hearing and consideration of a zoning map amendment filed by Lynne Brandon for 663-800 Alice Loop. The properties are also known as Lots 1-5 of Alice and Charcoal Island and Alice Island Planned Unit Development Phase 1, and Lots 1-16 of Ethel Staton Subdivision.

Scarcelli passed out a zoning map of 663-800 Alice Loop, and shared photos of homes, plats, Sealing Cove Business Center, and the general neighborhood. The proposal is to rezone 663-800 Alice Loop from Waterfront District to R-1 Residential. Alice and Charcoal Island has residential and commercial development. Surrounding land uses are vacant, residential, public facilities, municipal harbor, and commercial. A variety of commercial and public facility uses are in the area, including AT&T, Trani boat business in development, heated storage bays, Department of Transportation, municipal water treatment, and Sealing Cove Business Center. Waterfront District allows various uses that generate impacts to a higher and greater degree than residential districts, and residential owners in the Waterfront District must be aware of those potential uses. Property owners should have become aware of the Waterfront zoning when they purchased their properties. A group of property owners in the residential community support the proposed zoning map amendment, while Shee Atika opposes the proposal. The application had standing and was ripe. Residential property owners purchased their homes with strict covenants in place, which favors residential zoning. Adjacent commercial development could negatively impact residential property values. Scarcelli referred to the Griswold case. The rezoning would be inconsistent with the comprehensive plan because it would reduce the amount of available Waterfront zoned land, which is already limited. Only approximately 53 acres of Waterfront District land exists in Sitka. This proposed rezoning would remove approximately 9 acres or 18% of all Waterfront District land, or 90% of all vacant and developable Waterfront District land. Rezoning this parcel would set a precedent that all Waterfront land could be open to rezoning. The proposed rezoning would benefit private property owners but not the community at large. The Griswold case concluded that 7.22 acres does not constitute spot zoning, but this request is to rezone 8.97 acres. An argument in favor of the zoning amendment is that the covenants support the zoning amendment due to the potential impacts to property values. An argument against the zoning



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

Planning and Community Development Department

Date: August 5, 2016

From: Samantha Pierson, Planner I

To: Planning Commission

Re: LM 16-05 White Elephant – Discussion of Easement Issues Prior to Lease Renewal

GENERAL INFORMATION

Applicant: White Elephant

Property Owner: City and Borough of Sitka

Property Address: 323 Seward Street

Legal Description: Lot 7, Portion of Lots 8, C-9, C-10
of Block 2, US Survey 1474 Tract A

Parcel ID Number: 1-0834-000

Size of Existing Lot: 10,559 square feet

Zoning: R-2 Residential

Existing Land Use: Commercial

Utilities: City Utilities

Access: Seward Street

Surrounding Land Use: Commercial, Residential

MEETING FLOW

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

ATTACHMENTS

Attachment A: Vicinity Map
Attachment B: Aerial Vicinity Map
Attachment C: Zoning Map
Attachment D: Parcel Pictures
Attachment E: Subdivision Plat
Attachment F: Application
Attachment G: Historical Documents
Attachment H: Mailing List

PROJECT DESCRIPTION

White Elephant Shop is requesting a 30 year renewal of their lease of land at 323 Seward Street. The lease will include two additional 5 year renewal periods at the discretion of the Assembly. Since 1966, the land has been leased in ten-year increments, first by the Alaska Crippled Children's Association, then by White Elephant. The city owns the land, while White Elephant owns the building. Planning Commission consideration of this lease renewal is primarily to address historical issues with the access easement.

BACKGROUND

The lease renewal was considered by the Assembly in September 2015. Neighbors raised concerns for blockage of the access easement, and the Assembly asked that the issues be resolved before returning to the Assembly for approval. Upon recommendation that the easement concerns have been mitigated, the lease will be forwarded to the Assembly for approval by ordinance. At today's hearing, Planning Department staff is recommending an opportunity for public hearing to resolve any issues regarding to the access easement, not to approve the lease.

ANALYSIS

Project / Site: The lot is 323 Seward Street. It is 10,559 square feet, and the lot is occupied by a building that is owned by the lessee. It is surrounded bounded to the north and west by residences, to the east by a commercial plaza, and to the south by Seward Street. Commercial buildings are across Seward Street from this property. The easterly portion of the property includes a 20 foot access easement to provide access to 319 and 325 Seward Street.

Easement Concerns: In 2015, neighbors raised concerns that the donation drop-off area on the east side of the property was blocking their ability to use the access easement to reach their homes.

Actions Taken By White Elephant: In response to concerns, the White Elephant Shop placed signage to direct donors to place donations on the west side of the building, away from the easement. The shop also placed notices in the Sitka Sentinel to make donors aware of the change. During staff's site visit,

signage was present and the easement was not blocked. The owners of 325 Seward Street and the agent for the owner of 319 Seward Street submitted signed statements that they are satisfied with the state of the easement.

RECOMMENDATION

It is recommended that the Planning Commission adopt the Planner I's analysis and move to recommend that the access easement concerns at 323 Seward Street have been adequately addressed.

Recommended Motions:

- 1) I move to recommend that the access easement concerns at 323 Seward Street have been adequately addressed.

Memorandum

To: Maegan Bosak, Planning and Community Development Director

From: Wendy Lawrence, Assessing Director *Wendy Lawrence*

Re: Sitka White Elephant Inc. Lease Renewal

Date: August 12, 2016

The city owned land currently leased to Sitka White Elephant Inc, has been inspected per your request for their 2016 lease renewal application. The city-owned site is located at 223 Seward Street, and consists of downtown level land with sidewalks, paved street access with curb & gutter, and full city utilities. The site is zoned R2. The building is owned by Sitka White Elephant and not considered for this valuation.

Based upon the most recent market data for this area, I have estimated the fee simple 2017 assessed value to be \$127,100. The lease annual rent shall be determined by this value & according to the lease parameters set out in SGC Title 18, with the Assembly's approval.

Please feel free to contact me if you need additional information or have questions regarding this valuation.

Please also forward the finalized lease documents once they have been recorded in order that we may complete our files.

10834000 FEE VALUE

Model:	2017	0.1900	-	10,000	$Y = C * X^{(P)}$	996.28	-0.512	S	-
						C	P	Min Value	
Valuation Date	August 12, 2016								
White Elephant - Land Lease Renewal 2016									
Parcel Number	1-0834-000		0% Trend Factor						
Zoning	P								
P	-0.5120	-0.5120	-0.5120						
X^P	0.0100	0.0210	0.0000						
PSF VALUE	\$9.94	\$2.98	\$1.49						
C	996.28	142.26	0.00						
	Upland/Filled	Unfilled	Submerged						
$Y = C * X^{(P)}$	100%	30%	15%						

EASEMENT SQ FT	1,900								
PARCEL SQ FT	8,100	1,900	-						
BASE LAND VALUE	\$80,486	\$663.85	0.00	\$	86,150				
View Adjustment (Std,Partial,Super \$5-\$30k)	0.00	0.00	0.00	\$	-				
Site Improvements (Clearing,Paving,Drive \$5-\$15k)	0.00	0.00	0.00	\$	-				
Superior (Waterfront)	0.00	0.00	0.00	\$	-				
Neighborhood Adjustment	0.25	0.25	0.25	\$	21,538				
Inferior Adjustment (Shape)	0.225	0.23	0.23	\$	19,384				
Overall Factor	1.48	1.48	1.48	\$	127,072				

\$118,700	\$8,400	\$0	\$	127,100
\$0	\$0	\$0		

ADJUSTED LAND VALUE ROUNDED \$ 127,100 2017 Land Value

PER SQUARE FOOT ADJUSTED \$14.65 \$4.42 \$0.00

Historical Assessment Notes Found in File:

Base Assessment

Size Adjustment

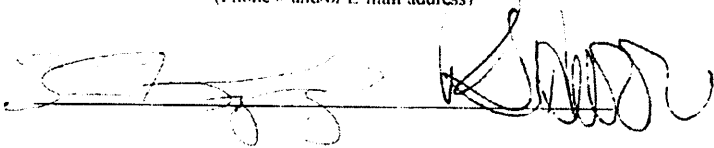
Excess Adjustment

	\$	-
	\$	-

Attachment G

To the members of the City Assembly and Sitka Planning Commission:

I Robert Scott Harris & Laura Kunspriger the undersigned neighbor do not object to the renewing of the City's lease to the Sitka White Elephant Shop.

- Printed Name Robert Scott Harris & Laura Kunspriger
- Address 325 Seward St
- Contact information LAURA@HARRISAIR.COM 907-752-0959
SCOTT@HARRISAIR.COM 907-752-0220
(Phone # and/or E-mail address)
- Signature 
- Date 6-17-16

Comments:


The Sitka White Elephant Shop has made significant changes to their operation with regard to the access easement to our property. The changes have greatly improved access to our property. We sincerely appreciate their willingness to take positive action to resolve that issue.

We do not object to the renewal of the City's lease to the Sitka White Elephant Shop. However, we would like to ask that the renewal lease include language ensuring the access easement remains open and that the underlying claim is not transferrable.

Attachment G

To the members of the City Assembly and Sitka Planning Commission:

I Kenneth R. Meyers the undersigned neighbor do not object to the renewing of the City's lease to the Sitka White Elephant Shop.

- Printed Name Kenneth Meyers
- Address 317 Seward St
- Contact information Cabuck@Yahoo.com
• (Phone # and/or E-mail address)
- Signature  *
- Date 6-20-2016

Comments:

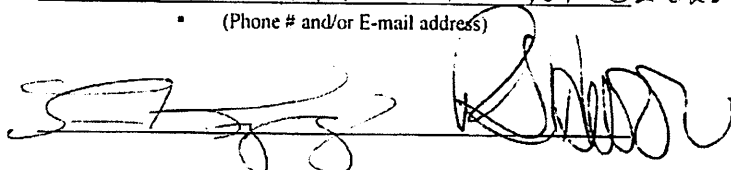
* Kenneth Meyers is buying the house @ 317 Seward St. From Dorothy Brallore. Kenneth is travelling until late June + has given me, Scott Harris permission to submit this on his behalf. He does not oppose a renewed long term lease between CBS & The White E.



Attachment G

To the members of the City Assembly and Sitka Planning Commission:

I RS Harris & Laura Kinsperger the undersigned neighbor do not object to the renewing of the City's lease to the Sitka White Elephant Shop.

- Printed Name Robert Scott Harris & Laura Kinsperger
- Address 325 Seward St.
- Contact information LAURA@HARRISHAIR.COM 907-752-0959
SCOTT@HARRISHAIR.COM 907-752-0220
(Phone # and/or E-mail address)
- Signature 
- Date 6.17.16

Comments:

The Sitka White Elephant Shop has made significant changes to their operation with regard to the access easement to our property. The changes have greatly improved access to our property. We sincerely appreciate their willingness to take positive action to resolve that issue.

We do not object to the renewal of the City's lease to the Sitka White Elephant Shop. However, we would like to ask that the renewed lease include language ensuring the access easement remains open and that the underlying lease is non-transferable.

Attachment G

To the members of the City Assembly and Sitka Planning Commission:

I Kenneth R. Meyers the undersigned neighbor do not object to the renewing of the City's lease to the Sitka White Elephant Shop.

- Printed Name Kenneth Meyers
- Address 317 Seward St
- Contact information Catback@yahoo.com
(Phone # and/or E-mail address)
- Signature [Signature] *
- Date 6-20-2016

Comments:

* Ken Meyers is Buying The house @ 317 Seward St. From Dorothy Brallock. Ken is Travelling until Late June + has Given me, Scott Harris Permission To Submit This on his behalf. He Does not Oppose A Renewed long Term Lease Between CBS & The White E.

[Signature]

Attachment G

To the members of the Sitka Planning Commission and the Assembly:

I/we the undersigned neighbor/business do not object to the renewing of the City's lease to the Sitka White Elephant Shop.

Name of neighbor/business (please print)

Highliner Coffee Co. Melissa Braschiat owner

Address of neighbor/business

Geward Sq. Mall

Signature of neighbor/business owner or lease holder

M. Melissa Braschiat - Braschiat

Contact information (optional) phone # or email address

907-738-3056

Comments

Attachment G

To the members of the Sitka Planning Commission and the Assembly:

I/we the undersigned neighbor/business do not object to the renewing of the City's lease to the Sitka White Elephant Shop.

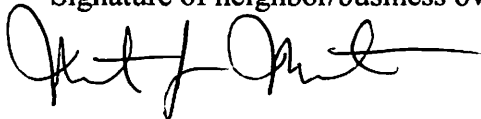
Name of neighbor/business (please print)

SEWARD SQUARE - MARTY MARTIN MANAGER

Address of neighbor/business

327 SEWARD ST

Signature of neighbor/business owner or lease holder

A handwritten signature in black ink, appearing to read "Marty Martin", written over a horizontal line.

Contact information (optional) phone # or email address

907-747-8546

Comments

Attachment G

To the members of the Sitka Planning Commission and the Assembly:

I/we the undersigned neighbor/business do not object to the renewing of the City's lease to the Sitka White Elephant Shop.

Name of neighbor/business (please print)

Baranof Realty

Address of neighbor/business

315 Seward St.

Signature of neighbor/business owner or lease holder

Janet for Cathy Shaffer

Contact information (optional) phone # or email address

747-5636

Comments

We have had no issues with the White E
and support their mission.

the use of the property "not consistent with the zoned area in ways that detrimental to the health, safety and are of the neighborhood." Please immediately correct all violations to avoid additional fines," Scar said in the letter to Burkhart. The planning office first took up matter following complaints from neighbors of the property, which is zoned commercial.

1966 Sitka Fire Commemoration Event Jan. 22

The Sitka History Museum will send a program commemorating the 1966 fire that swept through Sitka's business district, and the community efforts that demonstrated Sitkans' resilience and perseverance in the face of adversity, 6:30-8 p.m. Jan. 22 at the Sitka Kwaan Naa Kahidi.

The program will feature a panel forum and a showing of 8mm film, photographs, and artifacts from the fire.

SCT to Hold Auditions for 'Spelling Bee'

Sitka Community Theater will hold auditions for the spring musical, "The 5th Annual Putnam County Spelling Bee," 4:30 p.m. Sunday, Jan. 31, and 7 p.m. Monday, Feb. 1, in Room 108 of the Rasmuson Student Center, on the J Campus.

The play will be directed by Sotera.

name.

The Fairbanks Daily News-Miner reports police recovered \$3,500 worth of tools stolen from the laundry in the trunk of Barria's car.

Barria was not immediately arrested.

Quilters Gather

Ocean Wave Quilt Guild will meet 7 p.m. Tuesday, Feb. 2, at Grace Harbor Church across from Sea Mart. Call Megan Pasternak at 747-5943 with questions.

White E Changes Donation Drop-Off

The White Elephant Shop's donation drop-off area will be at the opposite side of the building by the children's store entrance beginning Saturday, Jan. 30.

A parking space is available for those dropping off. A banner and signs will designate the location.

The White E asks that patrons not park at the current donation area as it is closed to allow neighbors to access their property.

Fish and Game Panel to Meet

The Sitka Fish and Game Advisory Committee will meet 6 p.m. on Jan. 28 at the Sitka Sound Science Center, 834 Lincoln Street. It is open to the public.

Six seats are up for election - Hand Troll, Subsistence, Alternate, Hunting, Seine and At-Large.

The meeting will discuss statewide

Pai

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Jan. 26, i
library.

Attachment G

Tsunami, BMS Wrestling Friday

Sitka Tsunami Wrestling Club and Blatchley Middle School wrestling team will hold matches 5-6:30 p.m. Friday at Blatchley Middle School.

The public is invited.

PROTECT YOUR PROPERTY

We can provide daily checks on your home or boat when you're away, so give us a call before you travel.

Sitka Home and Boat Watch

(907) 747-0559 or
(907) 738-1934

Alkaline Water • Healthy Water

Attracting Wellness
with

KANGEN WATER

Did you know...

White E Changes Donation Drop-Off

The White Elephant Shop's donation drop-off area will be at the opposite side of the building by the children's store entrance beginning Saturday, Jan. 30. A parking space is available for those dropping off. A banner and signs will designate the location.

The White E asks that patrons not park at the current donation area as it is closed to allow neighbors to access their property.

Letters to the Editor

School Project

Dear Editor: I am a student at Cascade Christian Schools, and I am writing a report on the state of Alaska. We are responsible for gathering as much information as we can about our state. If any of your readers would like to help me by sending any pictures, postcards, used license plates, facts, products, etc., from your state, it would be greatly appreciated! Thank you very much.

**Courtney, fifth-grader,
Cascade Christian School
601 9th Ave. S.E.
Puyallup, WA 98372**

White E Drop-Off

Dear Editor: In October I wrote the following:

"The Sitka White Elephant Board appreciates the cooperation of the many folks who observe the stop/go sign and only leave donations when the store is open. Unfortunately while dropping off donations many people still park in the yellow no-parking areas, thus blocking the easement and our neighbors' access

to or from their homes. This has been a continual problem for the folks living behind the White E Shop. In order to help alleviate this problem we will be moving our donations area in the near future.

"Please watch for further notices giving the date and details of this important change. In the meantime we request that you respect the neighbors' right to access their property and not block the easement."

The time has finally arrived and our new area for dropping off donations is about ready. As of Saturday, Jan. 30, all donations are to be left on the opposite side of the building near the entrance to the Children's Store. There is space there to drive in while unloading. It is not intended to be a permanent parking spot. As before we request that donations only be dropped off when the store is open and the green "go" sign is visible.

Thank you, Sitka, for your continued support and cooperation,

**Susan Brown, President,
White Elephant Board**



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
8/10/2016

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.

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PRODUCER Venneberg Insurance Inc. 225 Harbor Drive Sitka, AK 99835	CONTACT NAME: Sarah Newhouse	
	PHONE (A/C, No. Ext): (907) 747-8625	FAX (A/C, No): (907) 747-5065
	E-MAIL ADDRESS: sarahn@venneberginsurance.com	
INSURED Sitka White Elephant Shop, Inc. P.O. Box 6571 Sitka, AK 99835	INSURER(S) AFFORDING COVERAGE	
	INSURER A: Liberty Mutual Insurance Co.	
	INSURER B:	
	INSURER C:	
	INSURER D:	
	INSURER E:	
		INSURER F:

COVERAGES	CERTIFICATE NUMBER: WC 2016	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
	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:					EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS					COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTIONS \$					EACH OCCURRENCE \$ AGGREGATE \$
A	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 checked="" type="checkbox"/> Y N/A		WC5-39S-347579-016	7/5/2016	7/5/2017	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 100,000 E.L. DISEASE - EA EMPLOYEE \$ 100,000 E.L. DISEASE - POLICY LIMIT \$ 500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Evidencing Workers Compensation coverage in place.

CERTIFICATE HOLDER (907) 747-7403 samantha.pierson@cityofsitka City & Borough of Sitka 100 Lincoln Street 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 Michael Venneberg/SJN
--	---

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CERTIFICATE OF LIABILITY INSURANCE

WHITE-1 OP ID: STKA

DATE (MM/DD/YYYY)

08/15/2016

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 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 Stedman Insurance Agency, Inc. 118 American St Sitka, AK 99835 Karl E. Stedman	CONTACT NAME: Karl E. Stedman	
	PHONE (A/C, No, Ext): 907-747-8618	FAX (A/C, No): 907-747-8620
E-MAIL ADDRESS:		
INSURER(S) AFFORDING COVERAGE		NAIC #
INSURER A : Allstate Insurance Company		19232
INSURED Sitka White Elephant, Inc. P.O. Box 6571 Sitka, AK 99835	INSURER B :	
	INSURER C :	
	INSURER D :	
	INSURER E :	
	INSURER F :	

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 INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	X		648111423	12/08/2015	12/08/2016	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ Included
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB DED <input type="checkbox"/> RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$
	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				PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/> 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)

Evidence of insurance**CERTIFICATE HOLDER**

CITY&-1

City & Borough of Sitka
100 Lincoln Street
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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To the Planning Commission and the Assembly of the City and Borough of Sitka:

The Sitka White Elephant shop has been operating out of the current Seward Street location since 1966. The property, zoned R2, is owned by the City and leased to the White Elephant.

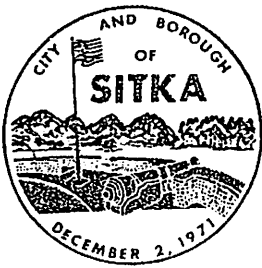
The properties behind the shop are also zoned R2. The residents of those properties access their homes via an easement across the City/White Elephant property. Unfortunately, sometimes our donors blocked the easement while dropping off items, making it difficult for those residents to get on or off their properties. In order to alleviate this problem, the White Elephant agreed to move the donation area to the other side of the building. The move was completed as of January 30, 2016.

Enclosed please find photos and drawings showing the new donation area, the signage to direct donors away from the easement, and the remodeling necessary to accommodate the move and to ensure the safety of our customers and volunteers.

The White Elephant and Volunteers sincerely hope that the progress to date will satisfy your concerns and will allow you to grant the extension of the lease for a period of 30 years.

Respectfully,

The White Elephant Board of
Directors



City and Borough of

100 Lincoln Street Sitka, Alaska 99833

Coast Guard City, USA

Attachment G

Sitka White Elephant Shop, Inc.
323 Seward Street
PO Box 6571
Sitka, AK 99835
Attn: Anita Bergey, President

COPY

October 20, 2014

RE: The Sitka White Elephant Shop, Inc. Lease Renewal

Dear Ms. Bergey,

Thank you for taking the time to discuss the Sitka White Elephant Shop (White E) lease renewal with me over the phone last week.

As the meeting between the White E and the City and Borough of Sitka (CBS) staff will occur after my departure, it may be useful to summarize our conversation.

On October 2nd, CBS staff met with the White E's neighboring property owners, Scott Harris and Dorothy Breedlove, to discuss possible solutions to their property access issues. The neighbors were amenable to the White E lease renewal if the donation drop-off area were to be moved to the west side of the building.

As a next step, CBS staff would like to meet with representatives of the White E to discuss lease renewal and the possibility of moving the donation drop-off area to the west side of the building. As we discussed, you can schedule this meeting through the Clerk's office at 747-1808.

The Assembly did not renew the White E lease at the September 23rd Assembly meeting due to the neighbors' concerns about access to their property being blocked. The Assembly has suggested to CBS staff that they would like to see these issues resolved prior to scheduling the White E lease renewal on a future Assembly agenda.

If you should have any questions, please feel free to contact me through October 31st or the Interim Planning Director, Scott Brylinsky, thereafter at 747-1824.

Thank you,

Wells Williams, Planning Director
City and Borough of Sitka

CC: Mark Gorman, Scott Harris, Dorothy Breedlove

Providing for today ... preparing for tomorrow

Attachment G

Sitka White Elephant Shop, Inc.
323 Seward St. P.O. Box 6571
Sitka, Alaska 99835
907 747 3430

City/Borough of Sitka
100 Lincoln St
Sitka, AK 99835
ATTN: Mark Gorman, City Administrator

July 15, 2014

RE: The Sitka White Elephant Shop, Inc. Lease Renewal

Dear Mr. Gorman:

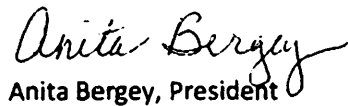
The Sitka White Elephant Shop (WES) lease is due to expire November 2016. Per our lease, the Board of Directors submit this letter as a formal request for a lease renewal at this time. We are happy to have shared a (nearly) 50 year partnership with the City of Sitka, and look forward to many more years, working to serve Sitkans in need. Each lease in the past (since 1966), has been for a ten year period and *"At the option of the lessee, given in writing not less than 90 days prior to the expiration of this lease shall be extended for another ten years"* (per the original lease agreement). We would request a minimum of ten years but would prefer a 20-30 year lease, as it becomes more necessary to invest in infrastructure. In order for the Board of Directors to plan more effectively for the future we request a renewal at this time.

As you know, Sitka is one of the few first class cities to lack a department of health and social services. As it happened, groups such as the Sitka WES have stepped in to provide that support that would otherwise fall on the City and the community. Please see our attached list of the charities we have contributed to over the years. As you know, we serve an essential part of serving those in need such as emergencies from house or boat fires, and affordable clothes and household goods for Sitka's families.

The WES will continue to develop a sustainable plan that serves Sitkans and maintains the value of volunteerism and donations for charity. The WES is clearly a central institution to Sitkans, and we are aware that the community relies on continued services through our agency.

We look forward to working with you in the same historic tradition of a strong partnership and good faith in all of our past exchanges. Thank you so much for your timely response. Please feel free to contact us for a meeting or additional information.

Respectfully,


Anita Bergey, President

Sitka White Elephant Shop Inc.

The following are the dollar amounts given to organizations. Some are over a period of several years and some just one year. This from 1992 through 2014, for 23 years.

	Years	
Art Change, Inc		500.00
Babies & Books	12	7,950.00
Baranof Elementary-1 st grade books	17	30,830.00
Baranof & Keet Gooshi Heen-Breakfast	10	14,500.00
Betty Eliason Child Care Center	14	31,500.00
Brave Heart	14	81,400.00
Coast Guard Spouses Assoc.		265.00
Kattleson Library	19	34,700.00
Mt Edgecumbe Preschool	21	46,430.00
Operation Starfish		500.00
Sheldon Jackson Child Care Center	7	20,300.00
Sitka Community School-SCORE & School	20	92,200.00
Sitka Counseling & Prevention Services	17	55,300.00
Sitka Fine Arts Camp	17	40,750.00
Sitka Head Start		4,285.00
Sitka Sound Science Center		2,200.00
Sitka Youth Court		200.00
Sitkans Against Family Violence	22	42,280.00
SAIL	8	14,400.00
Swan Lake Senior Center	23	126,888.00
Three to Five Preschool	14	56,300.00
Ventures	11	28,200.00
Youth Advocates		25,448.00
Sitka Holiday Dinners		3,200.00
Easter Group		3,500.00
Young Life		10,300.00
Big Brother/Big Sister	8	20,350.00
Hames Center		3,000.00
Keet Art& Intn'l Fair		2,250.00
A M S E A		8,000.00
Chess Club		1,000.00

Attachment G

Y A B A H		3,000.00
Pacific High School		11,620.00
Raven Radio		750.00
Salvation Army		1,050.00
S T A		2,050.00
Alice Machesney Bike Rack		100.00
Sitka Bicycle		1,900.00
Girl Scouts		1,745.00
Tlingit & Haida Parents		500.00
Sitka Skippers		1,550.00
Sitka High Art Class		100.00
Sitka High School Student Council		500.00
SE Enrichment Resource		2,000.00
SE AK Indian Cultural Center		1,000.00
Center for Community	14	56,200.00
Mt Edgecumbe FTA	12	16,700.00
N A T I V E	10	15,500.00
Pioneer Home		2,519.99
Sitka Cancer Survivors		2,800.00
Sitka Community Hospital Foundation		6,100.00
SE AK Women in Fisheries		4,500.00
SE Enrichment Center		4,000.00
Super Saturdays		18,150.00
A N B		2,000.00
Kimsham Ball fields		5,000.00
Friends of Sitka Health Center		5,803.00
N A C O P		5,000.00
SEARHC Daycare		500.00
Sitka Historical Society		1,000.00
Sitka Volunteer Fire Dept		12,500.00
Performing Art Center		500.00
Sitka Community Hospital Auxiliary		2,050.00
AK Marine Safety		525.00
Pregnancy Aid		2,550.00
Sitka Community Hospital		4,200.00
Sitka Home School		200.00
SEREMS		4,000.00
Marine Mural Project		300.00
Baranof Playground		10,000.00

Attachment G

AK Net/Domestic Violence	500.00
Civil Air Patrol	2,000.00
Chamber of commerce	2,000.00
Sitka Adult Education UAS	400.00
UAS Adult Education	4,310.00
Baby Quilt Project	1,000.00
SEARHC Patient Activities	250.00
Sitka Parent Network	700.00
Sitka Safe Start Initiative	1,569.00
Community Involved Policing Unit	500.00
Stratton Library	3,004.00
Sitka Teen Center	14,745.00
SE AK Native Women	200.00
SHS Girls Fast Pitch Softball	500.00
Community Band	500.00
PARENTS	3,600.00
Pioneer Home Auxiliary	1,000.00
AK Raptor Center	750.00
Sitka Friends of Dance	500.00
SART	1,500.00
NAEYC	500.00
Santa's Helpers	200.00
Sitka Safety Net	1,550.00
AK Center Adaptive Technology	2,000.00
Easter Seal Society	1,000.00
Special Ed Sitka Schools	1,800.00
Baranof Barracudas	300.00
Sitka Explorers 4H club	500.00
Alaska Health Fair	200.00
SEARHC CDU	169.99
JV Softball	500.00
Sitka Little League	3,000.00
Sitka Physically Challenged	500.00
Blatchley Discovery Week	2,000.00
Greater Sitka Arts Council	600.00
Sitka Conservation Society	3,150.00
Sitka School Elementary Counseling	2,800.00

Total

1,079,686.98

Individual Assist 121,510.19
1,281,197.17

LEASE EXTENSION AND RENEWAL

This lease extension is between the City and Borough of Sitka, 100 Lincoln Street, Sitka, Alaska 99835 hereinafter LESSOR and Sitka White Elephant Shop Incorporated, P.O. Box ⁶⁵⁷¹~~553~~, Sitka, Alaska 99835, a non-profit corporation, successor to Sitka-Mt. Edgecumbe Chapter Inc. Of Alaska Crippled Children=s Assn., hereinafter LESSEE.

WHEREAS, on October 19, 1966, Lessor and Lessee entered into a "Lease" for the property commonly known as 323 Seward Street, more specifically described in the Lease and its extensions; and

WHEREAS, the Lease was extended on April 24, 1969, October 24, 1976 and April 23, 1996; and

WHEREAS, the Lease term, as extended, presently runs until November 1, 2006, and Lessor and Lessee wish to again extend the term.

NOW THEREFORE in consideration of the above premises and in consideration of the mutual promises contained below and in the Lease and its previous extensions, the parties agree as follows:

1. TERM: The term of the Lease is extended until November 1, 2016.
2. PREMISES: The property covered by the Lease is 323 Seward Street, as more specifically described in the original lease and its extensions.
3. CONDITIONS: All other conditions and terms of the Lease and its extensions shall remain in full force and effect, subject to the following amendments:
 - a. The yearly rental shall be \$1.00. Subject to adjustment as previously

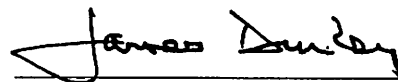
provided in the Lease.

b. Paragraph 5 is amended to increase the minimum amount of general liability to \$500,000 and to require that Lessor be included as a named insured.

c. Notice shall be given to the addresses noted above.

4. DEFAULT: Failure by Lessee to comply any term or condition of the Lease or its extension shall be cause for termination if such failure continues after thirty days written notice by Lessor.

CITY AND BOROUGH OF SITKA



James Dinley, Municipal Administrator

STATE OF ALASKA

)

)ss.

FIRST JUDICIAL DISTRICT

)

MUNICIPAL ACKNOWLEDGMENT

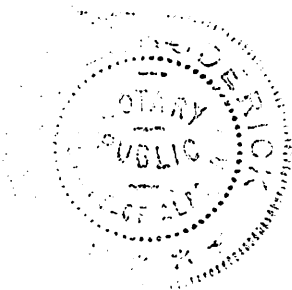
THIS CERTIFIES that on the 16th day of October, 2009, before me, a Notary Public in and for the State of Alaska, personally appeared JAMES DINLEY, known to me to be the Municipal Administrator of the City and Borough of Sitka, Alaska, a municipal corporation organized under the laws of the State of Alaska, that he has been authorized to execute the foregoing Lease amendment on its behalf and he signs freely and voluntarily.

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



Notary Public for Alaska

My Commission expires: 7/1/11



795 w

LEASE EXTENSION AND RENEWAL

This lease extension is between the City and Borough of Sitka, 100 Lincoln Street, Sitka, Alaska 99835 hereinafter LESSOR and Sitka White Elephant Shop Incorporated, P.O. Box ⁶⁵²¹~~553~~, Sitka, Alaska 99835, a non-profit corporation, successor to Sitka-Mt. Edgecumbe Chapter Inc. Of Alaska Crippled Children=s Assn., hereinafter LESSEE.

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WHEREAS, the Lease term, as extended, presently runs until November 1, 2006, and Lessor and Lessee wish to again extend the term.

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1. TERM: The term of the Lease is extended until November 1, 2016.
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 - a. The yearly rental shall be \$1.00. Subject to adjustment as previously

WHITE ELEPHANT SHOP
INCORPORATED

Janette Nelson
Title: President Board of Directors

STATE OF ALASKA)
)ss.
FIRST JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 15 day of October, 2009, before me the undersigned, a Notary Public in and for the State of Alaska duly commissioned and sworn, personally appeared Janette Nelson, known to be the person who executed the above and foregoing instrument, and acknowledged to me that he/she is authorized to sign this document, and does so freely and voluntarily.

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

Sara L Peterson
Notary Public for Alaska
My Commission expires: 4-15-2011

COMMERCIAL GENERAL LIABILITY COVERAGE FORM DECLARATIONS
OCCURRENCE FORM

1. Insurance is provided subject to the limits of insurance and the deductibles inserted below. Where there is no limit or deductible amount shown, there is no coverage or deductible applicable. Refer to Section III, Limits of Insurance, and the applicable deductible endorsement form attached to this Coverage Form for the application of these limits and deductibles.

2. Limits of Insurance

Limit	Amount
GENERAL AGGREGATE LIMIT (Other than Products -- Completed Operations)	\$ 2,000,000
PRODUCTS-COMPLETED OPERATIONS AGGREGATE LIMIT	\$ 2,000,000
PERSONAL and ADVERTISING INJURY LIMIT	\$ 1,000,000
EACH OCCURRENCE LIMIT	\$ 1,000,000
DAMAGE TO PREMISES RENTED TO YOU LIMIT	\$ 100,000 ANY ONE PREMISES
MEDICAL EXPENSE LIMIT	\$ 5,000 ANY ONE PERSON

3. Deductibles

Coverage A	Amount and Basis of Deductible	
LIABILITY	PER CLAIM	PER OCCURRENCE
BODILY INJURY LIABILITY	\$	\$
PROPERTY DAMAGE LIABILITY	\$	\$
BODILY INJURY LIABILITY AND PROPERTY DAMAGE LIABILITY COMBINED	\$	\$
Enter below any limitations on the application of this deductible. If no limitation is entered, the deductible applies to damages for all bodily injury and property damage, however caused:		



LEASE EXTENSION AND RENEWAL

This lease extension is between the City and Borough of Sitka, 100 Lincoln Street, Sitka, Alaska 99835 hereinafter LESSOR and Sitka White Elephant Shop Incorporated, P.O. Box 553, Sitka, Alaska 99835, a non-profit corporation, successor to Sitka-Mt. Edgecumbe Chapter Inc. Of Alaska Crippled Children's Assn., hereinafter LESSEE.

WHEREAS, on October 19, 1966, Lessor and Lessee entered into a lease for the property commonly known as 323 Seward Street, more specifically described in the lease and its extensions; and

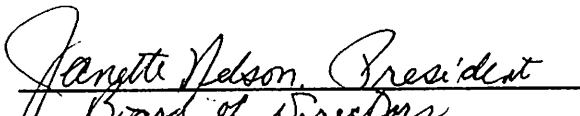
WHEREAS, the lease was extended on April 24, 1969 and October 24, 1976; and

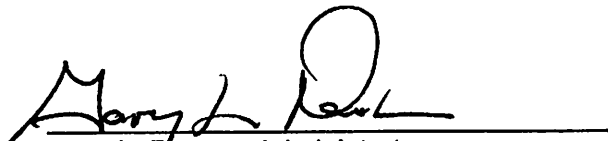
WHEREAS, the lease term, as extended, presently runs until November 1, 1996, and Lessor and Lessee wish to again extend the term.

NOW THEREFORE in consideration of the above premises and in consideration of the mutual promises contained below and in the lease and its previous extensions, the parties agree as follows:

1. TERM: The term of the lease is extended until November 1, 2006.
2. PREMISES: The property covered by the lease is 323 Seward Street, as more specifically described in the original lease and its extensions.
3. CONDITIONS: All other conditions and terms of the lease and its extensions shall remain in full force and effect, subject to the following amendments:
 - a. The yearly rental shall be \$1.00. Subject to adjustment as previously provided.
 - b. Paragraph 5 is amended to increase the minimum amount of general liability to \$500,000 and to require that Lessor be included as a named insured.
 - c. Notice shall be given to the addresses noted above.
4. DEFAULT: Failure by Lessee to comply any term or condition of the lease or its extension shall be cause for termination if such failure continues after thirty days written notice by Lessor.

DATED this 23 day of April, 1996.


Jeannette Nelson, President
Board of Directors
White Elephant Shop Incorporated
P.O. Box 553
Sitka, Alaska 99835

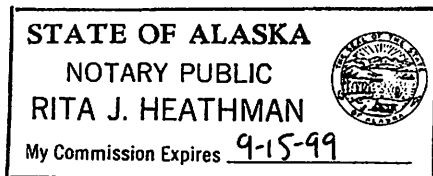

Gary L. Paxton, Administrator
City and Borough of Sitka
100 Lincoln Street
Sitka, Alaska 99835

STATE OF ALASKA)
)ss.
FIRST JUDICIAL DISTRICT)

MUNICIPAL ACKNOWLEDGMENT

THIS CERTIFIES that on the 23rd day of April, 1996, before me, a Notary Public in and for the State of Alaska, personally appeared GARY L. PAXTON, to me know and known to me to be the person whose name is subscribed to the foregoing lease and after being first duly sworn according to law, he stated to me under oath that he is the Administrator of the City and Borough of Sitka, Alaska, a corporation organized under the laws of the State of Alaska, that he has been authorized by said corporation to execute the foregoing lease on its behalf and he executed the same freely and voluntarily as the free act and deed of said corporation.

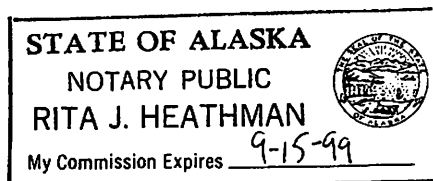
WITNESS my hand and official seal the day and year in this certificate first above written.



Rita J. Heathman
Notary Public for Alaska
My Commission expires: 9-15-99

STATE OF ALASKA)
)ss.
FIRST JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 23rd day of April, 1996, before me the undersigned, a Notary Public in and for the State of Alaska duly commissioned and sworn, personally appeared Janette Nelson, to me known to be the person who executed the above and foregoing instrument, and acknowledged to me that he/she signed and sealed the same freely and voluntarily.



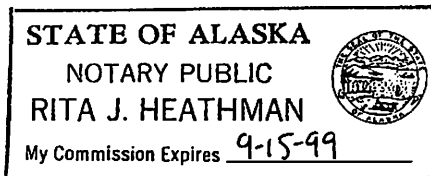
Rita J. Heathman
Notary Public for Alaska
My Commission expires: 9-15-99


Attachment G

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

THIS CERTIFIES that on the 23rd day of April, 1996, before me, a Notary Public in and for the State of Alaska, personally appeared GARY L. PAXTON, to me know and known to me to be the person whose name is subscribed to the foregoing lease and after being first duly sworn according to law, he stated to me under oath that he is the Administrator of the City and Borough of Sitka, Alaska, a corporation organized under the laws of the State of Alaska, that he has been authorized by said corporation to execute the foregoing lease on its behalf and he executed the same freely and voluntarily as the free act and deed of said corporation.

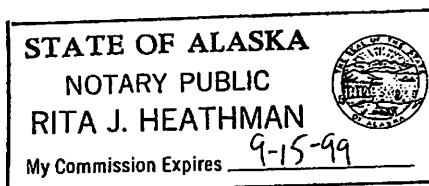
WITNESS my hand and official seal the day and year in this certificate first above written.





 Notary Public for Alaska
 My Commission expires: 9-15-99

STATE OF ALASKA)
)ss.
FIRST JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 23rd day of April, 1996, before me the undersigned, a Notary Public in and for the State of Alaska duly commissioned and sworn, personally appeared Janette Nelson, to me known to be the person who executed the above and foregoing instrument, and acknowledged to me that he/she signed and sealed the same freely and voluntarily.




 Notary Public for Alaska
 My Commission expires: 9-15-99

LEASE EXTENSION AND RENEWAL

This lease extension, made this 25th day of October 1976
between the

CITY AND BOROUGH OF SITKA

successor to the City of Sitka, Box 79, Sitka, Alaska, hereinafter called
the Lessor, and

SITKA - MT. EDGE CUMBE CHAPTER, INC.

of

ALASKA CRIPPLED CHILDREN'S ASSN.,

a non-profit corporation with a mailing address of Box 377, Sitka, Alaska,
hereinafter called the Lessee,

WITNESSETH:

It is mutually agreed between the parties that the lease made on the
19th day of October, 1966, as extended by the lease extension of April 24,
1969, by and between the parties hereto concerning the premises described
herein, is confirmed in every respect, except that this renewal is to
terminate November 1, 1996.

The monthly rental for this renewal period shall be \$300.00 per annum.
All other conditions and terms of the original 1966 lease shall remain in
effect with the exception that any further extension or renewal shall be at
the sole option of lessor.

The property leased is described as follows:

All of Lot 7 and that fractional part of Lots 8, C-9 and C-10
of Block 8, U. S. Survey 1474, Tract A, Townsite of Sitka,
Alaska, more fully described as:

Beginning at the most southerly corner of Lot 7, Block 8,
as Corner No. 1 of this description; thence N 46° 45' E
along the northerly line of Seward Street, 106.62 feet to
Corner No. 2; thence N 28° 14' W, 94.54 feet to Corner
No. 3; said corner being identical with Corner No. 4 of
deed description in Book 18, Page 161, Record of Deeds,
recorded in the office of the Magistrate, Ex-Officio
Recorder, Sitka, Alaska; thence S 55° 50' W, 97.32 feet
to Corner No. 4; thence S 19° 02' 30" E, 49.99 feet to
Corner No. 5; thence S 29° 53' E, 62.80 feet to Corner
No. 1, the true point of beginning, containing 10,559
square feet of area.

The above-described parcel is subject to a 20-foot easement for access purposes lying parallel with the easterly boundary of the above-described tract.

IN TESTIMONY WHEREOF, the said parties have set their hands and seals on the day and year first above written in this instrument.

CITY AND BOROUGH OF SITKA, ALASKA

By: *Fermin Gutierrez*
Fermin Gutierrez,
Administrator

ATTEST:

Myrtle V. Flynn
Myrtle V. Flynn, Municipal Clerk.

CORPORATE ACKNOWLEDGEMENT

UNITED STATES OF AMERICA }
STATE OF ALASKA } ss.

THIS IS TO CERTIFY that on this 25 day of OCTOBER 1976, before me the undersigned Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared FERMIN GUTIERREZ, Administrator, and MYRTLE V. FLYNN, Municipal Clerk, to me known to be the persons described in and who executed the above and foregoing instrument, and acknowledged to me that they signed and sealed the same freely and voluntarily for the uses and purposes therein mentioned and that they are familiar with the Seal of the City and Borough of Sitka, Alaska, and their authority to execute the above instrument is recorded in the Minutes of the Assembly meeting of the City and Borough of Sitka, Alaska, Book 4, Page 14, and that the seal affixed thereto is the seal of the City and Borough of Sitka, Alaska.

WITNESS MY HAND AND OFFICIAL SEAL on the day and year in this certificate first above written.

Peter S. Hallgren
Notary Public for Alaska.
My Commission Expires: 10/11/79

LEASE EXTENSION

THIS LEASE EXTENSION, made this ⁴24 day of ~~March~~ April, 1969, between the City of Sitka, Alaska, a municipal corporation, with a mailing address of P. O. Box 950, Sitka, Alaska, hereinafter called the Lessor and Sitka-Mt. Edgecumbe Chapter, Inc. of Alaska Crippled Children's Assn., Inc., a non-profit corporation with a mailing address of P. O. Box 578, Mt. Edgecumbe, Alaska, hereinafter called the Lessee.

It is mutually agreed between the parties that the Lease made on the 19th day of October, 1966, by and between the parties hereto, concerning the premises described herein, is hereby confirmed in every respect, except that said Lease is to terminate on November 1, 1986, instead of November 1, 1976, as provided in the original Lease. All other conditions and terms of said Lease shall remain in full force and effect.

The property leased is as follows:

All of lot 7 and that fractional part of lots 8, C-9 and C-10 of Block 8, U.S. Survey 1474, Tract A, Townsite of Sitka, Alaska, more fully described as: Beginning at the most Southerly corner of lot 7, Block 8 as Corner No. 1 of this description; thence N 46°45' E along the northerly line of Seward St. 106.62 feet to Corner No. 2; thence N 28°14' W, 94.54 feet to Corner No. 3; said corner being identical with Corner No. 4 of deed description in Book 18, page 161, Record of Deeds, recorded in the Office of the Magistrate, Ex-officio recorder, Sitka, Alaska; thence S 55°50' W, 97.32 feet to Corner No. 4; thence S 19°02'30" E, 49.99 feet to Corner No. 5; thence S 29°53' E, 62.80 feet to Corner No. 1, the true point of beginning, containing 10,559 square feet or area.

The above described parcel is subject to a 20 foot easement for access purposes lying parallel with the Easterly boundary of the above described tract.

SITKA-MT. EDGE CUMBE CHAPTER,
INC. of ALASKA CRIPPLED
CHILDREN'S ASSN., INC.

BY: Ester Middleton
President

ATTEST:


Anna Louise Bell
Secretary

CORPORATE ACKNOWLEDGMENT

UNITED STATES OF AMERICA) ss.
STATE OF ALASKA)

THIS IS TO CERTIFY that on the 24th day of MARCH, 1969, before me the undersigned, a Notary Public, duly commissioned and sworn as such, personally appeared Esther Middleton and Ann Louise Pellett of SITKA-MT. EDGEUMBE CHAPTER, INC. of ALASKA CRIPPLED CHILDREN'S ASSN., INC. a corporation organized under the laws of the State of Alaska, to me known to be the agents of said corporation, and acknowledged that said instrument was signed in behalf of said corporation by authority of its Board of Directors, and the said Esther Middleton and Ann Louise Pellett, acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 24 day of ~~March~~, 1969.


Notary Public for Alaska
My commission expires: 5/17/28

LEASE

Attachment G

THIS INDENTURE made this 19 day of Sept, 1966, between the CITY OF SITKA, ALASKA, a municipal corporation with the mailing address of Box 950, Sitka, Alaska, hereinafter called lessor and SITKA-MT. EDGE CUMBE CHAPTER, INC. OF ALASKA CRIPPLED CHILDREN'S ASSN., INC. a non-profit corporation with the mailing address of Box 578, ³⁷⁷ Sitka ~~MT. Edgecumbe~~, Alaska, hereinafter called lessee.

PROPERTY LEASED

The lessor hereby demises and leases unto the lessee the following described tract of ground:

All of lot 7 and that fractional part of lots 8, C-9 and C-10 of Block 8, U.S. Survey 1474, Tract A, Townsite of Sitka, Alaska, more fully described as: Beginning at the most Southerly corner of lot 7, Block 8 as Corner No. 1 of this description; thence N 46°45' E along the northerly line of Seward St. 106.62 feet to Corner No. 2; thence N 28°14' W, 94.54 feet to Corner No. 3; said Corner No. 3 being identical with Corner No. 4 of deed description in Book 18, page 161, Record of Deeds, recorded in the Office of the Magistrate, Ex-officio recorder, Sitka, Alaska; thence S 55°50' W, 97.32 feet to Corner No. 4; thence S 19°02'30" E, 49.99 feet to Corner No. 5; thence S 29°53' E, 62.80 feet to Corner No. 1, the true point of beginning, containing 10,559 square feet or area.

The above described parcel is subject to a 20 foot easement for access purposes lying parallel with the Easterly boundary of the above described tract.

TERMS

To hold the premises hereby demised unto lessee, from the date of November 1, 1966, for a term of ten (10) years, the lessee pays therefor, THREE HUNDRED DOLLARS (\$300.00) annyally, payable in advance. Receipt of the first year's rental is acknowledged by the execution of this lease.

At the option of the lessee, given in writing not less than 90 days prior to the expiration of this lease shall be extended for another 10 years.

The annual rental is subject to adjustment at the time of such extension provided the appraised value of the adjoining property and property immediately across the street from the adjoining property (if any) has changed more than 25% during the previous 10 year period... Should said annual rental be subject to adjustment it shall be proportional to the average of the

appraised value of said adjoining property and that across the street from it at the time of the lease execution as compared with the said value at the time of modification. Request for lease modification may come from either party hereto.

CONDITIONS AND COVENANTS

The following conditions and covenants are mutually agreed to between the parties:

1. Lessee has no authority to incur liens or order materials on lessor's account and this provision shall be deemed a notice to third parties of non-responsibility on the part of the City for any such liens.

2. Any improvements to the premises made by lessee may be removed prior to or at the termination of lease, or within 90 days thereafter. If not removed, lessor shall have the option of keeping the improvements as its own or removing same from the premises, charging the costs thereof against the lessee.

3. The lessee may not assign this lease or underlet the said premises without written consent of lessor. Lessee may sublet small portions of improved space without obtaining further consent.

4. The lessor or his agents may at reasonable times, enter upon said premises to examine the condition of same.

5. Lessee agrees to save the lessor harmless (1) from any liability by reason of personal injury to any person or persons on or about the said premises; (2) from any liability of any sort caused by the lessor's negligence. Lessee shall furnish lessor evidence of public liability insurance to full effect in the minimum amount of \$ 50,000.00.

6. Any notices to either party shall be mailed to the address in the first paragraph herein unless written change of address of the party changing its address to the other party.

IN TESTIMONY WHEREOF the said parties have set their hands on the day and year first above written in this instrument.

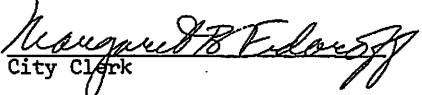
Attachment G

CITY OF SITKA, ALASKA

by:


Mayor

ATTEST:

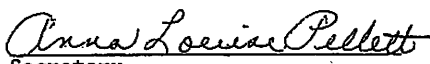

City Clerk

SITKA - MT. EDGEUMBE CHAPTER, INC.
of ALASKA CRIPPLED CHILDREN'S ASSN. INC.

by:


President

ATTEST:


Secretary

CORPORATE ACKNOWLEDGEMENT

STATE OF ALASKA)
) ss.
CITY OF SITKA)

THIS CERTIFIES that on this 12th day of October,
1966, before me, a Notary Public in and for the State of Alaska,
personally appeared JOHN W. O'CONNELL and MARGARET B. FEDOROFF, to me
known and known to me to be the persons whose names are subscribed to the
foregoing deed, and after being first duly sworn according to law they
stated to me under oath that they are the Mayor and City Clerk respectively
of the City of Sitka, Alaska, a corporation organized under the laws of
Alaska, that they have been authorized by said corporation to execute the
foregoing deed on its behalf and they executed the same freely and volun-
tarily as the free act and deed of said corporation.

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

Natasha L. Bikeland
Notary Public for Alaska

My commission expires Oct 12, 1969

Attachment G

UNITED STATES OF AMERICA)
) ss. CORPORATE ACKNOWLEDGEMENT
STATE OF ALASKA)

On this 20th day of Oct., 1966, before me, a

Notary Public for the State of Alaska, personally appeared Doris M.

Sengebrough and Auna Louise Pellett
to me known, who, being by me duly sworn, each for himself and not one

for the other, did depose and say that he resides at Sitka, Alaska, and

that Doris M. Sengebrough is the president of Sitka-Wilderness

Chapter, Inc. of AAC Alaska, Inc. and that Auna Louise Pellett

is the secretary of The same

Corporation, of Sitka, Alaska

in the foregoing indenture named, and the seal thereto affixed is the seal

of the Corporation, and was so affixed by the authority of said Board, and

that by like authority they signed the same as president and secretary;

and they acknowledged the execution of said instrument to be the free

and voluntary act and deed of said Corporation by them, as president

and secretary, aforesaid, voluntarily done and executed.

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

James M. B. Edwards
Notary Public for Alaska
My commission expires 3-22-68

Warren C. Christianson
Attorney at Law
Box 4
Sitka, Alaska

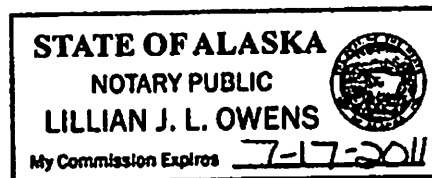


Access Easement
Dorothy L Breedlove as grantor
to grantee Dorothy L Breedlove

Access Easement of Lot 1 plat 86-2
Dorothy Subdivision, Sitka
Recording district, First
Judicial district for grantor/
grantee to access the property
for drive way purposes.
Reference to Exhibit A
Dorothy L Breedlove
Return to Dorothy L Breedlove
319 Seward St
Sitka, Alaska
99835

Acknowledged before me
October 27, 2008

Lillian J. Owens





2008-001829-0

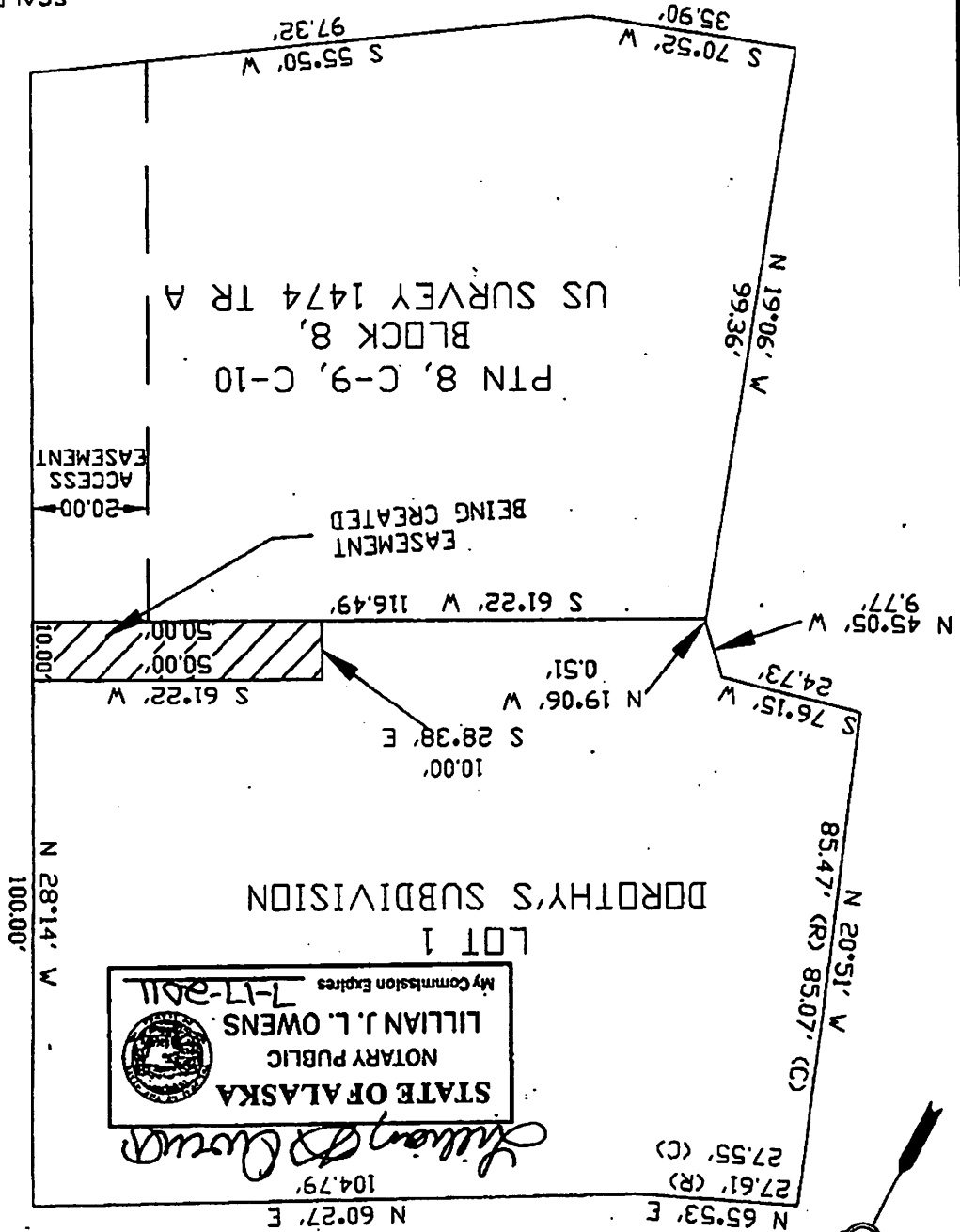
2 of 2

DOROTHY'S SUBDIVISION
LOT 1

SUBJECT: ACCESS EASEMENT

EXHIBIT "A"

SCALE
1" = 30'



WARRANTY DEED

(Alaska)

BOOK 18

Sitka, Alaska

Attachment G

THIS INDENTURE, Made this 7th day of AUGUST, 1943
between THE SALVATION ARMY, a California Corporation
of San Francisco, California, part of the first part, hereinafter called Grantor,
and DR. ROBERT F. BRODIE and HANCOCK BRODIE, husband and wife
as tenants by the entirety
of Sitka, Alaska part of the second part, hereinafter called Grantee.

WITNESSETH: That said Grantor, for and in consideration of the sum of TEN & No/100 Dollars,
lawful money of the United States of America, and other valuable consideration, to be in hand
paid by said Grantee, the receipt whereof is hereby acknowledged, do give by these presents grant,
bargain, sell, convey and confirm unto the said Grantee, and to their heirs and assigns, the
following described real property situated in Sitka Recording District, Sitka

Alaska, to-wit: That fractional part of lots 8 and 9-10 of Block 8 of
U. S. Survey 1474 Tract A, Townsite of Sitka, Alaska, more
fully described as:

Beginning at a point 9.77 feet south 45°05' east of the north
easterly corner of Lot 3 of said Block 8, thence south 19°06'
east a distance of 0.51 feet to Corner No. 1 of this description
and the true point of beginning;
thence south 19°06' east a distance of 89.35 feet to Corner No. 2;
thence north 70°50' east a distance of 35.90 feet to Corner No. 3;
thence north 55°50' east a distance of 57.32 feet to Corner No. 4;
thence north 38°14' west a distance of 94.55 feet to Corner No. 5;
thence south 41°22' west a distance of 114.49 feet to Corner No. 1,
the true point of beginning containing 11,336.7 square feet.

This conveyance is subject to an easement for City sewer, water
and any other underground utility lines desired by said City,
all located or to be located in a 15 ft. strip along the north-
easterly boundary of the above tract.

Further, the grantor hereby grants a non-exclusive 20 ft.
easement for access along the northeasterly boundary of
that portion of said Lot 8 between the above described tract
and Seward Street. Should other access become available,
this easement is automatically rescinded.

TO HAVE AND TO HOLD the same, with the appurtenances thereunto belonging, or in anywise
appertaining, unto them the said Grantee, and to their heirs and assigns forever,
successors,

AND the said Grantor, its heirs, executors and administrators, do give, by these presents,
covenant, grant and agree to and with said Grantee, their heirs and assigns, that if
said Grantor, its heirs, executors and administrators, all and singular, the premises here-
inabove conveyed or mentioned, with the appurtenances, unto the said Grantee, their heirs
and assigns, and against each and every person or persons whomsoever lawfully claiming or to claim
the same, or any part thereof, shall and will WARRANT and FOREVER DEFEND.

IN WITNESS WHEREOF, The said Grantor, has hereunto sub-scribed and
seal-ed the day and year in this instrument first above written.

Signed, Sealed and Delivered in the Presence of

THE SALVATION ARMY, A CALIFORNIA CORPORATION
By: [Signature] (SEAL)
Title: Vice-President (SEAL)
By: [Signature] (SEAL)
Title: [Signature]

(Corporate Seal)

SITKA 63-738

UNITED STATES OF AMERICA
TERRITORY OF ALASKA

Individual Ack

THIS IS TO CERTIFY that on this _____ day of _____, 19____,
before me the undersigned, a Notary Public in and for the Territory of Alaska, duly commissioned
and sworn, personally appeared _____

to me known to be the person _____ described in and who executed the above and foregoing instru-
ment, and acknowledged to me that _____ be _____ signed and sealed the same freely and volun-
tarily for the uses and purposes therein mentioned.

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

Notary Public for Alaska. My commission expires _____

STATE OF CALIFORNIA

COUNTY OF SAN FRANCISCO

ss.

CORPORATE ACKNOWLEDGMENT

On this 7th day of August, 1963, before me, a Notary
Public for the State of California, County of: San Francisco,

personally appeared W. J. Parkins and Donald V. Barry,
to me known, who, being by me duly sworn, each for himself and not
one for the other, did depose and say that they reside at 59 Molino Dr. San Francisco, and 31 S. Hill Blvd. San Francisco,
respectively, and that W. J. Parkins is the

Vice President of THE SALVATION ARMY and that Donald V. Barry
is the Secretary of THE SALVATION ARMY of California
in the foregoing indenture named, and the seal thereto affixed is the
seal of the Corporation, and was so affixed by the authority of said
Board, and that by like authority they signed the same as Vice President
and Secretary; and they acknowledge the
execution of said instrument to be the free and voluntary act and deed
of said corporation by them, as Vice President and Secretary
aforesaid, voluntarily done and executed.

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



RECORDED - FILED
SITKA REC. DIST.
DATE 9-19 1963
TIME 3:00 P.M.
By W. J. Parkins
Address SITKA

Alda C. Collins (Alda C. Collins)
Notary Public for California
County of San Francisco
My commission expires March 1, 1964

No. _____
WARRANTY DEED
(ALASKA)

FROM

TO

Filed _____

FILED FOR RECORD AT REQUEST OF _____

on the _____ day of _____, 19____

at _____ minutes past _____ M.

and recorded in volume _____

of _____ Page _____

Records of U. S. Commissioner

Present _____

By _____ Deputy _____

QUITCLAIM DEED

WHEREAS, the United States acting by and through the Administrator of the Federal Works Agency filed its Declaration of Taking in condemnation proceedings in the United States District Court for the District of Alaska on August 6, 1942, and deposited the sum of \$1.00 into the registry of the court on that day; and

WHEREAS, the court entered its judgment on the Declaration of Taking on August 6, 1942, vested in the United States of America a fee simple title to the land; and

WHEREAS, the said land was acquired by the United States under the provisions of Section 202 of Title II of the Act of October 14, 1940, as amended, as a site for hospital facilities; and

WHEREAS, since the said land was acquired as aforesaid, the project has been rescinded and the Town of Sitka has requested the United States of America to convey the said property back to it; and

WHEREAS, the Administrator of the Federal Works Agency deems that the said property should be conveyed back to the Town of Sitka, Alaska, and that this conveyance is made in the public interest.

FOR, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

That the United States of America in the consideration of the foregoing premises and the sum of \$1.00, the receipt of which is hereby acknowledged, does hereby grant, remise, release and forever quitclaim unto the Town of Sitka and its assigns forever all that tract or parcel of land situated in the Townsite of Sitka, Territory of Alaska, and more particularly described as follows:

All of Lot 7 in Block 8 and part of Tracts C-9, C-10 and Lot 8 in Block 8 of the Townsite of Sitka, Alaska, as shown on U. S. Survey No. 1474, Tract "A", described as follows: Beginning at the point in the northerly side of Seward Street at the southeasterly corner of Lot 8, aforesaid; running thence North 23 degrees 14 minutes West 190.0 feet to a point; thence South 60 degrees 27 minutes West 116.7 feet to a point; thence South 19 degrees 02

- 2 -

minutes East approximately 98.94 feet to a point; thence North 70 degrees 25 minutes East 35.9 feet to a point; thence South 19 degrees 05 minutes East 50.0 feet to a point; thence South 29 degrees 53 minutes East 62.80 feet to a point in the northerly side of Seward Street; thence along the northerly side of Seward Street North 46 degrees 45 minutes East 106.62 feet to the point or place of beginning.

IN WITNESS WHEREOF, the United States of America has caused these presents to be executed in its name by the Administrator of the Federal Works Agency and the seal of the Federal Works Agency to be hereunto affixed this 13th day of January, 1944.

Signed, sealed and delivered
in the presence of:

UNITED STATES OF AMERICA

Leon R. Kempainen
Dorothy L. Cupp

Philip D. Jones
Administrator
Federal Works Agency

UNITED STATES OF AMERICA }
DISTRICT OF COLUMBIA } SS

I, a Notary Public in and for the District of Columbia, and as such officer authorized to take acknowledgments of deeds, do hereby certify that Major General Philip L. Fleming, Administrator, Federal Works Agency, personally known to me to be the person and officer whose name is subscribed to the foregoing instrument, appeared before me and acknowledged the said instrument, to be his free act and deed in his said capacity and the free act and deed of the said United States of America for the purposes therein expressed, and the seal thereto affixed is the seal of the Federal Works Agency.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in Washington, D. C. this 13th day of January, 1944.

Ellen Virginia Hark
Notary Public, District of Columbia

My commission expires 1st of April 1947 UNITED STATES, DISTRICT OF ALASKA } SS:
Division No. 1 Sitka Precinct No. 4.

William V. Knight Commissioner and Ex-Officio Recorder for the District of Sitka, Alaska do hereby certify that the within and foregoing instrument of writing was filed in my office on the 15th day of February, 1944, at 25 minutes past 10 o'clock A. M. and duly recorded in the DEED Record Book No. 8 on page 37-38 the records of the Recording District of Sitka, No. 4 Division No. 1 Precinct of Alaska.

Attest: William V. Knight
Commissioner and Ex-Officio Recorder

FILED FOR RECORD
15th DAY OF JANUARY
AT 10:25 P. M.

Parcel ID: 10005000
ORTHODOX CHURCH IN AMERICA
RUSSIAN GREEK MISSION
ORTHODOX CHURCH IN AMERICA
P.O. BOX 697
SITKA AK 99835-0697

Parcel ID: 10260000
WELLS FARGO BANK
% THOMSON PROP TAX SERV
WELLS FARGO
P.O. BOX 2609
CARLSBAD CA 92018-2609

Parcel ID: 10320000
CLIFFORD/SHIRLEY ROBARDS
ROBARDS, CLIFFORD, G./SHIRLEY, E.
P.O. BOX 235
SITKA AK 99835-0235

Parcel ID: 10325000
LORETTA NESS
NESS, LORETTA, J.
102 WINCHESTER WAY
SITKA AK 99835

Parcel ID: 10335000
THE TROUTTE FAMILY TRUST
TROUTTE CENTER
TROUTTE, RICHARD/SANDRA
329 HARBOR DR.
SITKA AK 99835

Parcel ID: 10337000
FIRST NATIONAL BANK OF
ANCHORAGE
ATTN: ACCOUNTING SECTION
FIRST NATIONAL BANK ALASKA
P.O. BOX 10-0720
ANCHORAGE AK 99510

Parcel ID: 10339000
LUENOR RENTALS, LLC
LUENOR RENTALS, LLC
111 SAND DOLLAR DR
SITKA AK 99835

Parcel ID: 10370000
~~CLIFF/SHIRLEY ROBARDS~~
~~ROBARDS, CLIFFORD, G./SHIRLEY~~
~~P.O. BOX 235~~
~~SITKA AK 99835-0235~~

Parcel ID: 10480000
LINDA/NANCY TRIERSCHIELD
TRUST/MCGRAW
TRIERSCHIELD BUILDING
TRIERSCHIELD, L./MC GRAW, NANCY
P.O. BOX 718
SITKA AK 99835-0718

Parcel ID: 10482000
U.S. RESERVE
U.S. RESERVE
210 SEWARD ST
SITKA AK 99835

Parcel ID: 10505000
SITKA HERITAGE PROPERTIES, LLC
APARTMENT, THE
SITKA HERITAGE PROPERTIES, LLC
1 MAKSOUFF ST
SITKA AK 99835

Parcel ID: 10521000
KCCR PROPERTIES, LLC
KCCR PROPERTIES, LLC
P.O. BOX 614
SITKA AK 99835-0614

Parcel ID: 10525000
TELEPHONE UTILITIES OF
NORTHLAND
ATTN: TAX DEPT.
TELEPHONE UTILITIES OF
NORTHLAND
600 TELEPHONE AVE, MS#8
SITKA AK 99835

Parcel ID: 10530000
TELEPHONE UTILITIES OF
NORTHLAND
ATTN: TAX DEPT.
~~TELEPHONE UTILITIES OF~~
~~NORTHLAND~~
~~600 TELEPHONE AVE, MS#8~~
~~SITKA AK 99835~~

Parcel ID: 10540000
MICHAEL FINN
FINN, MICHAEL, K.
116 KNUTSON DR
SITKA AK 99835

Parcel ID: 10545000
CANDI BARGER
BARGER, CANDI, C.
P.O. BOX 365
SITKA AK 99835-0365

Parcel ID: 10550000
SHEE ATIKA HOLDINGS LINCOLN ST,
LLC
SHEE ATIKA HOLDINGS LINC. ST, LLC
315 LINCOLN ST, #300
SITKA AK 99835

Parcel ID: 10575000
SNOWDEN GROUP, LLC
SNOWDEN GROUP, LLC
P.O. BOX 178
SITKA AK 99835-0178

Parcel ID: 10590000
~~SNOWDEN GROUP, LLC~~
~~SNOWDEN GROUP, LLC~~
~~P.O. BOX 178~~
~~SITKA AK 99835-0178~~

Parcel ID: 10600000
CHRISTOPHER BOWEN
BOWEN, CHRISTOPHER, S.
310 MARINE ST
SITKA AK 99835

Parcel ID: 10605000
LOYAL ORDER OF MOOSE, INC.
LOYAL ORDER OF MOOSE
337 LINCOLN ST.
SITKA AK 99835

Parcel ID: 10740000
CRAIG/BRENDA SHOEMAKER
SHOEMAKER, CRAIG, A./BRENDA, S.
P.O. BOX 2174
SITKA AK 99835-2174

Parcel ID: 10745000
WILLIAM/IRENE FERGUSON
FERGUSON, WILLIAM, G./IRENE, G.
207 OBSERVATORY ST
SITKA AK 99835

Parcel ID: 10747000
DORIK/CAROLYN MECHAU/SERVID
MECHAU, DORIK/SERVID, CAROLYN
209 OBSERVATORY ST
SITKA AK 99835

Parcel ID: 10748001
WILLIAM/LIBBY STORTZ
STORTZ, WILLIAM, A./LIBBY
215 OBSERVATORY ST
SITKA AK 99835

Parcel ID: 10775000
KAREN LUCAS
LUCAS, KAREN, J.
218 OBSERVATORY ST.
SITKA AK 99835

Parcel ID: 10780000
~~KAREN LUCAS~~
~~LUCAS, KAREN~~
~~218 OBSERVATORY ST~~
~~SITKA AK 99835~~

Parcel ID: 10785000
OBSERVATORY, LLC
OBSERVATORY, LLC
P.O. BOX 1785
SITKA AK 99835-1785

Parcel ID: 10790000
RACHEL MYRON
MYRON, RACHEL, E.
P.O. BOX 53
TENAKEE SPRINGS AK 99841-0053

Parcel ID: 10800000
DARRYL/BERNADET
REHKOPF/RASMUSSEN
REHKOPF, DARRYL/RASMUSSEN,
BERNADETTE
210 OBSERVATORY ST
SITKA AK 99835

Assembly Mailing

September 2, 2016

Parcel ID: 10820000
STEVEN/KARI FISH/JOHNSON
FISH, STEVEN, T./JOHNSON, KARI, L.
P.O. BOX 6448
SITKA AK 99835-6448

Parcel ID: 10832000
KENNETH MEYERS
MEYERS, KENNETH
1982 HAILBUT POINT RD
SITKA AK 99835

Parcel ID: 10835003
DOROTHY/SHERRI BREEDLOVE
BREEDLOVE, DOROTHY, L./SHERRI, L.
319 SEWARD ST, #B
SITKA AK 99835

Parcel ID: 10901000
JAMES/JOYCE MARTIN
MARTIN, JAMES, E./JOYCE, M.
830 FRANKTON RD
HOOD RIVER OR 97031

Parcel ID: 10815000
BRYAN/DANA HOWEY/JORGENSEN-
HOWEY
HOWEY, BRYAN & JORGENSEN-
HOWEY, DANA
P.O. BOX 506
SITKA AK 99835-0207

Parcel ID: 10830000
S & C/M & G SHAEFER TRIST/TSHER
SHAEFER, ST./CA./TSHER, MI/CL
315 SEWARD ST
SITKA AK 99835

Parcel ID: 10835002
R. SCOTT/LAURA
HARRIS/KRONSPERGER
HARRIS, R. SCOTT/KRONSPERGER,
LAURA, L.
325 SEWARD ST
SITKA AK 99835

Parcel ID: 10900000
CITY & BOROUGH OF SITKA
FIREHAUL
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 10810000
BARBARBY DOW
DOW, BARBARBY, B.
11733 12TH AVE NE
SEATTLE WA 98125-5007

Parcel ID: 10825000
ELIZABETH/GEORG
KILKEARY/HARDISON, III
KILKEARY, ELIZABETH & HARDISON,
GEORGE
305 SEWARD STREET
SITKA AK 99835

Parcel ID: 10834001
WHITE ELEPHANT SHOP, INC.
WHITE ELEPHANT(BLDG ONLY)
WHITE ELEPHANT SHOP, INC.
323 SEWARD ST
SITKA AK 99835

Parcel ID: 10860000
SCJO, LLC
WESTMARK SITKA
SCJO, LLC
330 SEWARD ST.
SITKA AK 99835

Parcel ID: 10905000
DOCK STREET BLDG. CORP.
DOCK STREET BLDG. CORP.
P.O. BOX 7920
KETCHIKAN AK 99901-7920



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

Notice of Public Hearings

The Assembly of the City and Borough of Sitka will hold a public hearing during a regular meeting scheduled Tuesday, September 13, 2016 on the following items:

- A. Public hearing and consideration of a tideland lease request filed by Petro Marine Services for 7109 square feet of tidelands adjacent to 1 Lincoln Street. The property is also known as a portion of ATS 15.
- B. **Public hearing and consideration of a land lease renewal request filed by White Elephant Shop for 323 Seward Street. The property is also known as all of lot 7 and a fractional part of lots 8, C-9, and C-10 of Block 8, US Survey 1474 Tract A.**

The Assembly may take action on September 13, 2016. The Assembly meeting will begin at 6:00 pm at University of Alaska Southeast, 1332 Seward Avenue, Room 229 in Sitka.

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

Attachment H

Parcel ID: 10001000
STATE OF ALASKA
PIONEER HOME
ALASKA, STATE OF
P.O. BOX 110208
JUNEAU AK 99811

Parcel ID: 10020000
CASTLE HILL, LLC
CASTLE HILL, LLC
117 GRANITE CREEK RD, STE 201
SITKA AK 99835

Parcel ID: 10260000
WELLS FARGO BANK
% THOMSON PROP TAX SERV
WELLS FARGO
P.O. BOX 2609
CARLSBAD CA 92018-2609

Parcel ID: 10335000
THE TROUTTE FAMILY TRUST
TROUTTE CENTER
TROUTTE, RICHARD/SANDRA
329 HARBOR DR.
SITKA AK 99835

Parcel ID: 10370000
CLIFF/SHIRLEY ROBARDS
ROBARDS, CLIFFORD, G./SHIRLEY
P.O. BOX 235
SITKA AK 99835-0235

Parcel ID: 10505000
SITKA HERITAGE PROPERTIES, LLC
APARTMENT, THE
SITKA HERITAGE PROPERTIES, LLC
1 MAKSOUTOFF ST
SITKA AK 99835

Parcel ID: 10530000
~~TELEPHONE UTILITIES OF
NORTHLAND
ATTN: TAX DEPT.
TELEPHONE UTILITIES OF
NORTHLAND
600 TELEPHONE AVE, MS#8~~

Parcel ID: 10550000
SHEE ATIKA HOLDINGS LINCOLN ST,
LLC
SHEE ATIKA HOLDINGS LINC. ST, LLC
315 LINCOLN ST, #300
SITKA AK 99835

Parcel ID: 10600000
CHRISTOPHER BOWEN
BOWEN, CHRISTOPHER, S.
310 MARINE ST
SITKA AK 99835

Parcel ID: 10745000
WILLIAM/IRENE FERGUSON
FERGUSON, WILLIAM, G./IRENE, G.
207 OBSERVATORY ST
SITKA AK 99835

Parcel ID: 10005000
ORTHODOX CHURCH IN AMERICA
RUSSIAN GREEK MISSION
ORTHODOX CHURCH IN AMERICA
P.O. BOX 697
SITKA AK 99835-0697

Parcel ID: 10033000
BLANCA HERNANDEZ
HERNANDEZ, BLANCA
2435 MARIAN BAY CIRCLE
ANCHORAGE AK 99515

Parcel ID: 10320000
CLIFFORD/SHIRLEY ROBARDS
ROBARDS, CLIFFORD, G./SHIRLEY, E.
P.O. BOX 235
SITKA AK 99835-0235

Parcel ID: 10337000
~~FIRST NATIONAL BANK OF
ANCHORAGE
ATTN: ACCOUNTING SECTION
FIRST NATIONAL BANK ALASKA
P.O. BOX 10-0720
ANCHORAGE AK 99510~~

Parcel ID: 10480000
~~LINDA/NANCY TRIERSCHIED
TRUST/MCGRAW
TRIERSCHEID BUILDING
TRIERSCHEID, L./MC GRAW, NANCY
P.O. BOX 718
SITKA AK 99835-0718~~

Parcel ID: 10521000
KCCR PROPERTIES, LLC
KCCR PROPERTIES, LLC
P.O. BOX 614
SITKA AK 99835-0614

Parcel ID: 10540000
MICHAEL FINN
FINN, MICHAEL, K.
116 KNUTSON DR
SITKA AK 99835

Parcel ID: 10575000
SNOWDEN GROUP, LLC
SNOWDEN GROUP, LLC
P.O. BOX 178
SITKA AK 99835-0178

Parcel ID: 10605000
LOYAL ORDER OF MOOSE, INC.
LOYAL ORDER OF MOOSE
337 LINCOLN ST.
SITKA AK 99835

Parcel ID: 10747000
DORIK/CAROLYN MECHAU/SERVID
MECHAU, DORIK/SERVID, CAROLYN
209 OBSERVATORY ST
SITKA AK 99835

Parcel ID: 10016000
CITY & BOROUGH OF SITKA
~~CITY HALL
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835~~

Parcel ID: 10258000
CITY & BOROUGH OF SITKA
~~CRESCENT HARBOR TIDELANDS
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835~~

Parcel ID: 10325000
LORETTA NESS
NESS, LORETTA, J.
102 WINCHESTER WAY
SITKA AK 99835

Parcel ID: 10339000
LUENOR RENTALS, LLC
LUENOR RENTALS, LLC
111 SAND DOLLAR DR
SITKA AK 99835

Parcel ID: 10482000
U.S. RESERVE
U.S. RESERVE
210 SEWARD ST
SITKA AK 99835

Parcel ID: 10525000
~~TELEPHONE UTILITIES OF
NORTHLAND
ATTN: TAX DEPT.
TELEPHONE UTILITIES OF
NORTHLAND
600 TELEPHONE AVE, MS#8~~

Parcel ID: 10545000
CANDI BARGER
BARGER, CANDI, C.
P.O. BOX 365
SITKA AK 99835-0365

Parcel ID: 10590000
~~SNOWDEN GROUP, LLC
SNOWDEN GROUP, LLC
P.O. BOX 178
SITKA AK 99835-0178~~

Parcel ID: 10740000
CRAIG/BRENDA SHOEMAKER
SHOEMAKER, CRAIG, A./BRENDA, S.
P.O. BOX 2174
SITKA AK 99835-2174

Parcel ID: 10748001
WILLIAM/LIBBY STORTZ
STORTZ, WILLIAM, A./LIBBY
215 OBSERVATORY ST
SITKA AK 99835

White Elephant
Easement Review and Lease Renewal
323 Seward Street

Parcel ID: 10785000
KAREN LUCAS
LUCAS, KAREN, J.
218 OBSERVATORY ST.
SITKA AK 99835

Parcel ID: 10810000
BARNABY/C.A. DOW/MARIE
DOW, BARNABY & MARIE, CHRISTINE
A
6537 17TH AVE NE
SEATTLE WA 98115

Parcel ID: 10825000
ELIZABETH/GEORGE
KILKEARY/HARDISON, III
GEORGE
305 SEWARD STREET
SITKA AK 99835

Parcel ID: 10834001
WHITE ELEPHANT SHOP, INC.
WHITE ELEPHANT(BLDG ONLY)
WHITE ELEPHANT SHOP, INC.
323 SEWARD ST.
SITKA AK 99835

Parcel ID: 10860000
SCOJO, LLC
WESTMARK SITKA
SCOJO, LLC
330 SEWARD ST.
SITKA AK 99835

Parcel ID: 10905000
DOCK STREET BLDG. CORP.
DOCK STREET BLDG. CORP.
P.O. BOX 7920
KETCHIKAN AK 99901-7920

Parcel ID: 16015000
ROBERT/KAREN PARKER
PARKER, ROBERT & KAREN
204 KATILIAN AVE
SITKA AK 99835

Parcel ID: 16656000
ALASKA, STATE OF
TOTEM SQUARE LAWN
ALASKA STATE OF
TOTEM SQ LAWN
SITKA AK 99835

First National Bank of Anchorage
PO Box 10-0720
Anchorage, AK 99510

Trierschield Trust
PO Box 718
Sitka, AK 99835

P&Z Mailing
August 5, 2016

Parcel ID: 10780000
KAREN LUCAS
LUCAS, KAREN
218 OBSERVATORY ST.
SITKA AK 99835

Parcel ID: 10800000
DARRYL/BERNADET
REHKOPF/RASMUSSEN
REHKOPF, DARRYL/RASMUSSEN,
BERNADETTE
210 OBSERVATORY ST.
SITKA AK 99835

Parcel ID: 10820000
STEVEN/KARI FISH/JOHNSON
FISH, STEVEN, T./JOHNSON, KARI, L.
P.O. BOX 6448
SITKA AK 99835-6448

Parcel ID: 10832000
DOROTHY/SHERIE BREEDLOVE
BREEDLOVE, DOROTHY, L./SHERIE,
L.
319-B SEWARD ST.
SITKA AK 99835

Parcel ID: 10835003
DOROTHY/SHERIE BREEDLOVE
BREEDLOVE, DOROTHY, L./SHERIE, L.
319 SEWARD ST., #B
SITKA AK 99835

Parcel ID: 10901000
JAMES/JOYCE MARTIN
MARTIN, JAMES, E./JOYCE, M.
830 FRANKTON RD
HOOD RIVER OR 97031

Parcel ID: 16000000
JAMES/MCGOWAN
MCGOWAN, JAMES, W.
202 KATILIAN, #A
SITKA AK 99835

Parcel ID: 16655001
C/B OF SITKA
BETWEEN TOTEM SQUARE LAWN
C/B OF SITKA
100 LINCOLN ST.
SITKA AK 99835

Parcel ID: 16675000
CITY & BOROUGH OF SIT
(BAILEY'S MARINE
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 10790000
RACHIEL MYRON
MYRON, RACHIEL E.
P.O. BOX 53
TENAKEE SPRINGS AK 99841-0053

Parcel ID: 10815000
BRYAN/DANA HOWEY/JORGENSEN-
HOWEY
HOWEY, BRYAN & JORGENSEN-
HOWEY, DANA
P.O. BOX 506
SITKA AK 99835-0506

Parcel ID: 10830000
S & C/M & G SHAFFER TRUST/TISHER
SHAFFER, ST./CA./TISHER, M/G.L.
315 SEWARD ST
SITKA AK 99835

Parcel ID: 10835002
R. SCOTT/AURA
HARRIS/KRONSPERGER
HARRIS, R. SCOTT/KRONSPERGER,
LAURA, L.
325 SEWARD ST
SITKA AK 99835

Parcel ID: 10900000
CITY & BOROUGH OF SITKA
FIREHALL
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 15997000
SITKA TRIBE OF ALASKA
SHEETKA KWAN NAA KAHINI
SITKA TRIBE OF ALASKA
456 KATILIAN ST.
SITKA AK 99835

Parcel ID: 16655000
SCOJO, LLC
TOTEM SQUARE
SCOJO, LLC
2819 DAWSON ST
ANCHORAGE AK 99503

Parcel ID: 16657000
U.S. FOREST SERVICE
U.S. FOREST SERVICE DOCK
U.S. FOREST SERVICE
204 SIGINAKA WAY
SITKA AK 99835

Telephone Utilities of Northland
600 Telephone Ave, MS #8
Anchorage, AK 99503

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2016-35

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AUTHORIZING THE
EXTENSION OF THE LEASE OF THE LAND AT 323 SEWARD STREET TO NOVEMBER
1, 2046 TO WHITE ELEPHANT SHOP, INC.

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

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

3. **PURPOSE.** The purpose of this ordinance is to facilitate the continued lease of the land underneath the White Elephant thrift shop for an additional thirty years. The City and Borough Assembly recognizes the considerable contributions the organization makes to the community through the revenues from the thrift store. The extension of the lease would provide an additional degree of certainly, encourage building improvements on the site, and further assist the special community asset known as the White E.

4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka.

A. The leasing of the approximately 10,559 square foot parcel known as a Portion of Lots 7, 8, C9, and C10 of Block 8 of US Survey to White Elephant Shop Inc. is hereby authorized with the following terms:

- 1) The parcel is valued at \$127,100.
- 2) The annual lease payments shall be \$1.00 a year consistent with the current lease.
- 3) The lease shall expire on November 1, 2046 which represents a thirty year extension of the lease that would otherwise expire on November 1, 2016.
- 4) The lease may be extended after November 1, 2046 for two five year increments by simple motion of the City and Borough Assembly.

B. The Administrator is authorized to execute a lease document consistent with the terms of this ordinance, SGC Title 18 that governs municipal leases, and, existing municipal policies.

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 September, 2016.

Matthew Hunter, Deputy Mayor

ATTEST:

Sara Peterson, CMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 16-36 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 9/6/2016 In control: City and Borough Assembly

On agenda: 9/13/2016 Final action:

Title: Authorizing the lease of 7082 square feet of ATS 15 tidelands adjacent 1 Lincoln Street to Petro Marine Services

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Ord 2016-36.pdf](#)

[Petro Marine Services Tidelands Lease rotated.pdf](#)

[Ord 2016-36.pdf](#)

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

POSSIBLE MOTION

I MOVE TO approve Ordinance 2016-36 on
first reading.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

MEMORANDUM

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

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

Subject: Lease of Tidelands to Petro Marine Services

Date: August 30, 2016

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

The Planning Commission heard the request for preliminary approval at their May 17, 2016 meeting. The Commission voted 5-0 to recommend preliminary approval of the tideland lease. The Assembly heard the request for preliminary approval at their June 14, 2016 meeting 6-0 on the consent agenda. The Historic Preservation Commission reviewed the lease and dock project on July 28, 2016, and recommended approval on a 4-0 vote. The Planning Commission approved a minor subdivision to create the lease parcel on August 16, 2016. The plat will be recorded after the lease is finalized. Port and Harbors Commission will review the item at their September 14, 2016 meeting.

The tidelands request is 7109 square feet, and is adjacent to property owned by Harbor Enterprises, Inc. at 1 Lincoln Street. The parcel is a portion of ATS 15. The tidelands are submerged. The applicant states the intent to build a new fuel dock on the tidelands in order to improve customer access to fuel services. In addition, the proposed dock is designed to better contain fuel spills than the existing dock. The applicant has requested a 50 year lease.

The City Assessor, Wendy Lawrence, determined a fee simple assessed value of \$102,300.00. Code assigns an annual lease rate of 4.5%, resulting in a minimum annual lease payment of \$4603.50. Petro Marine Services has an upland property owner preference right, and no other uplands owners have expressed interest in leasing the parcel.

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



LEASE AGREEMENT

BETWEEN

**THE
CITY AND BOROUGH OF SITKA**

AND

**PETRO MARINE SERVICES
7109 Square Feet of ATS 15**

LEASE PREAMBLE.....	1
SPECIAL PROVISIONS	1
ARTICLE I: LEASE, TERM OF LEASE, AND TERMINATION OF SUBLEASE	1
Section 1.1 Conveyance of Estate in Lease.....	1
Section 1.2 Lease Term.	Error! Bookmark not defined.
Section 1.3 Disposition of Improvements and Tenant's Personal Property Following Term of Lease.....	1
Section 1.4 Covenants to Perform.	2
ARTICLE II RENT	2
Section 2.1 Calculation & Method of Payment of Rent During the Initial Five-Year Term of the Lease.....	2
Section 2.2 Cost of Living Adjustment to Lease Rate Upon Exercise of Lease Renewal	2
Section 2.3 Property Tax Responsibility	2
ARTICLE III: RESTRICTIONS UPON USE OF SUBJECT PROPERTY	2
Section 3.1 Tenant's Obligations as to Construction, Maintenance, Repair and Safety.....	2
Section 3.2 CBS's Approval of Certain Alterations or Improvements.	3
Section 3.3 Rights of Access to Subject Property	3
Section 3.4 Additional Conditions of Subleasing.....	4
Section 3.5 Control of Rodents and Other Creatures on Subject Property.	5
ARTICLE IV UTILITY SERVICES & RATES.....	5
Section 4.1 Provision of Utility Services.	5
Section 4.2 CBS Not Liable for Failure of Utilities or Building.....	6
Section 4.3 Janitorial.	8
ARTICLE V LIABILITY.....	6
Section 5.1 Limits on CBS Liability	6
Section 5.2 Limits on Tenant Liability.....	7
Section 5.3 Reimbursement of Costs of Obtaining Possession.....	9
GENERAL PROVISIONS	7
ARTICLE VI DEFINITIONS	7
Section 6.1 Defined Terms.	7
ARTICLE VII INSURANCE.....	8
Section 7.1 Insurance.....	8
Section 7.2 Notification of Claim, Loss, or Adjustment.	8
Section 7.3 Waiver of Subrogation.	8
ARTICLE VIII RESTRICTIONS REGARDING ASSIGNMENT, LEASES, AND TRANSFERS OF SUBJECT PROPERTY.....	9
Section 8.1 Tenant Without Power to Assign, Lease, or Encumber Subject Property.....	9
Section 8.2 Limitations on Leases.....	9

ARTICLE IX USE AND PROTECTION OF THE SUBJECT PROPERTY	9
Section 9.1 Subject Property As Is - Repairs.	9
Section 9.2 Compliance with Laws.	9
Section 9.3 Notification of CBS Public Works Director of Discovery of Contamination.....	10
Section 9.4 Use of Utility Lines.	12
Section 9.5 Permits and Approvals for Activities.	10
ARTICLE X CBS’S RIGHT TO PERFORM TENANT’S COVENANTS; REIMBURSEMENT OF CBS	
FOR AMOUNTS SO EXPENDED.....	10
Section 10.1 Performance of Tenant's Covenants To Pay Money.	10
Section 10.2 CBS's Right To Cure Tenant's Default.....	10
Section 10.3 Reimbursement of CBS and Tenant.	11
ARTICLE XI MECHANICS’ LIENS.....	11
Section 11.1 Discharge of Mechanics' and Other Liens.....	11
ARTICLE XII LIEN FOR RENT AND OTHER CHARGES	11
Section 12.1 Lien for Rent.....	11
ARTICLE XIII DEFAULT PROVISIONS.....	12
Section 13.1 Events of Default.	12
Section 13.2 Assumption or Assignment of Lease to Bankruptcy Trustee.	12
Section 13.3 Remedies in Event of Default.....	13
Section 13.4 Waivers and Surrenders To Be In Writing.	14
ARTICLE XIV CBS’S TITLE AND LIEN	14
Section 14.1 CBS's Title and Lien Paramount.	14
Section 14.2 Tenant Not To Encumber CBS's Interest.	14
ARTICLE XV REMEDIES CUMULATIVE.....	14
Section 15.1 Remedies Cumulative.....	14
Section 15.2 Waiver of Remedies Not To Be Inferred.	15
Section 15.3 Right to Terminate Not Waived.	15
ARTICLE XVI SURRENDER AND HOLDING OVER	15
Section 16.1 Surrender at End of Term.	15
Section 16.2 Rights Upon Holding Over.....	15
ARTICLE XVII MODIFICATION	16
Section 17.1 Modification.	16
ARTICLE XVIII INVALIDITY OF PARTICULAR PROVISIONS.....	16
Section 18.1 Invalidity of Provisions.	16
ARTICLE XIX APPLICABLE LAW AND VENUE	19
Section 19.1 Applicable Law.	16
ARTICLE XX NOTICES	16
Section 20.1 Manner of Mailing Notices.	16
Section 20.2 Notice to Leasehold Mortgagee and Secured Parties.	16
Section 20.3 Sufficiency of Service.	17
Section 20.4 When Notice Deemed Given or Received.....	17

ARTICLE XXI MISCELLANEOUS PROVISIONS	17
Section 21.1 Captions.....	17
Section 21.2 Conditions and Covenants.....	17
Section 21.3 Entire Agreement.....	17
Section 21.4 Time of Essence as to Covenants of Lease.	17
ARTICLE XXII COVENANTS TO BIND AND BENEFIT RESPECTIVE PARTIES AND TO RUN WITH	
THE SUBJECT PROPERTY.....	17
Section 22.1 Covenants to Run with the Subject Property.....	17
ARTICLE XXIII ADDITIONAL GENERAL PROVISIONS	18
Section 23.1 Absence of Personal Liability.	18
Section 23.2 Lease Only Effective As Against CBS Upon Approval of Assembly and	
DOT&PF.	18
Section 23.3 Binding Effects and Attorneys Fees.	18
Section 23.4 Duplicate Originals.....	18
Section 23.5 Declaration of Termination.	18
Section 23.6 Authority.....	18

Exhibits

Exhibit A – Description of the area leased

**LEASE AGREEMENT BETWEEN
CITY AND BOROUGH OF SITKA
AND PETRO MARINE SERVICES**

PREAMBLE

City and Borough of Sitka, 100 Lincoln Street, Sitka, Alaska 99835 ("CBS") and Petro Marine Services, whose mailing address is PO Box 389, Seward, Alaska 99664 ("Tenant"), enter into this Lease Agreement Between City And Borough of Sitka and Petro Marine Services ("Lease"). This Lease consists of the Special Provisions, General Provisions, and the following attached Exhibit:

Exhibit A – Description of the area leased

SPECIAL PROVISIONS

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

Section 1.1 Conveyance of Estate in Lease.

CBS, for and in consideration of the Rents received and of the covenants and agreements made by Tenant, does lease to Tenant, and Tenant leases from CBS, the "Subject Property" as shown on Exhibit A. Exhibit A shows an approximately 7109 square foot parcel of ATS 15 tidelands adjacent 1 Lincoln Street in Sitka, Alaska for purposes of constructing a fuel dock.

Section 1.2 Lease Term.

The Lease term is for fifty (50) years and commences on October 1, 2016, and ends on October 1, 2066, 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 Disposition of Improvements and Tenant's Personal Property Following Term of Lease.

With the exception of such improvements described in the next sentence, Tenant 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 Tenant makes a separate written agreement with CBS to do otherwise. Subject to the provisions of the next sentence, Tenant shall leave behind at no cost to CBS 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 CBS's option, shall become the property of CBS. Tenant shall repay to CBS any costs of removing such improvements or personal property from the Subject Property if CBS does not exercise such option. Subject to CBS's obligations under Subsection 3.1 below, Tenant agrees to leave Subject Property in a neat, clean, and weather-tight condition at the end of the term of the Lease.

Section 1.4 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 Fifty-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, Tenant shall pay Rent each year in advance on the term start date at a rate of \$4603.50/year.

Section 2.2 Cost of Living Adjustment to Lease Rate.

If the option to renew is exercised and approved by CBS Assembly, the Lease rate as set in Section 2.1 will be adjusted annually based on the percentage difference between the "All Items" figure for Anchorage, Alaska in the "Consumer Price Index for All Urban Consumers," beginning with the edition published the soonest after January 1. The adjustment shall occur annually on April 1, and shall apply to all subsequent month's sublease payments. The adjustment shall be determined by dividing the most recent CPI by the preceding year CPI and multiplying the result times the monthly sublease payment and add the result to current sublease payments. Tenant is required to make such adjustments on its own each year.

Section 2.3 Property Tax Responsibility.

Beginning with the term of this Lease and each calendar year after, Tenant will be responsible to pay CBS 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 Tenant's Obligations as to Construction, Maintenance, Repair and Safety

(a) Except as otherwise provided in this Lease, Tenant acknowledges the leasehold is in an "as is" condition. At the sole cost and expense of Tenant and in compliance with all legal requirements, Tenant may purchase, construct, develop, repair, transfer to the Lease property, and/or maintain

any improvements, personal property, fixtures, and other items on the interior Subject Property in a first-class manner using materials of good quality.

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

(c) Tenant shall also use the Subject Property and any improvements placed on the Subject Property only for lawful uses and as specified in the Lease.

(d) Tenant shall confine their equipment, storage and operation to the leasehold area.

(e) Tenant shall not permit the accumulation of waste or refuse matter on the Subject Property, and Tenant 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 CBS or other municipal authorities having jurisdiction. Tenant 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 Tenant.

Section 3.2 CBS's Approval of Certain Alterations or Improvements.

Tenant 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 CBS, 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, Tenant shall comply with all applicable laws and ordinances, and shall submit to the Public Works Director of CBS 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. CBS shall notify Tenant of its approval or objections no later than 30 days after receiving the information described in the previous sentence. In approving or objecting, CBS shall be acting in its proprietary function and not its regulatory function, any such approval in this proprietary function does not relieve Tenant of any obligation to obey the law. Nothing in this Section shall be interpreted to prevent Tenant 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) CBS 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. CBS 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. CBS 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 Tenant's business; and (3) placing

"For Sale" or "For Rent" signs on Subject Property. Tenant shall not charge for any of the access allowed in the situations described in this subsection.

(b) Tenant 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 CBS and any applicable utility company.

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

Section 3.4 Additional Conditions of Subleasing.

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

(a) Tenant will cooperate with CBS equipment and building maintenance contractor and will notify CBS of any maintenance deficiencies or of any equipment failures that require maintenance or repair. Tenant will be provided a 24 hour telephone number to notify CBS of any event that requires immediate response by CBS.

(b) Lease payments will be made in yearly 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 year.

(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% annum.

(d) The charges and fees paid by Tenant to CBS must be separated according to the CBS accounting standards.

(e) CBS will only invoice if Lease payments are delinquent. CBS will only invoice if failure to make Lease payment within 30 days of due date. CBS at its option can terminate the Lease for Tenant's failure to make payment, and in accordance with this Lease.

(f) Tenant 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 Tenant further grants CBS 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) CBS may, upon at least 10 days prior written notice to Tenant, 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 CBS shall not be responsible for any such costs or expenses as a result of suspending such utilities.

(h) Tenant shall timely pay the CBS 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) Tenant shall be responsible for taking any measures that Tenant deems necessary to provide security for their property. CBS is not responsible for theft or vandalism.

(j) CBS sales tax applies to Lease payments. Sales tax rates, limits, exemptions, and exclusions are subject to change by the CBS Assembly.

(k) Tenant shall timely pay all other CBS billings (i.e., electricity, business taxes, etc.).

(l) Failure of Tenant to file and pay such CBS taxes, and pay utilities, assessment payments, etc. may subject this Lease to be terminated.

(m) Petro Marine Services 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.

Tenant 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.

Tenant will pay for utilities, if available.

Section 4.2 Rates for Utility Services Provided by CBS.

Utility rates charged by CBS for utility services shall be those set forth in CBS's Customer Service Policy and/or Sitka General Code. Tenant acknowledges the requirements of Section 9.4 as to utility lines. The Assembly of CBS may change utility rates from time to time by amending the Customer Service Policies and/or Sitka General Code.

Section 4.3 Tenant to Pay for Utility Services.

Tenant 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, CBS shall have the right, but shall not be obligated, to pay it, with the understanding that amounts paid by CBS shall constitute additional rent due and payable under this Lease, and shall be repaid to CBS by Tenant immediately on rendition of a bill by CBS. Interest at the highest rate allowable by law shall be added as a charge for unpaid utility bills paid by CBS on behalf of Tenant. CBS reserves the right to suspend utility services if Tenant does not pay for utility services. Failure to timely pay utility services may also result in CBS terminating this Lease.

Section 4.4 CBS Not Liable for Failure of Utilities or Building.

Except to the extent that any such failure, injury, or other casualty is due to CBS's negligence or breach of any obligation under this Lease, CBS shall not be liable for any failure of building roof, 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. CBS 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 CBS'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.

ARTICLE V LIABILITY

Section 5.1 Limits on CBS Liability Limitation.

Tenant agrees to indemnify, defend, and save harmless CBS 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 CBS, 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. Tenant also agrees to indemnify, defend, and save CBS harmless against and from any and all claims and damages arising, other than due to acts or omissions of CBS, 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 Tenant regarding any act or duty to be performed by Tenant pursuant to the terms of this Lease; and (c) any act or negligence of Tenant or any of its agents, contractors, servants, employees or licensees. Tenant agrees to indemnify, defend, and save harmless CBS from and against all costs, counsel and legal fees, expenses, and liabilities incurred, other than due to acts or omissions of CBS, 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 CBS. The agreements by Tenant do not apply to any claims of damage arising out of the failure of CBS to perform acts or render services in its municipal capacity.

Section 5.2 Limits on Tenant Liability.

Except to the extent of liabilities arising from Tenant's acts or omissions, CBS indemnifies, defends, and holds Tenant 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 CBS's acts or omissions. CBS also agrees to indemnify, defend, and save Tenant harmless against and from any and all claims and damages arising, other than due to acts or omissions of Tenant, during the term of this Lease from (a) any condition of the Subject Property or improvements placed on it by CBS; (b) any breach or default on the part of CBS regarding any act or duty to be performed by CBS pursuant to the terms of the Lease; and (c) any act or negligence of CBS or any of its agents, contractors, servants, employees, or licensees. CBS agrees to indemnify, defend, and save harmless Tenant from and against all costs, counsel and legal fees, expenses, and liabilities incurred, other than due to acts or omissions of Tenant, 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 Tenant.

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 CBS'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 Tenant, 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 Tenant or any sublessee of Tenant, 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 Tenant periodically owes and is obligated to pay CBS 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 subtenant, concessionaire, licensee, or occupant of space in or on the Subject Property holding by or through Tenant; the term "sublease" shall mean any lease, license, concession or other agreement for the use and occupancy of any part of the Subject Property made by any Person holding by or through Tenant, which has been approved by CBS Assembly.

(i) "Term" means the period of time Tenant rents or leases the Subject Property from CBS.

ARTICLE VII INSURANCE

Section 7.1 Insurance

Tenant shall have and maintain property damage and comprehensive general liability insurance in the amount of five million dollars (\$5,000,000), including leasehold improvements. CBS shall be named as an additional insured. Additionally, Tenant shall have the statutory amount of any Worker's Compensation.

Section 7.2 Notification of Claim, Loss, or Adjustment

Tenant shall advise CBS 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 Tenant Without Power to Assign, Lease, or Encumber Subject Property.

Tenant has no power without CBS Assembly approval under this Lease to assign the Lease. Tenant has no power under this Lease to transfer the Subject Property. Tenant 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.

Tenant shall not sublease the Subject Property or any portion of it without the prior written approval of CBS 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. CBS's consent to a sublease of the Subject Property shall not release Tenant from its obligations under the Lease. CBS'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.

Tenant 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 CBS as to their condition or as to the use or occupancy which may be made of them. Tenant assumes the sole responsibility for the condition of the improvements located on the Subject Property. The foregoing shall not be deemed to relieve CBS of its general municipal obligations, or of its obligations under Section 3.1 above or under Subsection 9.1(c) below.

Section 9.2 Compliance with Laws.

Tenant shall throughout any term of this Lease, at Tenant'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 CBS of its general obligations to CBS and Borough of Sitka in its municipal capacity.

Section 9.3 Notification of City and Borough of Sitka's Public Works Director of Discovery of Contamination.

Tenant shall promptly notify the Public Works Director of CBS 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.

Tenant 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.

Tenant shall be responsible for obtaining all necessary permits and approvals including food processing for its activities unless otherwise specifically allowed by CBS. Not less than ten (10) days in advance of applying for permits to any public entity other than CBS, Tenant shall provide copies of all permit applications and associated plans and specifications to CBS Director of Public Works to facilitate review by departments of CBS. CBS is not obligated to comment on the permit applications and plans, and the result of any review by CBS does not affect Tenant's obligation to comply with any applicable laws.

ARTICLE X CBS'S RIGHT TO PERFORM TENANT'S COVENANTS; REIMBURSEMENT OF CBS FOR AMOUNTS SO EXPENDED

Section 10.1 Performance of Tenant's Covenants To Pay Money.

Tenant covenants that if it shall at any time default resulting as condition of the Lease 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 Tenant, then CBS may, but shall not be obligated so to do, and without further notice to or demand upon Tenant and without releasing Tenant from any obligations of Tenant under this Lease, make any other payment in a manner and extent that CBS may deem desirable.

Section 10.2 CBS's Right To Cure Tenant's Default.

If there is a default involving the failure of Tenant 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 CBS shall have the right, but shall not be required, to make good any default of Tenant. CBS shall not in any event be liable for inconvenience, annoyance, disturbance, loss of business, or other damage of or to Tenant 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 Tenant under this Lease shall remain unaffected by such work, provided that CBS uses reasonable care under the

circumstances prevailing to avoid unnecessary inconvenience, annoyance, disturbance, loss of business, or other damage to Tenant.

Section 10.3 Reimbursement of CBS and Tenant.

All sums advanced by CBS 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 CBS by Tenant in the respective amounts so advanced. This reimbursement shall be made on demand, or at the option of CBS, may be added to any Rent then due or becoming due under this Lease. Tenant covenants to pay the sum or sums with interest. CBS shall have, in addition to any other right or remedies, the same rights and remedies in the event of the nonpayment by Tenant as in the case of default by Tenant in the payment of any installment of Rent.

Conversely, Tenant shall be entitled to receive from CBS prompt payment or reimbursement on any sums due and owing from CBS to Tenant, together with interest at the highest rate allowed by law. However, nothing contained in this Lease shall entitle Tenant to withhold any Rent due to CBS or to offset or credit any sums against rent, except with respect to unpaid Rent due from CBS to Tenant under any sublease of Subject Property.

ARTICLE XI MECHANIC'S LIENS

Section 11.1 Discharge of Mechanics' Liens.

Tenant shall neither suffer nor permit any mechanics' liens to be filed against the title to the Subject Property, nor against Tenant'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 Tenant or anyone having a right to possession of the Subject Property or Improvements as a result of an agreement with or the assent of Tenant. If any mechanics' lien shall be filed against the Subject Property, including the Improvements, Tenant shall cause it to be discharged of record within 30 days after the date that Tenant has knowledge of its filing. Failure to comply may subject the Lease to be terminated.

ARTICLE XII LIEN FOR RENT AND OTHER CHARGES

Section 12.1 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 CBS under the provisions of this Lease, and all costs, attorney's fees and other expenses which may be incurred by CBS in enforcing the provisions of this Lease or on account of any delinquency of Tenant 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 Tenant, except the Subject Property, and may be enforced by law and equitable remedies, including the appointment of a receiver.

ARTICLE XIII DEFAULT PROVISIONS

Section 13.1 Events of Default.

Each of the following events is defined as an "Event of Default":

- (a) Failure of Tenant 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 CBS to Tenant.
- (b) Failure of Tenant 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 CBS's notice in writing. The notice shall specify the respects in which CBS contends that Tenant has failed to perform any of the covenants, conditions and agreements. With respect to any default which cannot be cured within thirty (30) days, Tenant, or any person holding by, through or under Tenant, 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 Tenant (the term, for this purpose, to include any approved transferee other than a sublessee of Tenant'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 Tenant 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 13.2 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 CBS 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 13.3 Remedies in Event of Default.

CBS 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 Tenant and each Secured Party and Leasehold Mortgagee of whom CBS has notice (such notice not to be effective unless served on each such person) of the Event of Default, CBS shall have, in addition to other remedies provided by law, one or more of the following remedies:

(a) CBS may terminate this Lease. In such an event, CBS 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 Tenant 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 CBS. Any personal property not removed after such termination shall be addressed as provided for in Section 1.3 above.

(b) CBS may terminate Tenant'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 Tenant (except as above expressly provided for) and without terminating this Lease. In such event, CBS 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 CBS (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, CBS may make any repairs, changes, alterations or additions in or to the Subject Property and Improvements that may be reasonably necessary or convenient in CBS's judgment reasonably exercised. If CBS 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 Tenant shall pay to CBS 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, Tenant shall satisfy and pay any deficiency upon demand from time to time. Tenant acknowledges that CBS 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 Tenant shall be no defense to any subsequent action brought for any amount not reduced to judgment in favor of CBS. 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 Tenant of any of the terms, covenants, agreements, provisions or conditions in this Lease, CBS 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 Tenant's right of possession, whether by lapse of time or at the option of CBS, Tenant 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, CBS 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. CBS may at its option seek expedited consideration to obtain possession if CBS determines that the Lease has terminated as described in the first sentence of this paragraph, and Tenant agrees not to oppose such expedited consideration.

(e) In the event that Tenant 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 Tenant 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, CBS 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, CBS shall have the right to carry out or complete the work on behalf of Tenant without terminating this Lease.

Section 13.4 Waivers and Surrenders To Be In Writing.

No covenant or condition of this Lease shall be deemed to have been waived by CBS unless the waiver be in writing, signed by CBS, or CBS'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 Tenant from the obligation, wherever required under this Lease, to obtain the consent of CBS to any other act or matter.

ARTICLE XIV CBS'S TITLE AND LIEN

Section 14.1 CBS's Title and Lien Paramount.

CBS will hold title to the Subject Property.

Section 14.2 Tenant Not To Encumber CBS's Interest.

Tenant shall have no right or power to and shall not in any way encumber the title of CBS regarding the Subject Property. The fee-simple estate of CBS 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 Tenant. Tenant's interest in the Improvements shall in all respects be subject to the paramount rights of CBS in the Subject Property.

ARTICLE XV REMEDIES CUMULATIVE

Section 15.1 Remedies Cumulative.

No remedy conferred upon or reserved to CBS 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 CBS may be exercised from time to time and as often as occasion may arise or as may be deemed expedient by CBS. No delay or omission of CBS 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 15.2 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 15.3 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 CBS to declare ended the term granted and to terminate this Lease because of any event of default.

ARTICLE XVI SURRENDER AND HOLDING OVER**Section 16.1 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, Tenant shall peaceably and quietly leave, surrender and deliver the entire Subject Property to CBS, 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, Tenant shall also surrender any and all security deposits and rent advances of Sublessees to the extent of any amounts owing from Tenant to CBS. If the Subject Property is not so surrendered, Tenant shall repay CBS for all expenses which CBS shall incur by reason of it, and in addition, Tenant shall indemnify, defend and hold harmless CBS from and against all claims made by any succeeding Tenant against CBS, founded upon delay occasioned by the failure of Tenant to surrender the Subject Property.

Section 16.2 Rights Upon Holding Over.

At the termination of this Lease, by lapse of time or otherwise, Tenant shall yield up immediately possession of the Subject Property to CBS and failing to do so agrees at the option of CBS, to pay to CBS for the whole time such possession is withheld, a sum per day equal to one hundred and seventy-five percent (175%) times $1/365^{\text{th}}$ of the aggregate of the Rent paid or payable to CBS during the last year of the term of the Lease. The provisions of this Article shall not be held to be a waiver by CBS 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 Tenant under this Lease.

ARTICLE XVII MODIFICATION

Section 17.1 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 CBS and Tenant.

ARTICLE XIII INVALIDITY OF PARTICULAR PROVISIONS

Section 18.1 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 XIX APPLICABLE LAW AND VENUE

Section 19.1 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 XX NOTICES

Section 20.1 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 CBS or Tenant, 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 CBS 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 Tenant, 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 20.2 Notice to Leasehold Mortgagee and Secured Parties.

CBS shall provide each Leasehold Mortgagee and Secured Party, who has so requested, copies of all notices from CBS to Tenant 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 CBS or Tenant 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 CBS and Tenant.

Section 20.3 Sufficiency of Service.

Service of any demand or notice as in this Article provided shall be sufficient for all purposes.

Section 20.4 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 XXI MISCELLANEOUS PROVISIONS**Section 21.1 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 21.2 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 21.3 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 21.4 Time of Essence as to Covenants of Lease.

Time is of the essence as to the covenants in this Lease.

ARTICLE XXII COVENANTS TO BIND AND BENEFIT RESPECTIVE PARTIES AND TO RUN WITH THE SUBJECT PROPERTY**Section 22.1 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 XXIII ADDITIONAL GENERAL PROVISIONS

Section 23.1 Absence of Personal Liability.

No member, official, or employee of CBS shall be personally liable to Tenant, its successors and assigns, or anyone claiming by, through or under Tenant or any successor in interest to the Subject Property, in the event of any default or breach by CBS or for any amount which may become due to Tenant, 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 Tenant shall be personally liable to CBS, its successors and assigns, or anyone claiming by, through, or under CBS or any successor in interest to the Subject Property, in the event of any default or breach by Tenant or for any amount which become due to CBS, its successors and assigns, or any successor in interest to the Subject Property, or on any obligation under the terms of this Lease.

Section 23.2 Lease Only Effective As Against CBS Upon Assembly Approval.

This Lease is effective as against CBS only upon the approval of such Lease by the Assembly of CBS.

Section 23.3 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 23.4 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 23.5 Declaration of Termination.

With respect to CBS's rights to obtain possession of the Subject Property or to revest title in itself with respect to the leasehold estate of Tenant in the Subject Property, CBS 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 Tenant in the Subject Property, and the revesting of any title in CBS as specifically provided in this Lease.

Section 23.6 Authority.

CBS and Tenant 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.

Petro Marine Services

, Registered Agent

STATE OF ALASKA)
) ss:
FIRST JUDICIAL DISTRICT)

THIS CERTIFIES that on this ____ day of _____, 2016, personally appeared before me _____, 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 she is the Registered Agent for Petro Marine Services and individually and as registered agent, is authorized to sign this document on and does so freely and voluntarily.

Notary Public for Alaska
My Commission Expires: _____

CITY AND BOROUGH OF SITKA

Mark Gorman, Municipal Administrator

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

THIS CERTIFIES that on this ____ day of _____, 2016, before me, a Notary Public in and for the State of Alaska, personally appeared 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.

Notary Public for Alaska
My Commission Expires: _____

Exhibit A

CERTIFICATE OF OWNERSHIP AND DEDICATION

WE HEREBY CERTIFY THAT WE ARE THE OWNERS OF THE PROPERTY SHOWN AND DESCRIBED HEREON AND THAT WE HEREBY ADOPT THIS PLAN OF SUBDIVISION WITH OUR FREE CONSENT AND DEDICATE ALL STREETS, ALLEYS, WALKS, PARKS AND OTHER OPEN SPACES TO PUBLIC OR PRIVATE USE AS NOTED.

DATE _____ OWNER _____ (SIGNATURE)

DATE _____ OWNER _____ (SIGNATURE)

NOTARY'S ACKNOWLEDGMENT

US OF AMERICA
STATE OF ALASKA
CITY & BOROUGH OF SITKA

THIS IS TO CERTIFY THAT ON THIS _____ DAY OF _____, 20____, BEFORE ME, THE UNDERSIGNED, A NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA, DULY COMMISSIONED AND SWORN, PERSONALLY APPEARED _____

TO ME KNOWN TO BE THE IDENTICAL INDIVIDUAL(S) MENTIONED AND WHO EXECUTED THE WITHIN PLAT AND _____ ACKNOWLEDGED TO ME THAT _____ SIGNED THE SAME FREELY AND VOLUNTARILY FOR THE USES AND PURPOSES THEREIN SPECIFIED

WITNESS MY HAND AND NOTARY SEAL THE DAY AND YEAR IN THIS CERTIFICATE FIRST HEREIN WRITTEN.

MY COMMISSION EXPIRES _____

NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA

CERTIFICATE STATE OF ALASKA (FIRST JUDICIAL DISTRICT)

I, THE UNDERSIGNED, BEING DULY APPOINTED AND QUALIFIED, AND ASSESSOR FOR THE CITY & BOROUGH OF SITKA, HEREBY CERTIFY THAT ACCORDING TO THE RECORDS IN MY POSSESSION, THE FOLLOWING DESCRIBED PROPERTY IS CARRIED ON THE TAX RECORDS OF THE CITY & BOROUGH OF SITKA, IN THE NAME OF _____

AND THAT ACCORDING TO THE RECORDS IN MY POSSESSION, ALL TAXES ASSESSED AGAINST SAID LANDS AND IN FAVOR OF THE CITY & BOROUGH OF SITKA ARE PAID IN FULL; THAT CURRENT TAXES FOR THE YEAR 20____ WILL BE DUE ON OR BEFORE AUGUST 31, 20____, DATED THIS _____ DAY OF _____.

ASSESSOR, CITY AND BOROUGH OF SITKA

CERTIFICATE OF APPROVAL BY THE BOARD

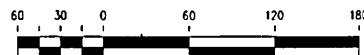
I HEREBY CERTIFY THAT THE SUBDIVISION PLAT SHOWN HEREON HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS OF THE CITY & BOROUGH OF SITKA PLATTING BOARD, AND THAT SAID PLAT HAS BEEN APPROVED BY THE BOARD BY PLAT RESOLUTION NO. _____ DATED _____, 20____, AND THAT THE PLAT SHOWN HEREON HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE DISTRICT MAGISTRATE, EX-OFFICIO RECORDER, SITKA, ALASKA.

DATE _____ CHAIRMAN, PLATTING BOARD

SECRETARY

NOTES

- The purpose of the plat is to subdivide a portion of ATS 15, totaling 7,009 square feet creating a new lot to be leased, adjacent to the deeded tidelands seaward of USS 1276.
- Access to the parcel is provided across the adjacent deeded tidelands parcel described in Book 115, pages 740 and 741, Sitka Recording District and across USS 1276 and Sitka Channel.



O'NEILL

SCALE IN FEET

SURVEYING AND ENGINEERING

BOX 1849 SITKA, ALASKA 99835
PHONE: (907) 747-6700
FAX: (907) 747-7590
EMAIL: onetengr@aol.net

CERTIFICA

I HEREBY CERTIFY THAT I COMPLY WITH THE SUBD AS RECORDED IN MINL AND THAT THE PLAT SHOWN HEREON HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE DISTRICT COURT, EX OFFICIO RECORDER, SITKA, ALASKA.

DATE _____ MAYOR

CITY AND BOROUGH CLERK

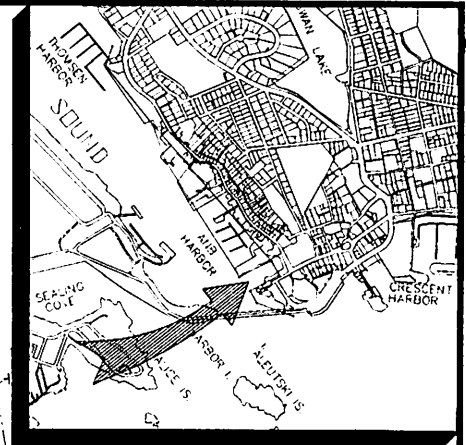
IVEMENT DISTRICT

D. AND FINANCE DIRECTOR
ACCORDING TO THE RECORDS
IN THE CITY & BOROUGH OF SITKA, THE FOLLOWING DESCRIBED PROPERTY IS CARRIED IN THE RECORDS IN THE NAME OF _____

CALL OWNERS OF RECORD; AND THAT, ACCORDING TO THE RECORDS IN MY POSSESSION, ALL LID'S ASSESSED AGAINST SAID LANDS AND IN FAVOR OF THE CITY & BOROUGH OF SITKA ARE PAID IN FULL.

DATED THIS _____ DAY IN _____
20____ AT SITKA, ALASKA

FINANCE DIRECTOR
CITY & BOROUGH OF SITKA



VICINITY MAP

SCALE 1"=1,000'

LEGEND

- ⊕ PRIMARY CONTROL MONUMENT RECOVERED (BRASS CAP)
- ⊕ BLM/GLO PRIMARY BRASS CAP (RECOVERED)
- SECONDARY MONUMENT (SET)
- SECONDARY MONUMENT (RECOVERED)
- (R) RECORDED DATA
- (C) COMPUTED DATA
- (M) MEASURED DATA

DESCRIPTION OF TIDELANDS LEASE PARCEL:

A portion of Alaska Tidelands Survey No. 15, filed as Plat No. 28, April 8, 1963 in the Sitka Recording District, Alaska, lying seaward of Lot 2, U.S. Survey 4691, the plat of which was approved by the Bureau of Land Management in October, 1965, said parcel being more particularly described as follows:

Commencing at a primary survey monument marking the most northerly corner of Lot 2, U.S. Survey 4691, coincident with the most easterly corner of Lot 1, U.S. Survey 4691; thence S 60°00' W 153.78 feet along the northerly boundary of Lot 2; thence N 30°00' W 19.14 feet; thence S 60°00' W 154.44; thence S 30°00' E 30.36 feet; thence S 60°00' W 47.52 feet to the most westerly corner of Lot 2 and the true point of beginning of this description; thence away from Lot 2, S 60°00' W 54.83 feet; thence S 33°41' E 187.21 feet; thence N 57°36' E 2.59 feet to the most westerly corner of Deeded Tideland as described in Book 115, pages 740-742, Sitka Recording District; thence along the northerly boundary of the deeded tidelands N 57°36' E 18.61 feet to the westerly boundary of Lot 2, U.S. Survey 4691; thence along the westerly Lot 2 boundary N 23°22' W 187.19 feet to the true point of beginning, containing 7109 square feet, more or less.

SITKA RECORDING DISTRICT



DESIGNED BY: _____

DRAWN BY: _____

CHECKED BY: _____

DATE OF PLAT: 6/27/2016 11:11 AM

SCALE: 1" = 60'

DRAWING NAME: 30269-05

PROJECT NO: 30269-05

SURVEYOR'S CERTIFICATE

I HEREBY CERTIFY THAT I AM A REGISTERED SURVEYOR, LICENSED IN THE STATE OF ALASKA, AND THAT IN _____ A SURVEY OF THE HEREIN DESCRIBED LANDS WAS CONDUCTED UNDER MY DIRECT SUPERVISION AND THAT THIS PLAT IS A TRUE AND ACCURATE REPRESENTATION OF THE FIELD NOTES OF SAID SURVEY, AND THAT ALL DIMENSIONS AND OTHER DETAILS ARE CORRECT ACCORDING TO SAID FIELD NOTES.

DATE _____ PATRICK M. O'NEILL, LS 6394

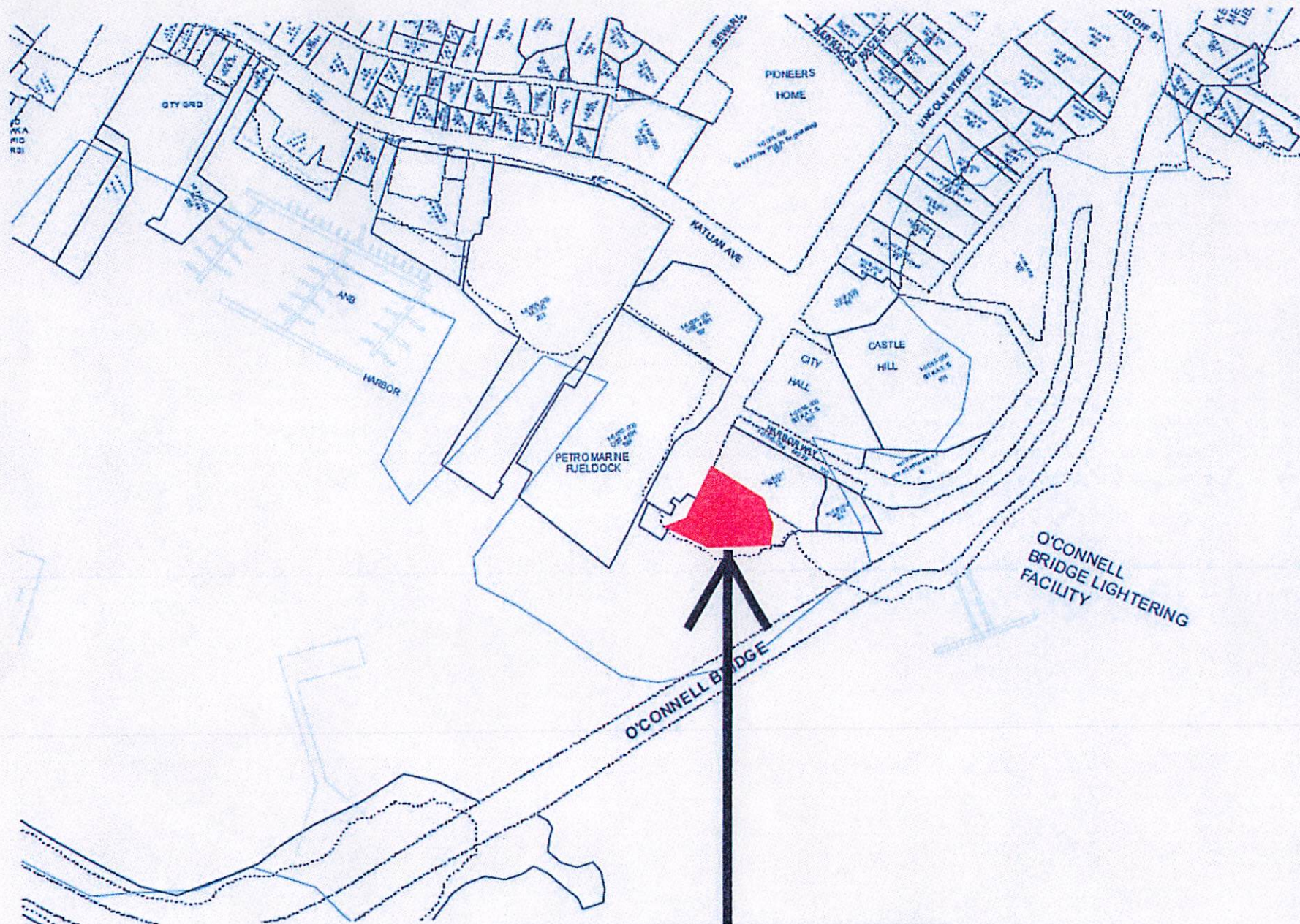
SITKA 3 TIDELAND SUBDIVISION

SUBDIVISION OF ATS 15 FOR THE PURPOSE OF CREATING A LEASE PARCEL SEAWARD OF LOT 2, USS 4691 (U.S. FOREST SERVICE)

CLIENT: PETRO MARINE

BY	DATE	REV.	DESCRIPTION OF CHANGE

RECORD OF REVISIONS



Petro Marine Services
Tideland Lease Request
Adjacent to 1 Lincoln Street



City & Borough of Sitka, Alaska

Selected Parcel: 1 LINCOLN ID: 10010000

Printed on 3/8/2016 from <http://www.mainstreetmaps.com/ak/sitka/internal.asp>

This map is for informational purposes only. It is not for appraisal of, description of, or



MainStreetGIS
MainStreetGIS, LLC
www.mainstreetgis.com

MainStreetGIS, LLC assumes no responsibility for the information contained herein.

Petro Marine Services
Tideland Lease Request
Adjacent to 1 Lincoln Street



Petro Marine Services
Tideland Lease Request
Adjacent to 1 Lincoln Street

PETRO MARINE SITKA SOUTH PLANT

Petro Marine Services
Land Management - Tideland Purchase Request
1 Lincoln Street



**TRANSPAC
MARINAS**



PETRO MARINE SITKA YOUTH PLANT

Petro Marine Services
Land Management - Tideland Purchase Request
1 Lincoln Street



WE HEREBY CERTIFY THAT WE ARE THE OWNERS OF THE PROPERTY SHOWN AND DESCRIBED
HEREON AND THAT WE HEREBY ADOPT THIS PLAN OF SUBDIVISION WITH OUR FREE CONSENT
AND DEDICATE ALL STREETS, ALLEYS, WALKS, PARKS AND OTHER OPEN SPACES TO
PUBLIC OR PRIVATE USE AS NOTED.

DATE _____ OWNER _____ (SIGNATURE) _____

DATE _____ OWNER _____ (SIGNATURE) _____

US OF AMERICA
STATE OF ALASKA
CITY & BOROUGH OF SITKA

THIS IS TO CERTIFY THAT ON THIS _____ DAY OF _____, 20____, BEFORE ME,
THE UNDERSIGNED, A NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA, DULY
COMMISSIONED AND SWORN, PERSONALLY APPEARED _____

TO ME KNOWN TO BE THE IDENTICAL INDIVIDUAL(S) MENTIONED AND WHO EXECUTED THE WITHIN PLAT AND _____ ACKNOWLEDGED TO ME THAT _____ SIGNED THE SAME FREELY AND VOLUNTARILY FOR THE USES AND PURPOSES THEREIN SPECIFIED.

WITNESS MY HAND AND NOTARY SEAL THE DAY AND YEAR IN THIS CERTIFICATE FIRST
HEREIN WRITTEN.

MY COMMISSION EXPIRES _____

NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA

I, THE UNDERSIGNED, BEING DULY APPOINTED AND QUALIFIED, AND ASSESSOR FOR THE CITY & BOROUGH OF SITKA, HEREBY CERTIFY THAT ACCORDING TO THE RECORDS IN MY POSSESSION, THE FOLLOWING DESCRIBED PROPERTY IS CARRIED ON THE TAX RECORDS OF THE CITY & BOROUGH OF SITKA, IN THE NAME OF _____

AND THAT ACCORDING TO THE RECORDS IN MY POSSESSION, ALL TAXES ASSESSED AGAINST SAID LANDS AND IN FAVOR OF THE CITY & BOROUGH OF SITKA ARE PAID IN FULL; THAT CURRENT TAXES FOR THE YEAR 20____ WILL BE DUE ON OR BEFORE AUGUST 31, 20____ DATED THIS____ DAY OF____.

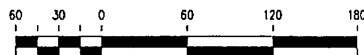
ASSESSOR, CITY AND BOROUGH OF SYRACUSE

I HEREBY CERTIFY THAT THE SUBDIVISION PLAT SHOWN HEREON HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS OF THE CITY & BOROUGH OF SITKA PLANNING BOARD, AND THAT SAID PLAT HAS BEEN APPROVED BY THE BOARD BY PLAT RESOLUTION NO. _____ DATED _____ 20____, AND THAT THE PLAT SHOWN HEREON HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE DISTRICT MAGISTRATE, EX-OFFICIO RECORDER, SITKA, ALASKA.

DATE _____ CHAIRMAN, PLATTING BOARD

SECRETARY _____

- 1) The purpose of the plat is to subdivide a portion of A1S 15 totaling 7,109 square feet creating a new lot to be leased, adjacent to the deeded tidelands square of USS 1276
- 2) Access to the parcel is provided across the adjacent deeded tidelands parcel described in Book 115, pages 740 and 741, Sitka Recording District and across USS 1276 and Sitka Channel.



O'NEILL
SURVEYING AND ENGINEERING

BOX 1849 SITKA, ALASKA 99835
PHONE: (907) 747-6700
FAX: (907) 747-7590
EMAIL: onellengr@ok.net

I HEREBY CERTIFY THAT THE SUBDIVISION PLAT SHOWN HEREON HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS OF THE CITY & BOROUGH OF SITKA ASSEMBLY AS RECORDED IN MINUTE BOOK _____ PAGE _____ DATED _____ 20 _____ AND THAT THE PLAT SHOWN HEREON HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE DISTRICT COURT, EX OFFICIO RECORDER, SITKA, ALASKA.

DATE _____ MAYOR _____

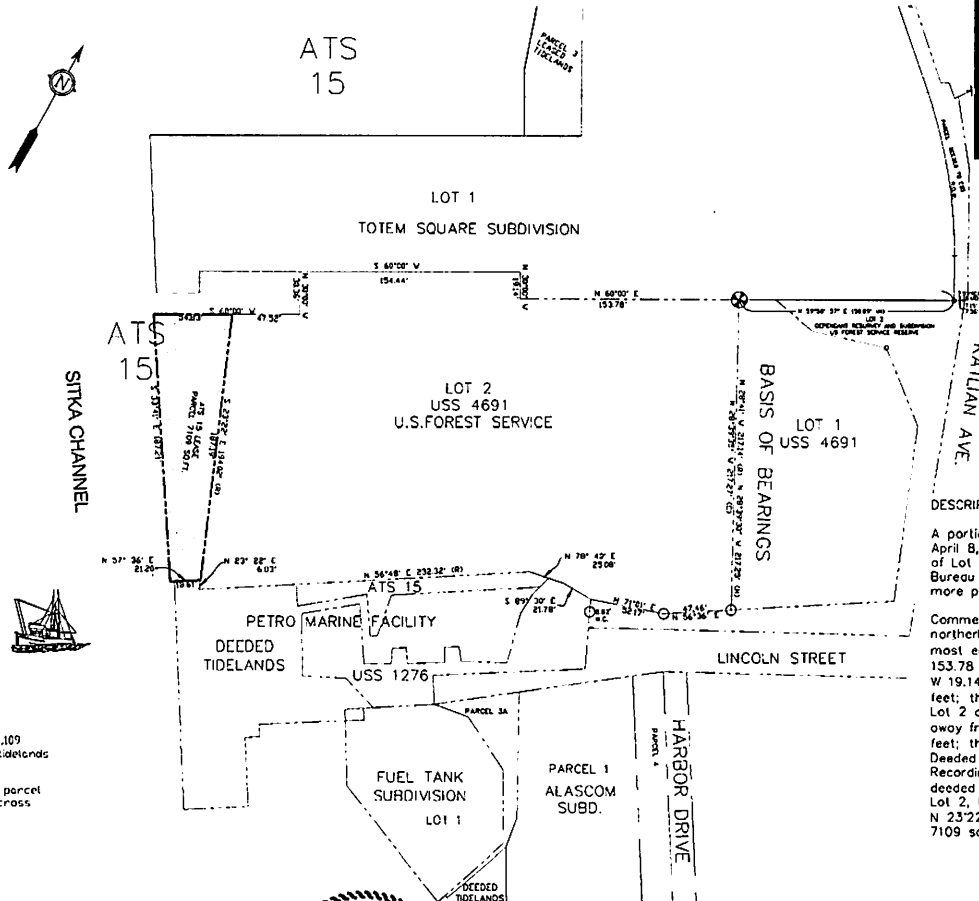
CITY AND BOROUGH CLERK

I, THE UNDERSIGNED, BEING DULY APPOINTED AND QUALIFIED, AND FINANCE DIRECTOR FOR THE CITY & BOROUGH OF SITKA, DO HEREBY CERTIFY THAT, ACCORDING TO THE RECORDS OF THE CITY & BOROUGH OF SITKA, THE FOLLOWING DESCRIBED PROPERTY IS CARRIED ON THE RECORDS IN THE NAME OF: _____

ALL OWNERS OF RECORD), AND THAT, ACCORDING TO THE RECORDS IN MY POSSESSION,
ALL L.I.D.'S ASSESSED AGAINST SAID LANDS AND IN FAVOR OF THE CITY & BOROUGH
OF SITKA ARE PAID IN FULL.

DATED THIS ____ DAY OF ____
20 ____, AT SITKA, ALASKA

FINANCE DIRECTOR
CITY & BOROUGH OF SITKA



SCALE 1"=1,000'

- PRIMARY CONTROL MONUMENT RECOVERED (BRASS CAP)
- ⊕ BLU/GLD PRIMARY BRASS CAP (RECOVERED)
- SECONDARY MONUMENT (SEI)
- SECONDARY MONUMENT (RECOVERED)
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DESCRIPTION OF TIDELANDS LEASE PARCEL:

A portion of Alaska Tidelands Survey No. 15, filed as Plat No. 28, April 8, 1963 in the Sitka Recording District, Alaska, lying seaward of Lot 2, U.S. Survey 4691, the plat of which was approved by the Bureau of Land Management in October, 1965, said parcel being more particularly described as follows:

Commencing at a primary survey monument marking the most northerly corner of Lot 2, U.S. Survey 4691, coincident with the most easterly corner of Lot 1, U.S. Survey 4691; thence S 60°00' W 153.78 feet along the northerly boundary of Lot 2; thence N 30°00' W 19.14 feet; thence S 60°00' W 154.44; thence S 30°00' E 30.36 feet; thence S 60°00' W 47.52 feet to the most westerly corner of Lot 2 and the true point of beginning of this description; thence away from Lot 2, S 60°00' W 54.83 feet; thence S 33°41' E 187.21 feet; thence N 57°36' E 2.59 feet to the most westerly corner of Deeded Tideland as described in Book 115, pages 740-742, Sitka County, Alaska District; thence along the northerly boundary of Deeded Tideland, S 73°36' E 161 feet to the westerly boundary of Lot 2, U.S. Survey 4691; thence along the westerly boundary of Lot 2, U.S. Survey 4691, S 23°22' W 187.19 feet to the true point of beginning, containing 7109 square feet, more or less.

SITKA RECORDING DISTRICT

DESIGNED: P. SWEILL
DRAWN: JCH/ACAD
CHECKED: PKT
DATE OF PLAT: 6/27/2016 11:11 AM
SCALE: 1" = 60'
DRAWING NAME: 30269-05
PROJECT NO: 30269-05

I HEREBY CERTIFY THAT I AM A REGISTERED SURVEYOR, LICENSED IN THE STATE OF ALASKA, AND THAT BY _____ A SURVEY OF THE HEREIN DESCRIBED LANDS WAS CONDUCTED UNDER MY DIRECT SUPERVISION, AND THAT THIS PLAN IS A TRUE AND ACCURATE REPRESENTATION OF THE FIELD NOTES OF SAID SURVEY, AND THAT ALL DIMENSIONS AND OTHER DETAILS ARE CORRECT ACCORDING TO SAID FIELD NOTES.

DATE PATRICK M O'NEILL LS 6304

SUBDIVISION OF ATS 15 FOR THE PURPOSE
OF CREATING A LEASE PARCEL SEAWARD OF
LOT 2, USS 4691 (U.S. FOREST SERVICE)

CLIENT: PETRO MARINE

[illegible]

CERTIFICATE OF PAYMENT OF LOCAL IMPROVEMENT DISTRICT

I, THE UNDERSIGNED, BEING DULY APPOINTED AND QUALIFIED AND ACTING FINANCE DIRECTOR FOR THE CITY AND BOROUGH OF SITKA, DO HEREBY CERTIFY THAT, ACCORDING TO THE RECORDS OF THE CITY AND BOROUGH OF SITKA, THE FOLLOWING DESCRIBED PROPERTY IS CARRIED ON THE RECORDS IN THE NAME OF:

City & Borough of Sitka, AK

AND, THAT, ACCORDING TO THE RECORDS IN MY POSSESSION, ALL L.I.D.'s ASSESSED AGAINST SAID LANDS AND IN FAVOR OF THE CITY AND BOROUGH OF SITKA ARE PAID IN FULL.

DATED THIS 23rd DAY OF July, 1998,

Edwin Barnett Simmons
FINANCE DIRECTOR, CITY AND BOROUGH OF SITKA.

CERTIFICATE OF APPROVAL BY THE BOARD

I HEREBY CERTIFY THAT THE SUBDIVISION PLAT SHOWN HEREON HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS OF THE CITY AND BOROUGH OF SITKA PLATING BOARD, AND THAT SAID PLAT HAS BEEN APPROVED BY THE BOARD BY PLAT RESOLUTION

NO. P 98-14 DATED JUNE 1, 1998
AND THAT THE PLAT HEREON HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE DISTRICT COURT, EX OFFICIO RECORDER, SITKA, ALASKA.

7-16-98
DATE CHAIRMAN

ATTEST:
Edwin Barnett Simmons
SECRETARY
SEAL:

CERTIFICATE OF APPROVAL BY THE ASSEMBLY

I HEREBY CERTIFY THAT THE SUBDIVISION PLAT SHOWN HEREON HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS OF THE CITY AND BOROUGH OF SITKA, AND THAT SAID PLAT HAS BEEN APPROVED BY THE ASSEMBLY AS RECORDED IN MINUTE BOOK NA.

PAGE NA DATED NA
AND THAT THE PLAT SHOWN HEREON HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE DISTRICT COURT, EX OFFICIO RECORDER, SITKA, ALASKA.

7-16-98
DATE MAYOR

ATTEST:
William H. Brown
CLERK

CERTIFICATE

STATE OF ALASKA } SS
1ST JUDICIAL DISTRICT }

I, THE UNDERSIGNED, BEING DULY APPOINTED AND QUALIFIED AND ACTING ASSESSOR FOR THE CITY AND BOROUGH OF SITKA, DO HEREBY CERTIFY THAT, ACCORDING TO THE RECORDS OF THE CITY AND BOROUGH OF SITKA, THE FOLLOWING DESCRIBED PROPERTY IS CARRIED ON THE TAX RECORDS IN THE NAME OF:

City & Borough of Sitka, Alaska

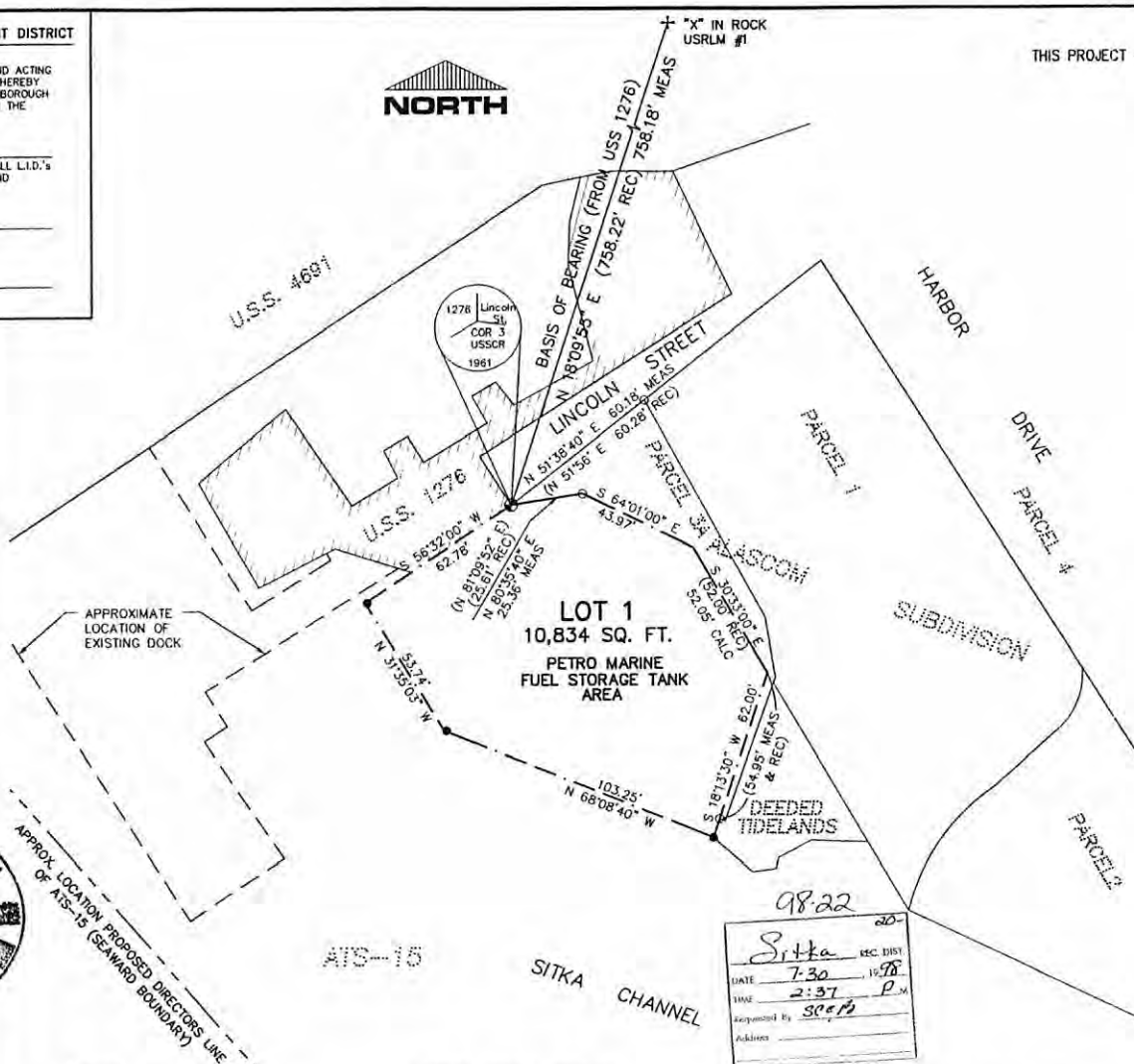
AND THAT, ACCORDING TO THE RECORDS IN MY POSSESSION, ALL TAXES ASSESSED AGAINST SAID LANDS IN FAVOR OF THE CITY AND BOROUGH ARE PAID IN FULL, THAT CURRENT TAXES FOR THE YEAR

1998 WILL BE DUE ON OR BEFORE August 31, 1998
DATED THIS 16th DAY OF July, 1998
AT SITKA, ALASKA.

Edwin Barnett Simmons
ASSESSOR, CITY AND BOROUGH OF SITKA.

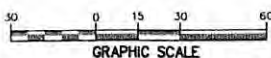
PLAT NOTES

1. THE PURPOSE OF THIS PLAT IS TO SUBDIVIDE A PORTION OF ATS-15 INTO THE CONFIGURATION SHOWN HEREON.



LEGEND

- FND BRASS CAP MONUMENT
- 1-1/2" ALUM CAP ON 5/8" REBAR SET IN CONCRETE THIS SURVEY
- CORNER MONUMENT FOUND THIS SURVEY



TYPICAL PROP CORNER

- 1-1/2" ALUM CAP SET ON 5/8" REBAR (UNLESS NOTED OTHERWISE)



NOTE

THE POSITION OF THE FOUND BRASS CAP MONUMENT MARKED AS COR 3, USSCR, 1276, LINCOLN ST, 1961 WAS HELD AS THE TRUE CORNER NO. 3, M.C. OF USS 1276 AND COR 3 OF U.S. SIGNAL CORPS RESERVE AS INDICATED ON THE RESPECTIVE PLATS. TIES TO ADJACENT PROPERTY CORNERS FROM THIS MONUMENT ARE SHOWN AS MEAS. ON THIS PLAT.

SURVEYOR'S CERTIFICATE
I HEREBY CERTIFY THAT I AM PROPERLY REGISTERED

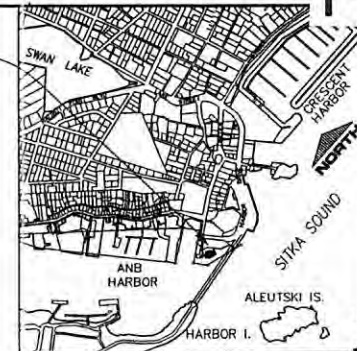


Petro Marine Services
Tideland Lease Request
Adjacent to 1 Lincoln Street

PREPARED BY: **STRAGIER ENGINEERING SERVICES, INC.**

CIVIL & STRUCTURAL ENGINEERING
LAND, CADASTRAL & TOPOGRAPHIC SURVEYS
504 DeGruft St., Sitka, Alaska 99835
TEL: 907-747-5833 FAX: 907-747-4983
email: esengr@steloalaska.net

THIS PROJECT



VICINITY MAP
SCALE 1" = 1000'

STATE OF ALASKA
NOTARY PUBLIC
EDWINA BARNETT SIMMONS
My Commission Expires Nov. 18, 2001

CERTIFICATE OF OWNERSHIP AND DEDICATION

I HEREBY CERTIFY THAT I AM THE OWNER OF THE PROPERTY SHOWN AND DESCRIBED HEREON AND THAT I HEREBY ADOPT THIS PLAN OF SUBDIVISION WITH MY FREE CONSENT AND DEDICATE ALL PUBLIC STREETS, ALLEYS, WALKS, PARKS AND OTHER OPEN SPACES TO PUBLIC OR PRIVATE USE AS NOTED.

7/28/98
DATE
OWNER: *City & Borough of Sitka*
ADMINISTRATOR

THE NOTARY'S ACKNOWLEDGEMENT

STATE OF ALASKA } SS
FIRST JUDICIAL DISTRICT }
CITY AND BOROUGH OF SITKA }

THIS IS TO CERTIFY THAT ON THIS 28th DAY OF

July, 1998, BEFORE ME, THE UNDERSIGNED, A NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA, DULY COMMISSIONED AS SHOWN PERSONALLY APPEARED:

GARY L. PAXTON
TO ME KNOWN TO BE IDENTICAL INDIVIDUAL(S) MENTIONED AND WHO EXECUTED THE WITHIN PLAT AND

HE ACKNOWLEDGED TO ME THAT

HE SIGNED THE NAME FREELY AND VOLUNTARILY FOR THE USES AND PURPOSES THEREIN SPECIFIED.

WITNESS MY HAND AND NOTARIAL SEAL THE DAY AND YEAR IN THIS CERTIFICATE FIRST HEREIN WRITTEN.

Edwin Barnett Simmons
NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA.

MY COMMISSION EXPIRES Nov. 18, 2001

FUEL TANK SUBDIVISION
A SUBDIVISION OF A PORTION OF ATS 15
ADJACENT TO ALASCOM SUBD & USS 1276

JOB NO:	3066	CHECKED BY:	BABE	DATE:	5/18/98
DRAWN BY:	DD	SCALE:	1"=30'		
PREPARED BY:	PETRO MARINE #1 LINCOLN STREET SITKA, ALASKA 99835				

CERTIFICATE OF OWNERSHIP AND DEDICATION

WE HEREBY CERTIFY THAT WE ARE THE OWNERS OF THE PROPERTY SHOWN AND DESCRIBED HEREON AND THAT WE HEREBY ACCEPT THIS PLAN OF SUBDIVISION WITH OUR FREE CONSENT AND DEDICATE ALL STREETS, ALLEYS, WALKS, PARKS AND OTHER OPEN SPACES TO PUBLIC OR PRIVATE USE AS NOTED.

DATE 5-20-78 James W. Wilson
OWNER (SIGNATURE)

DATE _____ OWNER (SIGNATURE)

NOTARY'S ACKNOWLEDGMENT

US OF AMERICA
STATE OF ALASKA
CITY & BOROUGH OF SITKA

THIS IS TO CERTIFY THAT ON THIS 20th DAY OF May, 1978, BEFORE ME, THE UNDERSIGNED, A NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA, DULY COMMISSIONED AND SHOWN PERSONALLY APPEARED James W. Wilson, TO ME KNOWN TO BE THE IDENTICAL INDIVIDUALS MENTIONED AND WHO ENJOYED THE WITHIN PLAT AND I HAVE ACKNOWLEDGED TO ME THAT HE SIGNED THE SAME FREELY AND VOLUNTARILY FOR THE USES AND PURPOSES THEREIN SPECIFIED.

WITNESS MY HAND AND NOTARY SEAL THE DAY AND YEAR IN THIS CERTIFICATE FIRST HEREIN WRITTEN.

James W. Wilson
NOTARY PUBLIC FOR THE STATE OF ALASKA
MY COMMISSION EXPIRES 2/1/79

CERTIFICATE STATE OF ALASKA (FIRST JUDICIAL DISTRICT)

I, THE UNDERSIGNED, BEING DULY APPOINTED AND QUALIFIED, AND ASSESSOR FOR THE CITY & BOROUGH OF SITKA, HEREBY CERTIFY THAT ACCORDING TO THE RECORDS IN MY POSSESSION, THE FOLLOWING DESCRIBED PROPERTY IS CARRIED ON THE TAX RECORDS OF THE CITY & BOROUGH OF SITKA, IN THE NAME OF Alascom Inc. (TIA) CIVIL ALASKA, AND THAT ACCORDING TO THE RECORDS IN MY POSSESSION, ALL TAXES ASSESSED AGAINST SAID LANDS AND IN FAVOR OF THE CITY & BOROUGH OF SITKA ARE PAID IN FULL; THAT CURRENT TAXES FOR THE YEAR TO 1978, WILL BE DUE ON OR BEFORE AUGUST 31, 1978, DATED THIS 20th DAY OF May, 1978.

James W. Wilson
ASSESSOR, CITY AND BOROUGH OF SITKA

CERTIFICATE OF APPROVAL BY THE BOARD

I HEREBY CERTIFY THAT THE SUBDIVISION PLAT SHOWN HEREON HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS OF THE CITY & BOROUGH OF SITKA PLATTING BOARD, AND THAT SAID PLAT HAS BEEN APPROVED BY THE BOARD BY PLAT RESOLUTION NO. 61A-28-2, DATED April 22, 1978, AND THAT THE PLAT SHOWN HEREON HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE DISTRICT MAGISTRATE, EX-OFFICIO RECORDER, SITKA, ALASKA.

DATE 5-22-78 John A. Jensen
DISTRICT PLATTING BOARD

CERTIFICATE OF APPROVAL BY THE ASSEMBLY

I HEREBY CERTIFY THAT THE SUBDIVISION PLAT SHOWN HEREON HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS OF THE CITY & BOROUGH OF SITKA ASSEMBLY AS RECORDED IN MINUTE BOOK NA, PAGE NA, DATED NA, 19NA, AND THAT THE PLAT SHOWN HEREON HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE DISTRICT COURT, EX-OFFICIO RECORDER, SITKA, ALASKA.

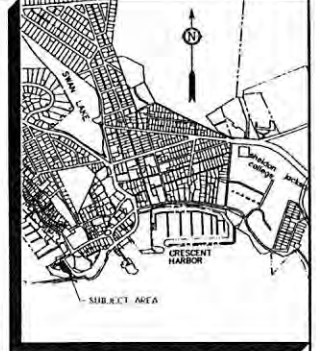
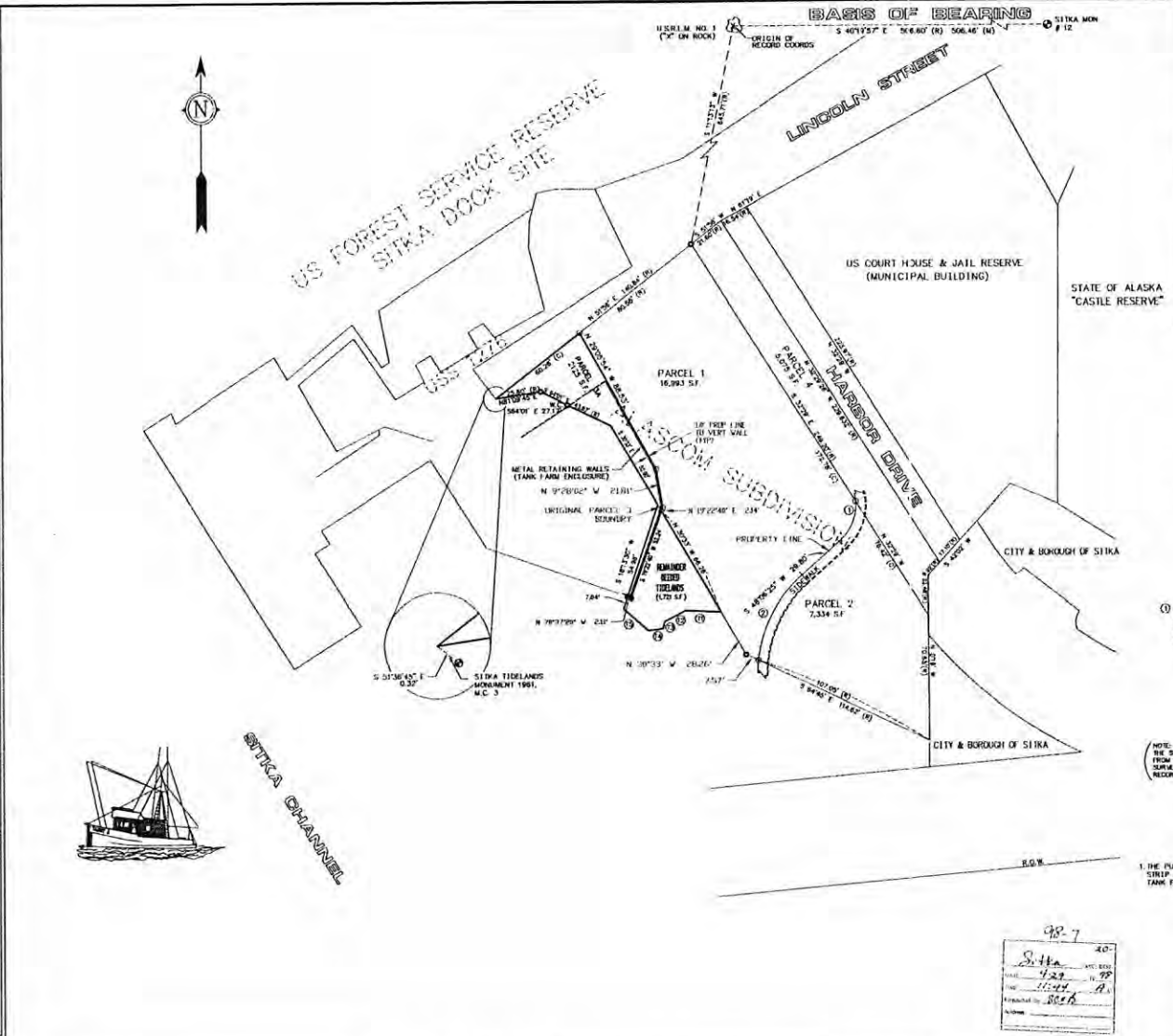
DATE 5-22-78 John A. Jensen
CITY AND BOROUGH CLERK

CERTIFICATE OF PAYMENT OF LOCAL IMPROVEMENT DISTRICT

I, THE UNDERSIGNED, BEING DULY APPOINTED AND QUALIFIED, AND FINANCE DIRECTOR FOR THE CITY & BOROUGH OF SITKA, DO HEREBY CERTIFY THAT, ACCORDING TO THE RECORDS OF THE CITY & BOROUGH OF SITKA, THE FOLLOWING DESCRIBED PROPERTY IS CARRIED ON THE RECORDS IN THE NAME OF Alascom Inc. (TIA) CIVIL ALASKA, (ALL OWNERS OF RECORD) AND THAT, ACCORDING TO THE RECORDS IN MY POSSESSION, ALL L.I.D.'S ASSESSED AGAINST SAID LANDS AND IN FAVOR OF THE CITY & BOROUGH OF SITKA ARE PAID IN FULL.

DATED THIS 21st DAY OF April, 1978, AT SITKA, ALASKA.

John A. Jensen
FINANCE DIRECTOR
CITY & BOROUGH OF SITKA



VICINITY MAP
SCALE 1"=1,000'

LEGEND

- (1) BRASS CAP MONUMENT (RECOVERED)
- (2) ROCK TABLET (RECOVERED)
- (3) SECONDARY MONUMENT (RECOVERED)
- (4) SECONDARY MONUMENT (SET)
- (5) RECORDED DATA
- (6) COMPUTED DATA
- (7) MEASURED DATA

CURVE DATA

Curve	Δ	R	L	Chd Brg
1	57°50'18"	24.35'	1 = 24.35'	Chd Brg = S 213°7'18" W
2	41°45'17"	75.24'	1 = 54.83'	Chd Brg = S 271°3'45" W

TIDELANDS STRIP DATA

Strip	N	E	S	W
1	87°44'36"	20.14'		
2	82°22'54"	13.60'		
3	127°22'42"	4.02'		
4	82°21'38"	8.50'		
5	48°37'22"	18.54'		

PLAT NOTES:

1. THE PURPOSE OF THIS PLAT IS TO ENLARGE PARCEL 3 TO INCLUDE THE STRIP OF DEEDED TIDELANDS THAT ENCOMPASS A PORTION OF THE TANK FARM AND TANK FARM RETAINING WALL.

O'NEILL
LAND SURVEYING AND ENGINEERING

PO BOX 1849 SITKA, ALASKA 99835
(907) 747-6700

RECORD OF REVISIONS

BY	DATE	REV	DESCRIPTION OF CHANGE

DESIGNED: P. O'NEILL
DRAWING: GOS/ACAD
CHECKED: FNO
DATE OF PLAN: MAR 01 1978 - 12-20-78
SCALE: 1" = 30'

SURVEYOR'S CERTIFICATE

I HEREBY CERTIFY THAT I AM A REGISTERED SURVEYOR, LICENSED IN THE STATE OF ALASKA, AND THAT IN MARCH 1978, A SURVEY OF THE HEREIN DESCRIBED LANDS WAS CONDUCTED UNDER MY DIRECT SUPERVISION AND THAT THIS PLAT IS A TRUE AND ACCURATE REPRESENTATION OF THE FIELD NOTES OF SAID SURVEY, AND THAT ALL DIMENSIONS AND OTHER DETAILS ARE CORRECT ACCORDING TO SAID FIELD NOTES.

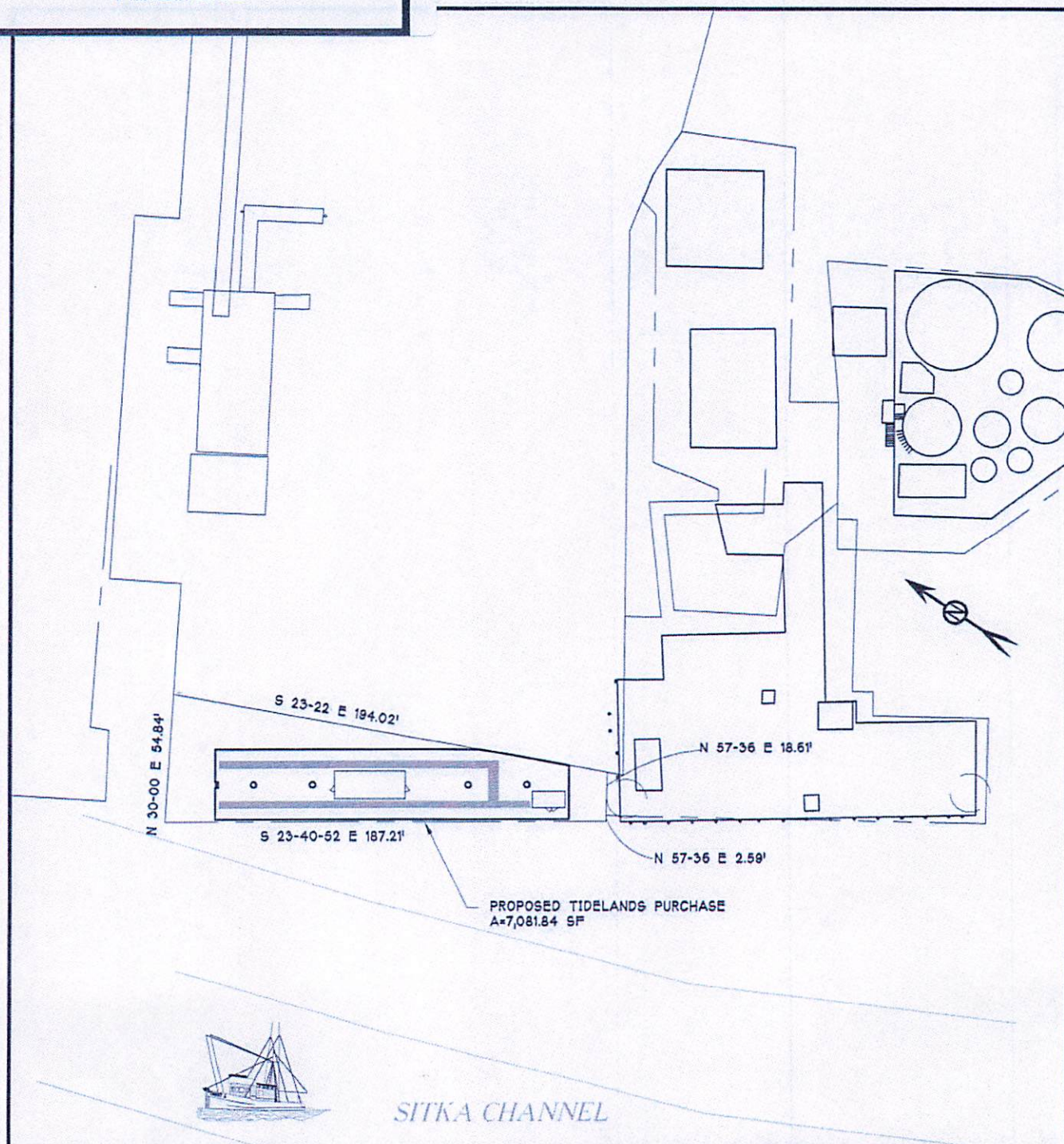
P. O'Neill
REGISTERED SURVEYOR
ALASKA

ALASCOM SUBDIVISION - LOT LINE ADJUSTMENT
BETWEEN DEEDED TIDELANDS SEAWARD OF PARCEL 1 ALASCOM SUBD. AND PARCEL 3 ALASCOM SUBDIVISION
CLIENT: AT&T CORPORATION, 210 EAST BLUFF ROAD, ANCHORAGE, ALASKA 99501

Petro Marine Services
Tideland Lease Request
Adjacent to 1 Lincoln Street

Petro Marine Services

Land Management - Tideland Purchase Request
1 Lincoln Street

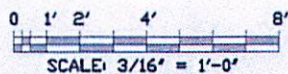


PURPOSE: REPLACE AGING MARINE
FUELING FACILITY

DATUM: 0.0'

HTL = 12.7'
MHW = 9.1'
MLLW = 0.0'

PROPOSED TIDELANDS



SCALE: 3/16" = 1'-0"

PETRO MARINE SERVICES

JOB NO. 15_157_A

PROPOSED: SITKA SOUTH FUEL FACILITY

IN: SITKA CHANNEL

AT: SITKA, AK

APPLICATION BY: PETRO MARINE SERVICES

DATE: 25 FEB '16

SHEET: 1 OF 1

PETRO MARINE SITKA SOUTH PLANT



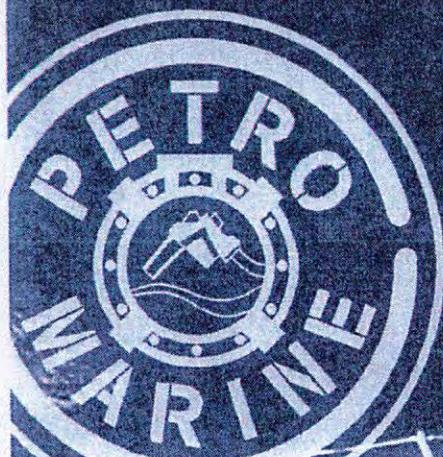
PROPOSED 30'x150'
FUEL FLOAT

SPILL RESPONSE
BOOM SHED

GANGWAY
4'x60'

SALES BUILDING
12'x30'

(EXISTING
FLOAT)



Petro Marine Services
Land Management - Tideland Purchase Request
1 Lincoln Street



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
9/7/2016

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 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 Marsh & McLennan Agency, LLC 1031 West 4th Ave., Suite 400 Anchorage AK 99501		CONTACT NAME: Tonya Lamothe PHONE (A/C No. Ext): (907) 276-5617 FAX (A/C No.): (907) 276-6292 E-MAIL ADDRESS: tonya.r.lamothe@marshmc.com															
INSURED Petro 49, Inc. Petro Marine Services; Alaska Oil Sales 1813 East 1st Avenue Anchorage AK 99501		<table border="1"><thead><tr><th>INSURER(S) AFFORDING COVERAGE</th><th>NAIC #</th></tr></thead><tbody><tr><td>INSURER A National Union Fire Ins. Co. PA</td><td>19445</td></tr><tr><td>INSURER B Axis Surplus Insurance Company</td><td>26620</td></tr><tr><td>INSURER C New Hampshire Insurance Co.</td><td>23841</td></tr><tr><td>INSURER D:</td><td></td></tr><tr><td>INSURER E:</td><td></td></tr><tr><td>INSURER F:</td><td></td></tr></tbody></table>		INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A National Union Fire Ins. Co. PA	19445	INSURER B Axis Surplus Insurance Company	26620	INSURER C New Hampshire Insurance Co.	23841	INSURER D:		INSURER E:		INSURER F:	
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INSURER B Axis Surplus Insurance Company	26620																
INSURER C New Hampshire Insurance Co.	23841																
INSURER D:																	
INSURER E:																	
INSURER F:																	

COVERAGES

CERTIFICATE NUMBER: 16-17 GAEW

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 INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY						EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR	X		GL5180119	3/1/2016	3/1/2017	MED EXP (Any one person) \$ 25,000
							PERSONAL & ADV INJURY \$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE \$ 2,000,000
	<input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO. JECT <input type="checkbox"/> LOC						PRODUCTS - COMP/OP AGG \$ 2,000,000
A	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO			CA2961550	3/1/2016	3/1/2017	BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS						BODILY INJURY (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS						PROPERTY DAMAGE (Per accident) \$
	<input checked="" type="checkbox"/> MCS90						\$
B	UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR						EACH OCCURRENCE \$ 10,000,000
	<input checked="" type="checkbox"/> EXCESS LIAB						AGGREGATE \$ 10,000,000
	<input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$			ELU720468012016	3/1/2016	3/1/2017	\$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	Y/N		WC80756303	3/1/2016	3/1/2017	E.L. EACH ACCIDENT \$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below	<input checked="" type="checkbox"/> Y	N/A				E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
							E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Re: Tideland's Lease

Where required by written contract, Certificate Holder is an Additional Insured on the General Liability and Auto Liability policies, subject to the terms, conditions and limitations of said policies and the additional insured endorsement.

CERTIFICATE HOLDER**CANCELLATION**City and Borough of Sitka
100 Lincoln Street
Sitka, AK 99835

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

Tonya Lamothe/KTHOMA

COMMENTS/REMARKS

This is evidence of insurance procured and developed under the Alaska Surplus Lines Law, AS 21.34. It is not covered by the Alaska Insurance Guaranty Association Act, AS 21.80. This insurance was placed by the following Surplus Lines Broker Worldwide Facilities, LLC License #9718 with respects to company "B" only.

Hughey/Parker Song moved to **APPROVE** a modified variance request for 216 Lakeview Drive. The variance is for the reduction in the northwesterly side setback from 5 feet to 3 feet for the replacement of a carport with a garage. The property is also known as Lot 51 Lakeview Heights Subdivision. The request is filed by Ida Eliason. The owner of record is Ida Eliason.

Motion PASSED 3-0.

- G** Public hearing and consideration of a minor subdivision and easement change request for 204 Jeff Davis Street, in the R-2 zone. The property is also known as Lot 17 Sheldon Jackson Campus Subdivision. The request is filed by Randy Hitchcock. The owner of record is Randy Hitchcock.

Item was **PULLED** from the agenda.

- H** Public hearing and consideration of a minor subdivision request filed for tidelands adjacent to 1 Lincoln Street, as required for the tideland lease process. The property is also known as a portion of ATS 15, and is in the Waterfront District. The request is filed by Petro Marine Services. The owner of record is the City and Borough of Sitka.

Bosak explained the request. The applicant seeks to lease tidelands on which to build a replacement fuel dock. Staff recommend approval of the final plat. Spivey asked why this would be a 50 year lease. Bosak stated that the Attorney's office determined that 50 was the right length to support investment in new infrastructure.

Jerry Jacobs represented Petro Marine, and stated that he had nothing additional to add.

No public comment.

Spivey stated that it is straight-forward.

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

- 1) That the proposed minor subdivision complies with the Comprehensive Plan and Sitka General Code by delineating an area for a prospective tideland lease; and
- 2) That the subdivision would not be injurious to public health, safety, and welfare.

Motion PASSED 4-0.

Pohlman/Parker Song moved to **APPROVE** the final plat of the minor subdivision for tidelands adjacent to 1 Lincoln Street. The property is also known a portion of ATS 15. The request is filed by Petro Marine Services. The owner of record is the City and Borough of Sitka.

Motion PASSED 4-0.

- I** Public hearing and discussion of easement concerns and a lease renewal at 323 Seward Street filed by the White Elephant Shop. The renewal would be for 30 years. The property is also known as all of lot 7 and a



CITY AND BOROUGH OF SITKA

Minutes - Final

Planning Commission

Chris Spivey, Chair
Darrell Windsor, Vice Chair
Tamie (Harkins) Parker Song
Debra Pohlman
Randy Hughey

Tuesday, May 17, 2016

7:00 PM

Sealing Cove Business Center

I. CALL TO ORDER AND ROLL CALL

II. CONSIDERATION OF THE AGENDA

III. CONSIDERATION OF THE MINUTES

A Approval of the minutes from the May 3, 2016 meeting.

Pohlman/Windsor moved to APPROVE the May 3, 2016 minutes. Motion PASSED 5-0.

IV. REPORTS

B Planning Regulations and Procedures.

V. THE EVENING BUSINESS

C Annual review of a conditional use permit granted to Phyllis Hackett for an accessory dwelling unit at 707 Lake Street. The property is also known as Lot 21 Block 11, according to the amended plat of Sirstad Addition No. 2. The owner of record is Phyllis A. Hackett.

Pierson described the history of the conditional use permit. The Planning Commission originally denied the permit, but the Assembly approved the request. No comments have been received since the permit was approved.

Hughey/Parker Song moved to APPROVE the annual review. Motion PASSED 3-2. Spivey and Windsor voted against approval.

D Public hearing and consideration of a variance request filed by Jamie Steinson for 224 Marine Street, in the R-1 residential zone. The variance is for an increase in lot coverage to 40% for the construction of a patio. The property is also known as Lot 1 Golden Subdivision. The request is filed by Jamie Steinson. The owners of record are Gary and Phyllis Mulligan.

Neither the applicant nor the owners were present.

Windsor/Pohlman moved to POSTPONE until a representative can attend a meeting. Motion PASSED 5-0.

- E** Public hearing and consideration of a variance request filed by Peter Thielke for 722 Biorka Street, in the R-1 residential zone. The request is for the reduction of the easterly front setback from 20 feet to 6 feet, and the reduction of the southerly rear setback from 10 feet to 0 feet for the relocation of a shed. The property is also known as a fractional portion of Lot 13, Block 14, U.S. Survey 1474, Tract A, identified on the deed as Parcel 2. The application is filed by Peter Thielke. The owner of record is Peter L. Thielke.

POSTPONED by consent, as the applicant could not be reached by phone.

- F** Public hearing and consideration of a final plat for a major subdivision of ASLS 2015-06. The request is filed by Global Positioning Services, Inc. The owner of record is State of Alaska Department of Natural Resources Division of Mining, Land, and Water.

Scarcelli described the request for subdivision of state property. The lots will be primarily accessed via water, and will be intended for recreational use. Staff does not anticipate that roads will be developed in the near future. The applicant has agreed to include a plat note stating that the city is a party to all easements.

Stan Sears with Global Positioning Service represented the applicant. Access to some lots requires the use of easements. There are 4 or 5 coves for water access. Sears stated that the plat note making the city a party to all easements is acceptable to GPS.

Spivey stated that request is straight forward.

Parker Song/Pohlman moved to APPROVE the preliminary plat of a major subdivision for ASLS 15-06, and request that the final plat include a plat note that states that the municipality is a party to all easements. The request is filed by Global Positioning Services. The owner of record is Alaska Department of Natural Resources Division of Mining, Land, and Water. Motion PASSED 5-0.

- G** Public hearing and consideration of a tideland sale application filed by Forrest Dodson for tidelands adjacent to 263 Katlian Avenue.

Bosak explained the request. The applicant previously purchased the tidelands seaward of 263 Katlian, and now request to purchase tidelands adjacent to the house. Bosak stated the need to maintain public access to tidelands, and that tidelands may increase in value over time. Staff recommend denial of the sale, and recommend a Class I, month-to-month lease.

Forrest Dodson stated that he would prefer to purchase the property. Construction will cost \$10,000 more if he cannot acquire this parcel, and he would like to have more elbow room. Dodson stated that he believes there would be sufficient water access even if he was allowed to purchase the parcel. Hughey asked about current fill in the parcel. Dodson stated that the fill was temporary, and would have to be removed. Dodson stated that the parcel isn't being used. Hughey clarified that the previous proposal was to move the

house onto the seaward parcel with parking in front.

Margie Esquiro stated that Dodson's wife does a great job of restoring old properties.

Hughey stated that work on the house will happen regardless of the approval of this purchase, and stated that it would serve the public good to preserve access to the tidelands. Pohlman stated that the Land Use Plan meetings have raised concerns for lands on Katlian that were taken for the WWII effort. Bosak stated that the applicant can move forward to the Assembly even if the Planning Commission does deny the request. At Pohlman's request, Bosak explained the difference between the 3 tideland lease classifications.

Parker Song/Hughey moved to DENY the proposed land sale of 1,017 square feet of tidelands adjacent 263 Katlian Avenue and instead encourage the applicants to apply for a Class I tideland lease. Motion PASSED 4-1.

H

Public hearing and consideration of a tideland lease request filed by Petro Marine Services for tidelands adjacent to 1 Lincoln Street.

Bosak explained the request for a 50-year Class 3 tideland lease. The request was originally a purchase request, but staff directed the applicant to pursue a lease. No public comment has been received. Staff recommend approval of the lease proposal.

Jerry Jacobs represented Petro Marine. Jacobs stated that Petro does not anticipate any change of hours. Windsor asked about access to the Forest Service dock. Jacobs stated that he believes the new dock will improve access. Hughey stated that it looks like a good idea. Bosak stated that staff anticipates that upland owners will respond to mailed notices if they anticipate problems. Jacobs stated the new dock will improve control of spills.

Hughey/Pohlman moved to RECOMMEND preliminary approval of the proposed tideland lease adjacent to 1 Lincoln Street filed by Petro Marine Services. Motion PASSED 5-0.

I

Public hearing and consideration of a conditional use permit request filed by Kristy Crews and Levi Hunt for a short-term rental at 3001 Mikele Street, in the R-1 residential zone. The property is also known as Lot 7 West Subdivision. The request is filed by Kristy Crews and Levi Hunt. The owners of record are Kristy M. Crews and Levi G. Hunt.

Pierson described the request, and read a letter of support from Peter and Michelle Kennedy at 3002 Mikele.

Kristy Crews stated that they are new to home ownership, and would like to experiment with various lengths of rentals.

Windsor clarified that a short-term rental must be used within 12 months or it becomes void.

Pohlman/Windsor moved to APPROVE the required findings for conditional use permit.

Required Findings for Conditional Use Permits. The planning commission shall

not recommend approval of a proposed development unless it first makes the following findings and conclusions:

1. The city may use design standards and other elements in this code to modify the proposal. A conditional use permit may be approved only if all of the following findings can be made regarding the proposal and are supported by the record that the granting of the proposed conditional use permit will not:
 - a. Be detrimental to the public health, safety, and general welfare;
 - b. Adversely affect the established character of the surrounding vicinity; nor
 - c. Be injurious to the uses, property, or improvements adjacent to, and in the vicinity of, the site upon which the proposed use is to be located.
2. The granting of the proposed conditional use permit is consistent and compatible with the intent of the goals, objectives, and policies of the comprehensive plan and any implementing regulation.
3. All conditions necessary to lessen any impacts of the proposed use are conditions that can be monitored and enforced.
4. The proposed use will not introduce hazardous conditions at the site that cannot be mitigated to protect adjacent properties, the vicinity, and the public health, safety, and welfare of the community from such hazard.
5. The conditional use will be supported by, and not adversely affect, adequate public facilities and services; or that conditions can be imposed to lessen any adverse impacts on such facilities and services.
6. Burden of Proof. The applicant has the burden of proving that the proposed conditional use meets all of the criteria in subsection B of this section.

The city may approve, approve with conditions, modify, modify with conditions, or deny the conditional use permit. The city may reduce or modify bulk requirements, off-street parking requirements, and use design standards to lessen impacts, as a condition of the granting of the conditional use permit. In considering the granting of a conditional use, the assembly and planning commission shall satisfy themselves that the general criteria set forth for uses specified in this chapter will be met. The city may consider any or all criteria listed and may base conditions or safeguards upon them. The assembly and planning commission may require the applicant to submit whatever reasonable evidence may be needed to protect the public interest. The general approval criteria are as follows:

1. Site topography, slope and soil stability, geophysical hazards such as flooding, surface and subsurface drainage and water quality, and the possible or probable effects of the proposed conditional use upon these factors;
2. Utilities and service requirements of the proposed use, including sewers, storm drainage, water, fire protection, access and electrical power; the assembly and planning commission may enlist the aid of the relevant public utility officials with specialized knowledge in evaluating the probable effects of the proposed use and may consider the costs of enlarging, upgrading or extending public utilities in establishing conditions under which the conditional use may be permitted;
3. Lot or tract characteristics, including lot size, yard requirements, lot coverage and height of structures;
4. Use characteristics of the proposed conditional use that affect adjacent uses and districts, including hours of operation, number of persons, traffic volumes, off-street parking and loading characteristics, trash and litter removal, exterior lighting, noise, vibration, dust, smoke, heat and humidity, recreation and open space requirements;
5. Community appearance such as landscaping, fencing and screening,

dependent upon the specific use and its visual impacts.

Motion PASSED 5-0.

Pohlman/Windsor moved to **APPROVE** the conditional use permit request for a short-term rental at 3001 Mikele Street, subject to conditions of approval. The property is also known as Lot 7 West Subdivision. The request is filed by Levi Hunt and Kristy Crews. The owners of record are Levi Hunt and Kristy Crews.

Conditions of Approval:

1. Contingent upon a completed satisfactory life safety inspection.
2. The facility shall be operated consistent with the application and plans that were submitted with the request.
3. The facility shall be operated in accordance with the narrative that was submitted with the application.
4. The applicant shall submit an annual report every year, covering the information on the form prepared by the Municipality, summarizing the number of nights the facility has been rented over the twelve month period starting with the date the facility has begun operation. The report is due within thirty days following the end of the reporting period.
5. The Planning Commission, at its discretion, may schedule a public hearing at any time following the first nine months of operations for the purpose of resolving issues with the request and mitigating adverse impacts on nearby properties.
6. Failure to comply with all applicable tax laws, including but not limited to remittance of all sales and bed tax, shall be grounds for revocation of the conditional use permit.
7. Failure to comply with any of the above conditions may result in revocation of the conditional use permit.
8. The property owner shall register for a sales account prior to the Conditional Use Permit becoming valid.

Motion PASSED 5-0.

J

Public hearing and consideration of a conditional use permit request for marijuana retail at 1321 Sawmill Creek Road Suites O and P, in the C-2 commercial and mobile home zone. The property is also known as US Survey 2729. The request is filed by Mike Daly. The owner of record is Eagle Bay Inn LLC.

Scarcelli explained the request. Bays O and P will be reconfigured to house two facilities – one for retail and one for cultivation. Staff believes that parking is adequate. Staff recommends a condition of approval that the plaza's parking is striped to delineate 107 spaces. Scarcelli read a letter of concern submitted by Clyde Bright. Staff recommends approval. Windsor asked about electrical load. Scarcelli stated that the applicant has submitted the load calculation to staff.

Mike Daly stated that he is building airtight rooms and use filters to control odors. Daly stated that they will test for mold as they go. Daly stated that windows will be blacked out. Daly stated that eventually wants a smoke room for tourists. Spivey thanked Daly for thorough plans.

Joe D'Arienzo stated that this proposal will be a positive first step for the industry in town, and supports the application "whole heartedly."

Jennifer Davis urged caution. Children and families frequent the theater and Pizza Express.

Jay Stelzenmeller stated that he is encouraged by the thorough work of the applicant and staff.

Parker Song stated that the plans are thorough, and it seems like a good location. Spivey stated that kids do play in the neighborhood, and families do frequent the plaza. Spivey stated that the applicant's plans are sufficient to mitigate any concerns. Hughey stated that the applicant has set a high bar for future applicants. Hughey stated concern that the applicant will invest heavily, and the conditional use permit could theoretically be revoked in the future. Windsor stated that there aren't many areas for marijuana retail in town. Bosak stated that the reception room is a nice feature.

Windsor/Hughey moved to APPROVE the required findings.

Required Findings for Conditional Use Permits. The planning commission shall not recommend approval of a proposed development unless it first makes the following findings and conclusions:

1. The city may use design standards and other elements in this code to modify the proposal. A conditional use permit may be approved only if all of the following findings can be made regarding the proposal and are supported by the record that the granting of the proposed conditional use permit will not:
 - a. Be detrimental to the public health, safety, and general welfare;
 - b. Adversely affect the established character of the surrounding vicinity; nor
 - c. Be injurious to the uses, property, or improvements adjacent to, and in the vicinity of, the site upon which the proposed use is to be located.
2. The granting of the proposed conditional use permit is consistent and compatible with the intent of the goals, objectives, and policies of the comprehensive plan and any implementing regulation.
3. All conditions necessary to lessen any impacts of the proposed use are conditions that can be monitored and enforced.
4. The proposed use will not introduce hazardous conditions at the site that cannot be mitigated to protect adjacent properties, the vicinity, and the public health, safety, and welfare of the community from such hazard.
5. The conditional use will be supported by, and not adversely affect, adequate public facilities and services; or that conditions can be imposed to lessen any adverse impacts on such facilities and services.
6. **Burden of Proof.** The applicant has the burden of proving that the proposed conditional use meets all of the criteria in subsection B of this section.

The city may approve, approve with conditions, modify, modify with conditions, or deny the conditional use permit. The city may reduce or modify bulk requirements, off-street parking requirements, and use design standards to lessen impacts, as a condition of the granting of the conditional use permit. In considering the granting of a conditional use, the assembly and planning commission shall satisfy themselves that the general criteria set forth for uses specified in this chapter will be met. The city may consider any or all criteria listed and may base conditions or safeguards upon them. The assembly and planning commission may require the applicant to submit whatever reasonable evidence may be needed to protect the public interest. The general approval

criteria are as follows:

1. Site topography, slope and soil stability, geophysical hazards such as flooding, surface and subsurface drainage and water quality, and the possible or probable effects of the proposed conditional use upon these factors;
2. Utilities and service requirements of the proposed use, including sewers, storm drainage, water, fire protection, access and electrical power; the assembly and planning commission may enlist the aid of the relevant public utility officials with specialized knowledge in evaluating the probable effects of the proposed use and may consider the costs of enlarging, upgrading or extending public utilities in establishing conditions under which the conditional use may be permitted;
3. Lot or tract characteristics, including lot size, yard requirements, lot coverage and height of structures;
4. Use characteristics of the proposed conditional use that affect adjacent uses and districts, including hours of operation, number of persons, traffic volumes, off-street parking and loading characteristics, trash and litter removal, exterior lighting, noise, vibration, dust, smoke, heat and humidity, recreation and open space requirements;
5. Community appearance such as landscaping, fencing and screening, dependent upon the specific use and its visual impacts.

Specific Guidance from 22.24 on Findings for Marijuana Uses

Findings of Fact: Upon review and considerations of the required criteria, the Planning Commission shall determine whether the proposed use(s) at the proposed project location are found to not present a negative impact to the public's health, safety, and welfare.

1. If such a finding can be made, then the proposed use shall be approved with standard regulations, dimensions, and setbacks.
2. In the alternative, where the Planning Commission finds negative impacts are present, the Planning Commission shall only approve conditional use permits where the negative impacts can be adequately mitigated by conditions of approval that preserve the public's health, safety, and welfare. These conditions of approval shall be case by case specific and in addition to the standard regulations.
3. If negative impacts to the public's health, safety, and welfare cannot be mitigated through conditions of approval then the Planning Commission shall so find and deny the proposed conditional use permit.

Motion PASSED 5-0.

Windsor/Parker Song moved to APPROVE the conditional use permit request filed by Mike Daly and Northern Lights, LLC for marijuana retail at 1321 Sawmill Creek Road, Units O & P, in the C 2 General Commercial and mobile home zone subject to the attached 12 conditions of approval. The property is also known as U.S. Survey 2729. The owner of record is Eagle Bay Inn, LLC.

Conditions of Approval:

1. Owners, operators, and staff of conditional uses shall comply with all state and municipal licensing regulations.
2. All licensed facilities shall comply with all life and safety regulations as promulgated by the municipal Building Official.

3. All licensed manufacturing and cultivation uses shall provide a fire safety plan, material handling plan, and comply with all fire safety regulations that satisfies the Fire Marshal or their designee and the Building Official.
4. All licensed facilities and/or uses shall provide screening from public view of any marijuana related commercial, retail, cultivation, or manufacturing use.
5. All licensed facilities and/or uses shall establish an active sales account and business registration with the Municipality and shall comply with all standard & required accounting practices.
6. It shall be a standard regulation that all conditional uses comply with all applicable state regulations and licensing laws or it shall be deemed to abandon and extinguish and associated municipal license or conditional use permit.
7. All approved conditional use permits shall comply with all Sitka General Code or shall be deemed to abandon and extinguish any associated municipal license or conditional use permit
8. Applicant shall provide a Parking Plan that complies with Section 22.20.100 for all uses present and proposed at the current property including striped parking spaces where feasible (i.e. concrete or asphalt areas).
9. Odor Control shall include charcoal filters and other best means to limit and mitigate odor impacts to surrounding uses. Should a meritorious odor complaint be received the Planning Commission may require additional odor control measures to mitigate any actual negative impacts.
10. The proposed retail site shall not be located within 500 feet of any school grounds, recreation or youth center, religious service building, or correctional facility that was legally established prior to approval of this conditional use permit as intended by licensing restriction and regulations of the state in 3 AAC Chapter 306.
11. This permit only conditionally approved the use of retail; however, at the same time, all legally vested uses operating within Units O and P must comply with all pertinent state and local regulations, licenses, and permits to remain valid.
12. The Planning Commission may, at its discretion and upon receiving meritorious evidence of negative impacts to public health, safety, and welfare, schedule a review to address issues of concern and pursue mitigation through additional conditions if necessary.

Motion PASSED 5-0.

K

Public hearing and consideration of a conditional use permit request for marijuana cultivation at 1321 Sawmill Creek Road Suites O and P, in the C-2 general commercial and mobile home zone. The property is also known as US Survey 2729. The request is filed by Mike Daly. The owner of record is Eagle Bay Inn LLC.

Scarcelli described the request for a cultivation facility. The applicants submitted their entire AMCO application. One public comment was received, with concerns for odors. Staff believe that parking is sufficient, but the lot should be striped. There is no known sensitive use within the 500 foot buffer zone. Staff recommend approval.

Mike Daly stated that he had nothing additional to contribute. Windsor asked if Daly anticipated difficulty with striping the parking lot. Daly replied that the owner has given consent to striping.

Michelle Cleaver stated that the owner has stated that the entire lot will be

striped by the end of the month.

Parker Song/Pohlman moved to APPROVE the required findings.

Required Findings for Conditional Use Permits. The planning commission shall not recommend approval of a proposed development unless it first makes the following findings and conclusions:

1. The city may use design standards and other elements in this code to modify the proposal. A conditional use permit may be approved only if all of the following findings can be made regarding the proposal and are supported by the record that the granting of the proposed conditional use permit will not:
 - a. Be detrimental to the public health, safety, and general welfare;
 - b. Adversely affect the established character of the surrounding vicinity; nor
 - c. Be injurious to the uses, property, or improvements adjacent to, and in the vicinity of, the site upon which the proposed use is to be located.
2. The granting of the proposed conditional use permit is consistent and compatible with the intent of the goals, objectives, and policies of the comprehensive plan and any implementing regulation.
3. All conditions necessary to lessen any impacts of the proposed use are conditions that can be monitored and enforced.
4. The proposed use will not introduce hazardous conditions at the site that cannot be mitigated to protect adjacent properties, the vicinity, and the public health, safety, and welfare of the community from such hazard.
5. The conditional use will be supported by, and not adversely affect, adequate public facilities and services; or that conditions can be imposed to lessen any adverse impacts on such facilities and services.
6. **Burden of Proof.** The applicant has the burden of proving that the proposed conditional use meets all of the criteria in subsection B of this section.

The city may approve, approve with conditions, modify, modify with conditions, or deny the conditional use permit. The city may reduce or modify bulk requirements, off-street parking requirements, and use design standards to lessen impacts, as a condition of the granting of the conditional use permit. In considering the granting of a conditional use, the assembly and planning commission shall satisfy themselves that the general criteria set forth for uses specified in this chapter will be met. The city may consider any or all criteria listed and may base conditions or safeguards upon them. The assembly and planning commission may require the applicant to submit whatever reasonable evidence may be needed to protect the public interest. The general approval criteria are as follows:

1. Site topography, slope and soil stability, geophysical hazards such as flooding, surface and subsurface drainage and water quality, and the possible or probable effects of the proposed conditional use upon these factors;
2. Utilities and service requirements of the proposed use, including sewers, storm drainage, water, fire protection, access and electrical power; the assembly and planning commission may enlist the aid of the relevant public utility officials with specialized knowledge in evaluating the probable effects of the proposed use and may consider the costs of enlarging, upgrading or extending public utilities in establishing conditions under which the conditional use may be permitted;
3. Lot or tract characteristics, including lot size, yard requirements, lot coverage and height of structures;
4. Use characteristics of the proposed conditional use that affect adjacent

uses and districts, including hours of operation, number of persons, traffic volumes, off-street parking and loading characteristics, trash and litter removal, exterior lighting, noise, vibration, dust, smoke, heat and humidity, recreation and open space requirements;

5. Community appearance such as landscaping, fencing and screening, dependent upon the specific use and its visual impacts.

Specific Guidance from 22.24 on Findings for Marijuana Uses

Findings of Fact: Upon review and considerations of the required criteria, the Planning Commission shall determine whether the proposed use(s) at the proposed project location are found to not present a negative impact to the public's health, safety, and welfare.

1. If such a finding can be made, then the proposed use shall be approved with standard regulations, dimensions, and setbacks.

2. In the alternative, where the Planning Commission finds negative impacts are present, the Planning Commission shall only approve conditional use permits where the negative impacts can be adequately mitigated by conditions of approval that preserve the public's health, safety, and welfare. These conditions of approval shall be case by case specific and in addition to the standard regulations.

3. If negative impacts to the public's health, safety, and welfare cannot be mitigated through conditions of approval then the Planning Commission shall so find and deny the proposed conditional use permit.

Motion PASSED 5-0.

Parker Song/Pohlman moved to APPROVE the request the conditional use permit request filed by Mike Daly and Northern Lights, LLC for marijuana cultivation at 1321 Sawmill Creek Road, Units O & P, in the C-2 General Commercial and mobile home zone subject to the attached 12 conditions of approval. The property is also known as U.S. Survey 2729. The owner of record is Eagle Bay Inn, LLC.

Conditions of Approval:

1. Owners, operators, and staff of conditional uses shall comply with all state and municipal licensing regulations.
2. All licensed facilities shall comply with all life and safety regulations as promulgated by the municipal Building Official.
3. All licensed manufacturing and cultivation uses shall provide a fire safety plan, material handling plan, and comply with all fire safety regulations that satisfies the Fire Marshal or their designee and the Building Official.
4. All licensed facilities and/or uses shall provide screening from public view of any marijuana related commercial, retail, cultivation, or manufacturing use.
5. All licensed facilities and/or uses shall establish an active sales account and business registration with the Municipality and shall comply with all standard & required accounting practices.
6. It shall be a standard regulation that all conditional uses comply with all applicable state regulations and licensing laws or it shall be deemed to abandon and extinguish and associated municipal license or conditional use permit.
7. All approved conditional use permits shall comply with all Sitka General

Code or shall be deemed to abandon and extinguish any associated municipal license or conditional use permit

8. Applicant shall provide a Parking Plan that complies with Section 22.20.100 for all uses present and proposed at the current property including striped parking spaces where feasible (i.e. concrete or asphalt areas).

9. Odor Control shall include charcoal filters and other best means to limit and mitigate odor impacts to surrounding uses. Should a meritorious odor complaint be received the Planning Commission may require additional odor control measures to mitigate any actual negative impacts.

10. The proposed cultivation site shall not be located within 500 feet of any school grounds, recreation or youth center, religious service building, or correctional facility that was legally established prior to approval of this conditional use permit as intended by licensing restriction and regulations of the state in 3 AAC Chapter 306.

11. This permit only conditionally approved the use of cultivation; however, at the same time, all legally vested uses operating within Units O and P must comply with all pertinent state and local regulations, licenses, and permits to remain valid.

12. The Planning Commission may, at its discretion and upon receiving meritorious evidence of negative impacts to public health, safety, and welfare, schedule a review to address issues of concern and pursue mitigation through additional conditions if necessary.

Motion PASSED 5-0.

L

Public hearing and consideration of a conditional use permit request for marijuana cultivation at 4614 Halibut Point Road, in the C-2 general commercial and mobile home zone. The property is also known as Lot 3 of Carlson Resubdivision. The request is filed by Green Leaf, Inc. The owners of record are Connor K. Nelson and Valerie L. Nelson.

Scarcelli explained the request for a cultivation facility. The applicant has worked with staff to mitigate staff concerns. Cultivation tends to have lower traffic than other manufacturing uses. Staff have received public comment about noise from the fans; however, the property is commercially zoned. The applicant has proposed extensive ventilation. Staff recommends approval.

Aaron Bean asked that the application be amended to list Green Leaf, Inc. as the applicant. Spivey asked if the applicant plans to do retail in the future. Bean stated that he hopes to eventually do retail on a different lot at the same site. Spivey thanked the applicant for the thorough application.

Hughey/Pohlman moved to APPROVE the required findings.

Required Findings for Conditional Use Permits. The planning commission shall not recommend approval of a proposed development unless it first makes the following findings and conclusions:

1. The city may use design standards and other elements in this code to modify the proposal. A conditional use permit may be approved only if all of the following findings can be made regarding the proposal and are supported by the record that the granting of the proposed conditional use permit will not:
 - a. Be detrimental to the public health, safety, and general welfare;
 - b. Adversely affect the established character of the surrounding vicinity; nor
 - c. Be injurious to the uses, property, or improvements adjacent to, and in the vicinity of, the site upon which the proposed use is to be located.

2. The granting of the proposed conditional use permit is consistent and compatible with the intent of the goals, objectives, and policies of the comprehensive plan and any implementing regulation.
3. All conditions necessary to lessen any impacts of the proposed use are conditions that can be monitored and enforced.
4. The proposed use will not introduce hazardous conditions at the site that cannot be mitigated to protect adjacent properties, the vicinity, and the public health, safety, and welfare of the community from such hazard.
5. The conditional use will be supported by, and not adversely affect, adequate public facilities and services; or that conditions can be imposed to lessen any adverse impacts on such facilities and services.
6. Burden of Proof. The applicant has the burden of proving that the proposed conditional use meets all of the criteria in subsection B of this section.

The city may approve, approve with conditions, modify, modify with conditions, or deny the conditional use permit. The city may reduce or modify bulk requirements, off-street parking requirements, and use design standards to lessen impacts, as a condition of the granting of the conditional use permit. In considering the granting of a conditional use, the assembly and planning commission shall satisfy themselves that the general criteria set forth for uses specified in this chapter will be met. The city may consider any or all criteria listed and may base conditions or safeguards upon them. The assembly and planning commission may require the applicant to submit whatever reasonable evidence may be needed to protect the public interest. The general approval criteria are as follows:

1. Site topography, slope and soil stability, geophysical hazards such as flooding, surface and subsurface drainage and water quality, and the possible or probable effects of the proposed conditional use upon these factors;
2. Utilities and service requirements of the proposed use, including sewers, storm drainage, water, fire protection, access and electrical power; the assembly and planning commission may enlist the aid of the relevant public utility officials with specialized knowledge in evaluating the probable effects of the proposed use and may consider the costs of enlarging, upgrading or extending public utilities in establishing conditions under which the conditional use may be permitted;
3. Lot or tract characteristics, including lot size, yard requirements, lot coverage and height of structures;
4. Use characteristics of the proposed conditional use that affect adjacent uses and districts, including hours of operation, number of persons, traffic volumes, off-street parking and loading characteristics, trash and litter removal, exterior lighting, noise, vibration, dust, smoke, heat and humidity, recreation and open space requirements;
5. Community appearance such as landscaping, fencing and screening, dependent upon the specific use and its visual impacts.

Specific Guidance from 22.24 on Findings for Marijuana Uses

Findings of Fact: Upon review and considerations of the required criteria, the Planning Commission shall determine whether the proposed use(s) at the proposed project location are found to not present a negative impact to the public's health, safety, and welfare.

1. If such a finding can be made, then the proposed use shall be approved with standard regulations, dimensions, and setbacks.

2. In the alternative, where the Planning Commission finds negative impacts are present, the Planning Commission shall only approve conditional use permits where the negative impacts can be adequately mitigated by conditions of approval that preserve the public's health, safety, and welfare. These conditions of approval shall be case by case specific and in addition to the standard regulations.

3. If negative impacts to the public's health, safety, and welfare cannot be mitigated through conditions of approval then the Planning Commission shall so find and deny the proposed conditional use permit.

Motion PASSED 5-0.

Hughey/Parker Song moved to APPROVE approve the conditional use permit request filed by Green Leaf, Inc. for marijuana cultivation at 4614 Halibut Point Road, in the C 2 General Commercial and Mobile Home zone, subject to conditions of approval. The property is also known as Lot 3 of Carlson Resubdivision. The owners of record are Connor K. Nelson and Valorie L. Nelson.

Conditions of Approval:

1. Owners, operators, and staff of conditional uses shall comply with all state and municipal licensing regulations.
2. All licensed facilities shall comply with all life and safety regulations as promulgated by the municipal Building Official.
3. All licensed manufacturing and cultivation uses shall provide a fire safety plan, material handling plan, and comply with all fire safety regulations that satisfies the Fire Marshal or their designee and the Building Official.
4. All licensed facilities and/or uses shall provide screening from public view of any marijuana related commercial, retail, cultivation, or manufacturing use.
5. All licensed facilities and/or uses shall establish an active sales account and business registration with the Municipality and shall comply with all standard & required accounting practices.
6. It shall be a standard regulation that all conditional uses comply with all applicable state regulations and licensing laws or it shall be deemed to abandon and extinguish and associated municipal license or conditional use permit.
7. All approved Conditional use permits shall comply with all Sitka General Code or shall be deemed to abandon and extinguish any associated municipal license or conditional use permit
8. Applicant shall provide a Parking Plan that complies with Section 22.20.100 for all uses present and proposed at the current property including striped parking spaces where practical.
9. Odor Control shall include charcoal filters and other best means to limit and mitigate odor impacts to surrounding uses. Should a meritorious odor complaint be received the Planning Commission may require additional odor control measures to mitigate any actual negative impacts.
10. The proposed cultivation site shall not be located within 500 feet of any school grounds, recreation or youth center, religious service building, or correctional facility that was legally established prior to approval of this conditional use permit as intended by licensing restriction and regulations of the state in 3 AAC Chapter 306.
11. The Planning Commission may, at its discretion and upon receiving

meritorious evidence of negative impacts to public health, safety, and welfare, schedule a review to address issues of concern and pursue mitigation through additional conditions if necessary.

Motion PASSED 5-0.

M

Public hearing and consideration of a conditional use permit request for marijuana retail at 205 Harbor Drive, in the central business district. The property is also known as Lot 1 Van Winkle Subdivision. The request is filed by Mary Magnuson. The owners of record are Frank and Mary Magnuson.

Scarcelli reviewed the request. The ultimate decision about possible buffer zone issues would be determined by the state AMCO office. Staff recommends that the commission postpone the request to a later meeting so more information can be provided. Windsor asked if a postponement would “foul up” the process for the applicant. Scarcelli stated that he understands that the state is postponing some of their previously advertised dates. Spivey asked if staff have reached out to request additional information, and Scarcelli stated that he and Pierson had both been in touch with the applicant, requested additional information, and the applicant indicated that she would provide more information. Pohlman stated concern for proximity to the Lutheran Church.

Mary Magnuson stated that operations will be according to state regulations. Magnuson stated that she has difficulty luring her potential tenant before a permit is granted. The property has been retail in the past, and will be some sort of retail in the future. Magnuson stated that she believes her application is adequate. The building is already sprinkled and fire alarmed, has “tremendous” ventilation, and will have approximately 16 security cameras. Magnuson stated that she does not see the need to delay the request. Windsor asked if the applicant had plans for a smoking room, and Magnuson said no.

Margie Esquiro stated concern for the proximity to sensitive uses, and the city can be more stringent than the state.

Joe D'Arienzo stated that this is one of the only available sites in the central business district due to sensitive uses.

Scarcelli read a letter from Susan Jensen, in opposition to the proposal.

Windsor asked what would happen if the conditional use permit was granted but the state license was denied. Scarcelli stated that until a state license is granted, the conditional use permit is not activated. Hughey asked what would be required for staff to view the application as complete. Scarcelli stated that the ordinance pulls state regulations into municipal requirements, so the city can enforce issues as they arise; therefore, the planning department would like to receive the same information that is submitted to the state, including security, diversion, floor plan, and overall detailed plans. Parker Song asked if another retail would be analyzed to this extent. Bosak stated that uses that are conditional are analyzed by the framework in code.

Pohlman stated that community concerns have been raised, so she would like to see the lessee and his/her plans in full detail. Spivey stated that a conditional use requires detailed plans.

Windsor/Hughey moved to POSTPONE the item to June 21 and request that the applicant provide more information. Motion PASSED 5-0.

N

Public hearing and consideration of a conditional use permit request for a marijuana retail facility at 1321 Sawmill Creek Road J, in the C-2 commercial and mobile home zone. The property is also known as US Survey 2729. The request is filed by Anna Michelle Cleaver. The owner of record is Eagle Bay Inn, LLC.

Scarcelli described the request for marijuana retail. The applicant has provided the AMCO application. Parking is sufficient, but parking space striping should be a condition of approval. No sensitive uses are known within the state buffer zone. Staff recommends approval. Spivey stated that he notarized the state application, but has no financial gain at stake.

Michelle Cleaver stated that the owner intends to stripe 120 parking spaces by the end of the month. Hughey clarified that Cleaver would sell locally cultivated marijuana, and she stated yes.

Jeremy Twaddle asked about how odor is determined. Bosak stated that odor would be addressed if complaints were raised.

Jennifer Davis stated that she lives nearby, and is concerned that children and families use the plaza.

Windsor asked about the time requirements for review by the board. Bosak stated that review could occur at any time when a meritorious complaint is received which indicates that the operation is not in compliance with the conditions of approval.

Parker Song/Pohlman moved to APPROVE the required findings.

Required Findings for Conditional Use Permits. The planning commission shall not recommend approval of a proposed development unless it first makes the following findings and conclusions:

1. The city may use design standards and other elements in this code to modify the proposal. A conditional use permit may be approved only if all of the following findings can be made regarding the proposal and are supported by the record that the granting of the proposed conditional use permit will not:
 - a. Be detrimental to the public health, safety, and general welfare;
 - b. Adversely affect the established character of the surrounding vicinity; nor
 - c. Be injurious to the uses, property, or improvements adjacent to, and in the vicinity of, the site upon which the proposed use is to be located.
2. The granting of the proposed conditional use permit is consistent and compatible with the intent of the goals, objectives, and policies of the comprehensive plan and any implementing regulation.
3. All conditions necessary to lessen any impacts of the proposed use are conditions that can be monitored and enforced.
4. The proposed use will not introduce hazardous conditions at the site that cannot be mitigated to protect adjacent properties, the vicinity, and the public health, safety, and welfare of the community from such hazard.
5. The conditional use will be supported by, and not adversely affect, adequate public facilities and services; or that conditions can be imposed to lessen any adverse impacts on such facilities and services.

6. Burden of Proof. The applicant has the burden of proving that the proposed conditional use meets all of the criteria in subsection B of this section.

The city may approve, approve with conditions, modify, modify with conditions, or deny the conditional use permit. The city may reduce or modify bulk requirements, off-street parking requirements, and use design standards to lessen impacts, as a condition of the granting of the conditional use permit. In considering the granting of a conditional use, the assembly and planning commission shall satisfy themselves that the general criteria set forth for uses specified in this chapter will be met. The city may consider any or all criteria listed and may base conditions or safeguards upon them. The assembly and planning commission may require the applicant to submit whatever reasonable evidence may be needed to protect the public interest. The general approval criteria are as follows:

1. Site topography, slope and soil stability, geophysical hazards such as flooding, surface and subsurface drainage and water quality, and the possible or probable effects of the proposed conditional use upon these factors;
2. Utilities and service requirements of the proposed use, including sewers, storm drainage, water, fire protection, access and electrical power; the assembly and planning commission may enlist the aid of the relevant public utility officials with specialized knowledge in evaluating the probable effects of the proposed use and may consider the costs of enlarging, upgrading or extending public utilities in establishing conditions under which the conditional use may be permitted;
3. Lot or tract characteristics, including lot size, yard requirements, lot coverage and height of structures;
4. Use characteristics of the proposed conditional use that affect adjacent uses and districts, including hours of operation, number of persons, traffic volumes, off-street parking and loading characteristics, trash and litter removal, exterior lighting, noise, vibration, dust, smoke, heat and humidity, recreation and open space requirements;
5. Community appearance such as landscaping, fencing and screening, dependent upon the specific use and its visual impacts.

Specific Guidance from 22.24 on Findings for Marijuana Uses

Findings of Fact: Upon review and considerations of the required criteria, the Planning Commission shall determine whether the proposed use(s) at the proposed project location are found to not present a negative impact to the public's health, safety, and welfare.

1. If such a finding can be made, then the proposed use shall be approved with standard regulations, dimensions, and setbacks.
2. In the alternative, where the Planning Commission finds negative impacts are present, the Planning Commission shall only approve conditional use permits where the negative impacts can be adequately mitigated by conditions of approval that preserve the public's health, safety, and welfare. These conditions of approval shall be case by case specific and in addition to the standard regulations.
3. If negative impacts to the public's health, safety, and welfare cannot be mitigated through conditions of approval then the Planning Commission shall so find and deny the proposed conditional use permit.

Motion PASSED 5-0.

Parker Song/Pohlman moved to APPROVE the conditional use permit request filed by Anna Michelle Cleaver for marijuana retail at 1321 Sawmill Creek Road, Unit J, in the C 2 General Commercial and mobile home zone subject to the attached 11 conditions of approval. The property is also known as U.S. Survey 2729. The owner of record is Eagle Bay, LLC.

Conditions of Approval:

1. Owners, operators, and staff of conditional uses shall comply with all state and municipal licensing regulations.
2. All licensed facilities shall comply with all life and safety regulations as promulgated by the municipal Building Official.
3. All licensed manufacturing and cultivation uses shall provide a fire safety plan, material handling plan, and comply with all fire safety regulations that satisfies the Fire Marshal or their designee and the Building Official.
4. All licensed facilities and/or uses shall provide screening from public view of any marijuana related commercial, retail, cultivation, or manufacturing use.
5. All licensed facilities and/or uses shall establish an active sales account and business registration with the Municipality and shall comply with all standard & required accounting practices.
6. It shall be a standard regulation that all conditional uses comply with all applicable state regulations and licensing laws or it shall be deemed to abandon and extinguish and associated municipal license or conditional use permit.
7. All approved conditional use permits shall comply with all Sitka General Code or shall be deemed to abandon and extinguish any associated municipal license or conditional use permit
8. Applicant shall provide a Parking Plan that complies with Section 22.20.100 for all uses present and proposed at the current property including striped parking spaces where feasible (i.e. concrete or asphalt areas).
9. Odor Control shall include reasonable best means (such as high quality Commercial HEPA filter) to limit and mitigate odor impacts to surrounding uses. Should a meritorious odor complaint be received, the Planning Commission may require additional odor control measures to mitigate any actual negative impacts.
10. The proposed retail site shall not be located within 500 feet of any school grounds, recreation or youth center, religious service building, or correctional facility that was legally established prior to approval of this conditional use permit as intended by licensing restriction and regulations of the state in 3 AAC Chapter 306.
11. The Planning Commission may, at its discretion and upon receiving meritorious evidence of negative impacts to public health, safety, and welfare, schedule a review to address issues of concern and pursue mitigation through additional conditions if necessary.

Motion PASSED 5-0.**VI. PLANNING DIRECTOR'S REPORT**

Bosak reported on the Assembly Lands Work Session from the previous week. The June 7 meeting will focus on acquisition, retention, and disposal of municipal lands, and will be held at the Fire Hall. The July 5 meeting is

cancelled.

VII. PUBLIC BUSINESS FROM THE FLOOR

Mary Magnuson stated that she was told that she would not have to disclose the identity of her lessee. Scarcelli stated that the tenant isn't relevant, but the details are relevant.

VIII. ADJOURNMENT

Hughey/Windsor moved to ADJOURN at 9:44 PM. Motion PASSED 5-0.

ATTEST: _____
Samantha Pierson, Planner I



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

Planning and Community Development Department

Date: May 6, 2016

From: Maegan Bosak, PCDD

To: Planning Commission

Re: Petro Marine Services Tideland Lease Request

GENERAL INFORMATION

Applicant:	Petro Marine Services P.O. Box 418 Sitka, AK 99835
Property Owner:	City and Borough of Sitka
Property Address:	Adjacent 1 Lincoln Street
Legal Description:	7082 sq ft submerged tidelands within ATS 15
Parcel ID Number:	New parcel to be created
Size of Existing Lot:	7,082 square feet
Zoning:	WD Waterfront
Existing Land Use:	Unoccupied submerged tidelands
Utilities:	None
Access:	By water or Lincoln Street
Surrounding Land Use:	Commercial

MEETING FLOW

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

ATTACHMENTS

Attachment A: Vicinity Map
Attachment B: Aerial Vicinity Map
Attachment C: Parcel Pictures
Attachment D: Application
Attachment E: Site Plan
Attachment F: Subdivision Plat
Attachment G: Zoning Map
Attachment H: Mailing List
Attachment I: City Department Staff Comments

PROJECT DESCRIPTION

Petro Marine is requesting a long term tideland lease adjacent their deeded tidelands at 1 Lincoln Street. The request includes 7,082 square feet for the purpose of relocating the existing floating fuel dock to the area and replacing it with a 150' marine fueling dock.

The Assessor is working on establishing an assessment for the tidelands of which the lease would be charged a 4.5% annual fee, with an adjustment every 7 years, per SGC. The applicant has requested a 50 year lease period.

Following the Planning Commission meeting, the request will be presented to the Assembly for preliminary approval. From preliminary approval, a plat will be created and presented to the Commission again for subdivision approval. Port and Harbors and Historic Preservation will be consulted. A final lease ordinance will be authorized by the Assembly and then the parcel to be put out for competitive bid. This is a long and arduous process and one that Staff is hoping to streamline in the new land use plan.

BACKGROUND

In March, Petro Marine submitted a request to purchase additional tidelands adjacent their deeded tidelands at 1 Lincoln Street, for expansion of marine fueling services and dock realignment. The sales request was denied based on:

Possible limitations to use to upland property owners

Restriction of access to upland property owners

Comprehensive Plan Policy 2.4.12 *To maintain public access to the waterfront, where feasible, in all zones*

Municipally owned tidelands are limited and are not considered surplus to future community priorities.

The applicant was instead routed towards the lease process and resubmitted requesting a 50 year lease.

Only upland property owners have “preference rights” to tidelands, meaning that a sale or lease can be made without going to a public competitive bid process. For this small portion of property, the upland property owner is the Forest Service and CBS. The lease request requires a public competitive bid process.

Tidelands will continue to increase in value and be an asset to the citizens. Many feel the waterfront should be for public facilities and enjoyment, more of a benefit to the masses rather than an individual land owner. Tidelands are a very limited resource.

PCDD is in support of a Class III Tideland lease. This commercial designation lease requires a lengthy public notification period which allows concerns to be aired.

This option seems to be beneficial to all parties in that it allows the applicant the use of the property and allows CBS to retain the property should future needs arise.

ANALYSIS

Project / Site: The proposed tidelands are immediately adjacent 1 Lincoln Street. It is approximately 7,082 square feet of unoccupied submerged tidelands that are next to the current Petro Marine Fuel dock.

Amount of vehicular traffic to be generated and impacts of the traffic on nearby land uses: Same amount of vehicular traffic as currently observed. No increase in expected. Concerns stem from access and the restrictions that this new configuration could impose.

Amount of noise to be generated and its impacts on surrounding land use: Construction noise should be anticipated during install of the new dock facility. After that, Staff expects that noise would be similar to present use.

Odors to be generated by the use and their impacts: Odors from gas and boat exhaust should be anticipated.

Hours of operation: Unknown. Expect similar hours as present site.

Effects of vehicular and pedestrian safety: Public safety in general is a concern for any fuel facility. Commissioners should consider plans for spill response, boat congestion, dock falls and fire.

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

Effects of signage on nearby uses: Limited change to signage.

Conformity with Comprehensive Plan: The Comprehensive Plan section 2.3.12 *To maintain public access to the waterfront, where feasible.*

RECOMMENDATION

It is recommended that the Planning Commission adopt the Director's analysis and move to recommend preliminary approval of the tideland lease adjacent 1 Lincoln Street.

If the Planning Commission approves the proposed tideland lease, the process would be this: The request would go to the Assembly for concept approval, followed by creation of a minor subdivision, through Ports and Harbors and Historic Preservation Commissions, public competitive bid and then back to the Assembly for a final land sale ordinance.

Recommended Motions:

- 1) I move to recommend preliminary approval of the proposed tideland lease adjacent to 1 Lincoln Street filed by Petro Marine Services.

Memorandum

TO: Maegan Bosak, Planning and Community Development Director

FROM: Wendy Lawrence, Assessing Director
Wendy Lawrence

SUBJECT: City and Borough of Sitka Tidelands Assessed Valuation for Proposed Lease – Approximately 7,082 sf of a Portion of ATS 15/ADL 1966 (which is adjacent to: PID: 1-0010-000 – #1 Lincoln)

DATE: May 12, 2016

The real property described above was inspected for the valuation of tideland parcel subject to a lease proposal of sloping tidelands adjacent to the Petro Marine fuel dock at #1 Lincoln Street.

The subject site consists of 7,082sf of sloping tidelands within ATS 15, located directly north and adjacent to Petro Marine's downtown facility. The depth of the water ranges from 15-35' more or less, is zoned waterfront, and is intended to be used as key waterfront access for this marine fueling facility. Use of this site would allow the applicant to reconfigure, expand and enhance the current fuel dock for greater efficiency and safety.

Tidelands within the City and Borough of Sitka are valued according to their classification: upland and filled tidelands are valued at the same rate as the regular land values for the area, with sloping and submerged tidelands valued at a percentage of the upland rate. This standard of valuation is used throughout Alaska, with price variances according to upland land values, zoning classifications, and adjustments for inferior or superior qualities in comparable sales. Acquisition of this site would enhance Petro Marine's waterfront access to this marine fueling business, and as such is valued at 45% of the upland land value for Petro Marine's #1 Lincoln overall facility.

Waterfront comparable sales prices per square foot range from \$26.05 to \$34.99 per upland square foot for this market area. The attached table shows the tideland comparable sales, with most weight being given to the subject's prior tideland purchase, at this same location, as Comparable #1 at a time-adjusted value of \$32.11/sf. Comparable #2 is similar in quality and location, and as such is weighted heavily as well at a time adjusted upland rate of \$34.99/sf. Comparable #3 is slightly inferior in location to the subject and brackets the subject at the low end of the range. All uses are commercial and all zoning classifications for the comparable sales are waterfront, similar to the subject property. Time adjustments were calculated at 2% per year prior to 2008, and 1% per year after.

Based upon the sales data available for this area, I have estimated the fee simple assessed value of \$102,300 for this proposed site. This figure was calculated by multiplying 45% of the upland square foot value of \$32.11 to the estimated square footage of 7,082 for these sloping tidelands, for a rounded fee simple value of \$102,300.

Comparable Sales Table Waterfront Tidelands Valuation								
2016							Up/Filled Rate	
							Time-Adj \$/SF	Sale Price/SF
Comp	PID	Location	Zoning	Sale Date	Sale Price	Size		
1	1-0010-000	#1 Lincoln	W	11/20/98	\$45,800	2,125	\$ 32.11	\$23.16
2	1-6655-000	201 Katlian	W	06/20/06	\$38,000	4,514	\$ 34.99	\$31.68
3	1-6845-000	485 Katlian	W	01/26/16	\$20,800	5,327	\$ 26.05	\$26.05
Range: \$26.05/sf to \$34.99/sf								

2016							Up/Filled Rate	
							Time-Adj	Sale
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Range: \$26.05/sf to \$34.99/sf								

Samantha Pierson

From: Stan Eliason
Sent: Wednesday, March 16, 2016 9:42 AM
To: Samantha Pierson
Subject: Re: Land Purchase Inquiries

Samantha, I don't foresee any use of these tidelands with my operations.

Stan

Sent from my iPhone us my new email address: stan.eliason@cityofsitka.org

On Mar 14, 2016, at 12:32 PM, Samantha Pierson <samantha.pierson@cityofsitka.org> wrote:

Dear Department Heads,

Two parties have expressed interest in acquiring parcels of city-owned property. One inquiry concerns a the sale of a portion of tidelands adjacent to 1 Lincoln Street. The applicants state that they wish to create a new fuel dock on the property.

The second inquiry concerns the sale of Mineral Survey 1587, near Herbert Graves Island. The applicant wishes to purchase the property for personal use as a subsistence camp.

Like most land sales, these proposals will also receive formal review by the Historic Preservation Commission and the Port and Harbors Commission.

Before proceeding with a process to possibly dispose of these properties, a necessary step is to determine if they are surplus to the city's needs.

Therefore, I ask department heads to advise the Planning Department as to whether these parcels are surplus to their department's needs. Additionally, even if it is surplus, please advise if you are aware of a reason why it might be in the city's best interest to retain these properties in the city lands inventory.

Please respond by Tuesday, March 22, or let me know if you need more time. If we receive no response from a department, the Planning Department will consider there to be no objection to disposing of the property.

Feel free to give me a call if you would like more information. Thank you.

Sam

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

Petro Marine Services
Tideland Lease Request
Adjacent to 1 Lincoln Street

Samantha Pierson

From: Dave Miller
Sent: Monday, March 14, 2016 2:29 PM
To: Samantha Pierson
Subject: RE: Land Purchase Inquiries

Fire Department has no problems with the sale
Dave Miller

From: Samantha Pierson
Sent: Monday, March 14, 2016 12:32 PM
To: cbs.deptheads.staff <cbs.deptheads.staff@cityofsitka.org>
Subject: Land Purchase Inquiries

Dear Department Heads,

Two parties have expressed interest in acquiring parcels of city-owned property. One inquiry concerns a the sale of a portion of tidelands adjacent to 1 Lincoln Street. The applicants state that they wish to create a new fuel dock on the property.

The second inquiry concerns the sale of Mineral Survey 1587, near Herbert Graves Island. The applicant wishes to purchase the property for personal use as a subsistence camp.

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Feel free to give me a call if you would like more information. Thank you.

Sam

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

Petro Marine Services
Tideland Lease Request
Adjacent to 1 Lincoln Street

CITY AND BOROUGH OF SITKA
PLANNING DEPARTMENT
LAND SALES APPLICATION

RECEIVED MAR 03 2016

Applicant

Applicant's Name: Petro Marine Services **Phone:** 747-3414

If application is a corporation, give name of agent: Jerry Jacobs

Mailing Address: Box 418, Sitka AK 99835

Requested Property SEE ATTACHED DRAWING

Legal Description: Lot _____ Block _____ U.S. Survey No. _____

Existing Subdivision _____

Street Address _____

Intended Use (circle): Residential Private Recreation Commercial Industrial

Reason for requesting sale: To relocate the existing floating fuel dock at #1 Lincoln St. to the area in question, and replace it with a structure designed to enhance public safety and environmental protection (see attached).

Area of land: 7082 sq. ft.

Current use and appearance: Unoccupied submerged tidelands adjacent to the Petro Marine fuel dock at #1 Lincoln St.

Historical Use: See attached comments.

Proposed construction or improvement: 150' marine fueling dock – see attached drawings

If the Assembly authorizes the sale to proceed, 1) an additional \$150 will be required to cover advertising costs, 2) a subdivision plat will be required, and 3) an appraisal will be required. The cost of the appraisal may be split between the municipality and the applicant.

Signature:  **Date:** 3/2/16

Petro Marine Services
 Land Management - Tideland Purchase Request
 1 Lincoln Street

Attachment to Land Sales Application

Petro Marine Services

Reason for requesting sale (continued)

Petro Marine is considering a reconfiguration of the marina for several reasons. These include:

Upgrade Aging Equipment. The existing marina has been in place since the mid 1980's. The proposed marina will be much like the one we built at our Katlian St. facility in 2012. That design incorporates improved control valves, among other features, that do not allow fuel to flow unless the valves are energized by an attendant.

Public Safety. The new configuration improves access to the USFS dock by reducing conflicts between boat traffic to our marina and the float plane the USFS brings in to their dock during the summer. Boat traffic to the proposed marina would be much farther from the USFS dock than it is at present, reducing the chance of a boat/plane collision.

The proposed design includes a covered ramp, reducing the possibility of slips, trips and falls due to the buildup of snow and ice. The design also contains permanently mounted safety ladders. Incidents at City harbors over the last few years have shown the value of this equipment. Due to its configuration and method of construction, installing ladders on the existing dock is not practical.

Enhanced Spill Response. The design of the marina provides immediate containment of any fuel spilled on the marina surface itself. In addition, the plan calls for staging spill containment boom in a shed on the marina. This boom can be easily deployed to contain spills to the water surrounding the marina itself and the adjacent piling dock. The pontoon design means that, in combination with deployed boom, the marina itself is part of a containment system that allows for rapid control of a fuel spill.

Enhanced Fire Suppression Capability. At the request of the Fire Chief, the water supply line to the north plant marina (constructed in 2012) is equipped with fittings for the connection of fire hoses. It was the Chief's opinion that this would significantly improve the Fire Departments ability to fight a fire there. This design could also be incorporated into the proposed marina.

Historical Use (continued)

The Lincoln St. fuel facility has been an important location for re-fueling both local and out of town vessels for well over 100 years. In the 30's, 40's and 50's, the tidelands in question were home to a piling dock owned by Standard Oil Company (picture attached). Since that time, most of the vessels that have come in to fuel up at either of the docks at the Lincoln St. facility have transited and/or moored in the area above these tidelands (pictures attached).



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

Notice of Public Hearings

The Assembly of the City and Borough of Sitka will hold a public hearing during a regular meeting scheduled Tuesday, September 13, 2016 on the following items:

- A. **Public hearing and consideration of a tideland lease request filed by Petro Marine Services for 7109 square feet of tidelands adjacent to 1 Lincoln Street. The property is also known as a portion of ATS 15.**
- B. Public hearing and consideration of a land lease renewal request filed by White Elephant Shop for 323 Seward Street. The property is also known as all of lot 7 and a fractional part of lots 8, C-9, and C-10 of Block 8, US Survey 1474 Tract A.

The Assembly may take action on September 13, 2016. The Assembly meeting will begin at 6:00 pm at University of Alaska Southeast, 1332 Seward Avenue, Room 229 in Sitka.

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

Parcel ID: 10001000
STATE OF ALASKA
PIONEER HOME
ALASKA, STATE OF
P.O. BOX 110690
JUNEAU AK 99811

Parcel ID: 10010000
HARBOR ENTERPRISES, INC.
PETRO MARINE SERVICES
HARBOR ENTERPRISES, INC.
P.O. BOX 389
SEWARD AK 99664-0389

Parcel ID: 10015001
RAVEN RADIO FOUNDATION, INC.
RAVEN RADIO FOUNDATION, INC.
2B LINCOLN ST.
SITKA AK 99835

Parcel ID: 10015002
CITY & BOROUGH OF SITKA
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 10015004
CITY & BOROUGH OF SITKA
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 10016000
CITY & BOROUGH OF SITKA
CITY HALL
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 10017000
STATE OF ALASKA
CASTLE HILL
STATE OF ALASKA
6860 GLACIER HWY
JUNEAU AK 99801

Parcel ID: 10017001
CITY & BOROUGH OF SITKA
CASTLE HILL (BELOW) HARB DR
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 10020000
CASTLE HILL, LLC
CASTLE HILL, LLC
117 GRANITE CREEK RD, STE 201
SITKA AK 99835

Parcel ID: 10033000
BLANCA HERNANDEZ
HERNANDEZ, BLANCA
2435 MARIAN BAY CIRCLE
ANCHORAGE AK 99515

Parcel ID: 15997000
SITKA TRIBE OF ALASKA
SHEETKA KWAAN NAA KAHINI
SITKA TRIBE OF ALASKA
456 KATLIAN ST.
SITKA AK 99835

Parcel ID: 16000000
JAMES MCGOWAN
MCGOWAN, JAMES, W.
202 KATLIAN, #A
SITKA AK 99835

Parcel ID: 16015000
ROBERT/KAREN PARKER
PARKER, ROBERT & KAREN
204 KATLIAN AVE
SITKA AK 99835

Parcel ID: 16655000
SCOJO, LLC
TOTEM SQUARE
SCOJO, LLC
2819 DAWSON ST
ANCHORAGE AK 99503

Parcel ID: 16655001
C/B OF SITKA
BETWEEN TOTEM SQ & KAT AVE
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 16656000
ALASKA, STATE OF
TOTEM SQUARE LAWN
ALASKA, STATE OF
TOTEM SQ LAWN
SITKA AK 99835

Parcel ID: 16657000
U.S. FOREST SERVICE
FOREST SERVICE DOCK
U.S. FOREST SERVICE
204 SIGINAKA WAY
SITKA AK 99835

Parcel ID: 16675000
CITY & BOROUGH OF SITKA
(BAILEY'S MARINE)
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Assembly Mailing
September 2, 2016



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

Notice of Public Hearings

The Assembly of the City and Borough of Sitka will hold a public hearing during a regular meeting scheduled Tuesday, June 14, 2016 on the following item:

A. Public hearing and consideration of a tideland lease request filed by Petro Marine Services for tidelands adjacent to 1 Lincoln Street.

The Assembly may take action on June 14, 2016. The Assembly meeting will begin at 6:00 pm at University of Alaska Southeast, 1332 Seward Avenue, Room 229 in Sitka.

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

Assembly Mailing
June 3, 2016

State of Alaska
PO Box 110690
Juneau, AK 99811

Parcel ID: 16656000
ALASKA, STATE OF
TOTEM SQUARE LANE
ALASKA, STATE OF
TOTEM SQUARE LANE
SITKA AK 99835

Parcel ID: 16015000
ROBERT/KAREN PARKER
PARKER, ROBERT & KAREN
204 KATLIAN AVE
SITKA AK 99835

Parcel ID: 10033000
BLANCA HERNANDEZ
HERNANDEZ, BLANCA
2435 MARIAN BAY CIRCLE
ANCHORAGE AK 99515

Parcel ID: 10017000
STATE OF ALASKA
CASTLE HILL
STATE OF ALASKA
6860 GLACIER HWY
JUNEAU AK 99801

Parcel ID: 10015002
CITY & BOROUGH OF SITKA
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 10001000
STATE OF ALASKA
PIONEER HOME
ALASKA, STATE OF
P.O. BOX 110208
JUNEAU AK 99811

Parcel ID: 16657000
U.S. FOREST SERVICE
FOREST SERVICE DOCK
U.S. FOREST SERVICE
204 SIGINAKA WAY
SITKA AK 99835

Parcel ID: 16655000
SCOJO, LLC
TOTEM SQUARE
SCOJO, LLC
2819 DAWSON ST
ANCHORAGE AK 99503

Parcel ID: 15997000
SITKA TRIBE OF ALASKA
SHEETKA KWANAN NAA KAHINI
SITKA TRIBE OF ALASKA
456 KATLIAN ST.
SITKA AK 99835

Parcel ID: 10017001
CITY & BOROUGH OF SITKA
CASTLE HILL/BELLEVUE HARB DR
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 10015004
CITY & BOROUGH OF SITKA
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 10010000
HARBOR ENTERPRISES, INC.
PETRO MARINE SERVICES
HARBOR ENTERPRISES, INC.
P.O. BOX 389
SEWARD AK 99664-0389

Parcel ID: 16675000
CITY & BOROUGH OF SITKA
(BAILEY'S MARINE)
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 16655001
C/B OF SITKA
BETWEEN TOTEM SQUARE & KAT AVE
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 16000000
JAMES MCGOWAN
MCGOWAN, JAMES, W.
202 KATLIAN, #A
SITKA AK 99835

Parcel ID: 10020000
CASTLE HILL, LLC
CASTLE HILL, LLC
117 GRANITE CREEK RD, STE 201
SITKA AK 99835

Parcel ID: 10016000
CITY & BOROUGH OF SITKA
CITY HALL
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 10015001
RAVEN RADIO FOUNDATION, INC.
RAVEN RADIO FOUNDATION, INC.
2B LINCOLN ST.
SITKA AK 99835

Parcel ID: 10010000
 HARBOR ENTERPRISES, INC.
 PETRO MARINE SERVICES
 HARBOR ENTERPRISES, INC.
 P.O. BOX 389
 SEWARD AK 99664-0389

Parcel ID: 10015001
 RAVEN RADIO FOUNDATION, INC.
 RAVEN RADIO FOUNDATION, INC.
 2B LINCOLN ST.
 SITKA AK 99835

Parcel ID: 10015002
 CITY & BOROUGH OF SITKA
 C/B OF SITKA
 100 LINCOLN ST
 SITKA AK 99835

Parcel ID: 10015004
 CITY & BOROUGH OF SITKA
 C/B OF SITKA
 100 LINCOLN ST
 SITKA AK 99835

Parcel ID: 10016000
 CITY & BOROUGH OF SITKA
 CITY HALL
 C/B OF SITKA
 100 LINCOLN ST
 SITKA AK 99835

Parcel ID: 10017000
 STATE OF ALASKA
 CASTLE HILL
 STATE OF ALASKA
 6860 GLACIER HWY
 JUNEAU AK 99801

Parcel ID: 10017001
 CITY & BOROUGH OF SITKA
 CASTLE HILL (BELOW) HARB DR
 C/B OF SITKA
 100 LINCOLN ST
 SITKA AK 99835

Parcel ID: 10020000
 CASTLE HILL, LLC
 CASTLE HILL, LLC
 117 GRANITE CREEK RD, STE 201
 SITKA AK 99835

Parcel ID: 16655000
 SCOJO, LLC
 TOTEM SQUARE
 SCOJO, LLC
 2819 DAWSON ST
 ANCHORAGE AK 99503

Parcel ID: 16656000
 ALASKA, STATE OF
 TOTEM SQUARE LAWN
 ALASKA, STATE OF
 TOTEM SQ LAWN
 SITKA AK 99835

Parcel ID: 16657000
 U.S. FOREST SERVICE
 FOREST SERVICE DOCK
 U.S. FOREST SERVICE
 204 SIGINAKA WAY
 SITKA AK 99835

Petro Marine Services
 Tideland Lease Request
 Adjacent to 1 Lincoln Street

P&Z Mailing
 May 6, 2016

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2016-36

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AUTHORIZING THE
LEASE OF 7082 SQUARE FEET OF ATS 15 TIDELANDS ADJACENT 1 LINCOLN
STREET TO PETRO MARINE SERVICES

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

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

3. **PURPOSE.** The purpose of this ordinance is to facilitate the lease of a 7082 square foot portion of tidelands adjacent to 1 Lincoln Street to Petro Marine Services for the construction of a new fuel dock.

4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka.

A. The leasing of a 7082 square foot parcel of ATS 15 adjacent 1 Lincoln Street is hereby authorized with the following terms:

- 1) The parcel is valued at \$102,300.00.
- 2) The annual lease payments shall be \$4603.50 a year.
- 3) The lease shall expire on October 1, 2066.

B. The Administrator is authorized to execute a lease document consistent with the terms of this ordinance, SGC Title 18 that governs municipal leases, and, existing municipal policies.

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 September, 2016.

Matthew Hunter, Deputy Mayor

ATTEST:

Sara Peterson, CMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 16-160 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 9/6/2016 In control: City and Borough Assembly

On agenda: 9/13/2016 Final action:

Title: Decision on whether to allow sales tax free day(s) following the Thanksgiving holiday and set date(s)

Sponsors:

Indexes:

Code sections:

Attachments: [Tax Free Days.pdf](#)

Date	Ver.	Action By	Action	Result
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Potential Sales Tax Free Days for 2016

Friday, November 25

Saturday, November 26



I MOVE to authorize _____ as Sales Tax Free day(s) for 2016 noting the sales tax free day(s) will not be applicable to any sale of fuel, nor affect any sale which is part of a continuing obligation of the buyer to pay the seller over time.

4.09.020 Collection of tax.

A. The tax described in Section [4.09.010](#)(A) is imposed on the purchaser and must be collected by the seller and paid to the city and borough of Sitka by the seller as provided in Section [4.09.270](#). The seller holds all taxes collected in trust for the city and borough of Sitka. The tax must be applied to the sales price.

B. The assembly at their first meeting of September each year shall consider whether to authorize any sales tax free day(s) that have historically followed Thanksgiving. If authorized the

sales tax free day(s) will not be applicable to any sale of fuel, nor affect any sale which is part of a continuing obligation of the buyer to pay the seller over time.

4.09.010 Levy of sales tax.

A. There is levied a consumer's sales tax on sales, rents, and leases made in the city and borough of Sitka. This tax applies to sales, rentals, and leases of tangible personal property; sales of services sold within the city and borough of Sitka; sales of services performed wholly or partially within the city and borough of Sitka when the provision of such services originates or terminates within the city and borough of Sitka; and rentals and leases of real property located within the city and borough of Sitka. Notwithstanding any provision of law, air or sea charter services, provided a person or entity in the business of providing such charter services, are exempt from sales tax by the city and borough of Sitka if the charter does not commence and end within the city and borough of Sitka.

B. The rate of levy of the sales tax levied under subsection A of this section is five percent on sales made during the months of October, November, December, January, February, and March. The rate of levy of the sales tax levied under subsection A of this section is six percent on sales made during the months of April, May, June, July, August, and September.¹

C. A flat rate of ten dollars per fish box shall be levied on the packaged fish and/or seafood caught or taken and retained by fish charter customers as part of the fish charter. This tax shall be paid by the fish charter customer, collected by whoever packages the fish and/or seafood caught or taken by the fish charter customer, and is in addition to any sales tax paid based on the cost of the charter. This tax is effective January 1, 2007. For purposes of this subsection, a "fish box" means any packaging by a fish charter operator or processor of fish and/or seafood caught or taken as part of the charter by a fish charter customer. The sales tax collected from this levy on fish boxes shall be deposited by the finance director in the following funds in the following ratios:

1. Thirty percent in the harbor fund;
2. Thirty percent in a fisheries enhancement fund, available to be used for any fisheries enhancement proposal upon approval of the proposal by the assembly; and
3. Forty percent in the general fund.

D. Except as provided in subsection C of this section, all moneys accumulated under the terms of this chapter shall be deposited by the finance director in the general fund of the city and borough of Sitka and shall be used for the general operating expenses of the city and borough of Sitka in such a proportion as deemed advisable from time to time by the assembly.



CITY AND BOROUGH OF SITKA

Legislation Details

File #: RES 16-15 Version: 1 Name:

Type: Resolution Status: AGENDA READY

File created: 9/6/2016 In control: City and Borough Assembly

On agenda: 9/13/2016 Final action:

Title: Approving the City's participation in a proposed refinancing by the Alaska Municipal Bond Bank of its General Obligation Bonds, 2007 Series One, which provided funds to purchase the City's General Obligation Refunding Bond, 2007; authorizing the issuance to the Bond Bank of a refunding bond of the City if the Bond Bank successfully refinances its bonds; and authorizing the City's Chief Finance and Administrative Officer to enter into an agreement with the Bond Bank to accomplish the refunding

Sponsors:

Indexes:

Code sections:

Attachments: [Res 2016-15.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve Resolution 2016-15 on
first and final reading.

Memo

Thru : Mark Gorman, Municipal Administrator

To: City and Borough of Sitka Assembly

From: Jay Sweeney, Chief Financial and Administrative Officer 

Date: September 7, 2016

Re: Refinancing of Final Two maturities of 2007 General Obligation School Bonds

Mayor McConnell and Assembly Members,

The City and Borough of Sitka has been presented an opportunity by the Alaska Municipal Bond Bank Authority to refinance the final two maturities of its 2007 General Obligation School Bonds (Alaska Municipal Bond Bank Authority Series 2007-1). The maturities to be refinanced are \$795,000 due December 1, 2017 and \$830,000 due December 1, 2018, a total of \$1,625,000.

At present, remaining debt service these \$1,625,000 of outstanding bonds is \$1,775,796.89 (page 46 of attached Preliminary Sources and Uses of Funds). The proposed new debt service through refunding would be \$1,702,572.33, a savings of \$73,223.56. Please note that while \$1,635,000 in new bonds will be issued, the associated interest rates on these new bonds are so low as to produce a sizeable savings.

At the present time, given the line item vetoes implemented by Governor Walker on the FY2017 budget, only 50% of the debt service on General Obligation School bonds is reimbursable by the State of Alaska. Accordingly, \$36,611.78 of true savings will accrue to the City and Borough of Sitka.

School bond debt is paid for primarily through the proceeds of the seasonal 1% sales tax. As I have spoken to previously, the reduction of the reimbursement rate of school bond debt to 50% by the State of Alaska, if it continues, will cause the City and Borough of Sitka to exhaust the surplus in the School Bond Debt Service Fund, built up over past years, in FY2018, resulting in General Fund revenues being used to make up any shortfalls. Approving this refinancing will reduce the amount of potential shortfalls that need to be made up if the balance in the School Bond Debt Service Fund is exhausted.

Finally, over 20 Municipalities statewide are participating in this refinancing. All that is required for Sitka to participate is passage of the accompanying Resolution. No Municipal staff will be required to travel for bond proceedings.

I recommend passage of the accompanying Resolution.

SOURCES AND USES OF FUNDS

City and Borough of Sitka -- Refund GO 2007-1
 Alaska Municipal Bond Bank
 GO Bonds 2016 Series Three & Four
 Market Conditions as of August 10, 2016

Dated Date 11/03/2016
 Delivery Date 11/03/2016

Sources:

Bond Proceeds:	
Par Amount	1,635,000.00
Premium	46,735.60
	<u>1,681,735.60</u>

Uses:

Refunding Escrow Deposits:	
Cash Deposit	0.01
SLGS Purchases	<u>1,662,522.00</u>
	1,662,522.01

Cost of Issuance:	
Fitch Rating	459.61
S&P Rating	459.61
AMBB Costs	306.41
Miscellaneous Printing, etc.	114.90
Trustee/Escrow Agent	42.90
AMBB FA	523.50
AMBB BC	2,512.81
Verification Agent	79.82
Borrower Costs of Issuance	<u>7,000.00</u>
	11,499.56

Delivery Date Expenses:	
Underwriter's Discount	5,722.50

Other Uses of Funds:	
Additional Proceeds	<u>1,991.53</u>
	1,681,735.60

BOND PRICING

City and Borough of Sitka -- Refund GO 2007-1
 Alaska Municipal Bond Bank
 GO Bonds 2016 Series Three & Four
 Market Conditions as of August 10, 2016

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Premium (-Discount)
2016-3 Serial Bonds (Non-AMT):						
	12/01/2016	35,000	2.000%	0.680%	100.102	35.70
	12/01/2017	790,000	2.000%	0.730%	101.360	10,744.00
	12/01/2018	810,000	3.000%	0.840%	104.439	35,955.90
		1,635,000				46,735.60

Dated Date	11/03/2016	
Delivery Date	11/03/2016	
First Coupon	12/01/2016	
Par Amount	1,635,000.00	
Premium	46,735.60	
Production	1,681,735.60	102.858446%
Underwriter's Discount	-5,722.50	-0.350000%
Purchase Price	1,676,013.10	102.508446%
Accrued Interest		
Net Proceeds	1,676,013.10	

BOND DEBT SERVICE

City and Borough of Sitka -- Refund GO 2007-1
 Alaska Municipal Bond Bank
 GO Bonds 2016 Series Three & Four
 Market Conditions as of August 10, 2016

Dated Date 11/03/2016
 Delivery Date 11/03/2016

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/01/2016	35,000	2.000%	3,173.33	38,173.33	
06/01/2017			20,050.00	20,050.00	
06/30/2017					58,223.33
12/01/2017	790,000	2.000%	20,050.00	810,050.00	
06/01/2018			12,150.00	12,150.00	
06/30/2018					822,200.00
12/01/2018	810,000	3.000%	12,150.00	822,150.00	
06/30/2019					822,150.00
	1,635,000		67,573.33	1,702,573.33	1,702,573.33

SUMMARY OF REFUNDING RESULTS

City and Borough of Sitka -- Refund GO 2007-1
 Alaska Municipal Bond Bank
 GO Bonds 2016 Series Three & Four
 Market Conditions as of August 10, 2016

Dated Date	11/03/2016
Delivery Date	11/03/2016
Arbitrage yield	2.113017%
Escrow yield	0.251166%
Value of Negative Arbitrage	2,558.51
Bond Par Amount	1,635,000.00
True Interest Cost	1.027341%
Net Interest Cost	1.046846%
Average Coupon	2.663338%
Average Life	1.552
Par amount of refunded bonds	1,625,000.00
Average coupon of refunded bonds	4.616499%
Average life of refunded bonds	1.589
PV of prior debt to 11/03/2016 @ 1.027341%	1,748,204.84
Net PV Savings	74,183.27
Percentage savings of refunded bonds	4.565124%
Percentage savings of refunding bonds	4.537203%

SAVINGS

City and Borough of Sitka -- Refund GO 2007-1
 Alaska Municipal Bond Bank
 GO Bonds 2016 Series Threc & Four
 Market Conditions as of August 10, 2016

Date	Prior Debt Service	Refunding Debt Service	Savings	Annual Savings	Present Value to 11/03/2016 @ 1.0273407%
12/01/2016	37,453.13	38,173.33	-720.20		-719.63
06/01/2017	37,453.13	20,050.00	17,403.13		17,300.40
06/30/2017				16,682.93	
12/01/2017	832,453.13	810,050.00	22,403.13		22,157.07
06/01/2018	19,218.75	12,150.00	7,068.75		6,955.38
06/30/2018				29,471.88	
12/01/2018	849,218.75	822,150.00	27,068.75		26,498.52
06/30/2019				27,068.75	
	1,775,796.89	1,702,573.33	73,223.56	73,223.56	72,191.74

Savings Summary

PV of savings from cash flow	72,191.74
Plus: Refunding funds on hand	1,991.53
Net PV Savings	74,183.27

SUMMARY OF BONDS REFUNDED

City and Borough of Sitka -- Refund GO 2007-1
Alaska Municipal Bond Bank
GO Bonds 2016 Series Three & Four
Market Conditions as of August 10, 2016

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
GO 2007-1 (City and Borough of Sitka), 07_1SI:					
SERIAL	12/01/2017	5.000%	420,000.00	12/03/2016	100.000
	12/01/2017	4.125%	375,000.00	12/03/2016	100.000
	12/01/2018	4.125%	350,000.00	12/03/2016	100.000
	12/01/2018	5.000%	480,000.00	12/03/2016	100.000
			1,625,000.00		

UNREFUNDED BOND DEBT SERVICE

City and Borough of Sitka -- Refund GO 2007-1

Alaska Municipal Bond Bank

GO Bonds 2016 Series Three & Four

Market Conditions as of August 10, 2016

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/01/2016	755,000	5.000%	18,875	773,875	
06/30/2017					773,875
	755,000		18,875	773,875	773,875

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 2016-15

A RESOLUTION of the Assembly of the City and Borough of Sitka, Alaska, approving the City's participation in a proposed refinancing by the Alaska Municipal Bond Bank of its General Obligation Bonds, 2007 Series One, which provided funds to purchase the City's General Obligation Refunding Bond, 2007; authorizing the issuance to the Bond Bank of a refunding bond of the City if the Bond Bank successfully refinances its bonds; and authorizing the City's Chief Finance and Administrative Officer to enter into an agreement with the Bond Bank to accomplish the refunding.

WHEREAS, the City and Borough of Sitka, Alaska (the "City"), issued and sold its General Obligation Bond, 1999, in the original principal amount of \$11,000,000 (the "1999 Bond"), to the Alaska Municipal Bond Bank (the "Bond Bank"), as authorized by Ordinance No. 99-1525 and Resolution No. 99-731 of the City (the "1999 Bond Legislation"), on the terms and conditions set forth in the 1999 Bond Legislation and in a loan agreement between the City and the Bond Bank dated as of April 1, 1999 (the "Original Loan Agreement"); and

WHEREAS, the Bond Bank issued and sold its General Obligation Bonds, 1999 Series A (the "1999 Bond Bank Bonds"), to provide funds to purchase the 1999 Bond, as provided in the Original Loan Agreement; and

WHEREAS, Section 6 of the Original Loan Agreement provides that the debt service schedule for the 1999 Bond may be revised from time to time if the Bond Bank is able to achieve debt service savings by refinancing its bonds; and

WHEREAS, in 2006, Resolution No. 2006-31 of the City authorized the refinancing of the 1999 Bond to achieve debt service savings for the City if the Bond Bank successfully refinanced the 1999 Bond Bank Bonds; and

WHEREAS, the Bond Bank issued its General Obligation Refunding Bonds, 2007 Series One (the "2007 Bond Bank Bonds"), in an advance refunding, to refinance the 1999 Bond Bank Bonds, and in connection with the issuance of the 2007 Bond Bank Bonds, the City and the Bond Bank entered into an amendatory loan agreement dated as of January 1, 2007 (the "2007 Amendatory Loan Agreement"), in accordance with the Original Loan Agreement and as authorized by Resolution No. 2006-31, under which the City and the Bond Bank agreed to a revised debt service schedule; and

WHEREAS, as further authorized by Resolution No. 2006-31, the revised debt service schedule agreed to in the 2007 Amendatory Loan Agreement was set forth in the City's General

Obligation Refunding Bond, 2007, in the original principal amount of \$8,285,000 (the "2007 Bond"), issued to the Bond Bank in exchange for the 1999 Bond; and

WHEREAS, the Bond Bank now wishes to refinance the 2007 Bond Bank Bonds to achieve debt service savings for borrowers including the City by issuing a series of its general obligation bonds (the "2016 Bond Bank Bonds") to currently refund the outstanding 2007 Bond Bank Bonds; and

WHEREAS, the Assembly wishes to approve the City's participation in this refinancing and, if the Bond Bank successfully refinances the 2007 Bond Bank Bonds, to authorize the City's Chief Finance and Administrative Officer to accept a revised debt service schedule for the 2007 Bond, to be evidenced in a refunding bond issued to the Bond Bank in exchange for the 2007 Bond;

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

Section 1. Approval of Refinancing. The Assembly hereby approves the City's participation in the Bond Bank's refinancing of the 2007 Bond Bank Bonds and authorizes the Chief Finance and Administrative Officer to approve a revised schedule of principal payment amounts and interest rates for the 2007 Bond, in accordance with Section 6 of the Original Loan Agreement, so long as the revised debt service schedule is financially advantageous to the City. The revised schedule of debt service on the 2007 Bond and other provisions as may be required by the Bond Bank will be set forth in a loan agreement or amendatory loan agreement (the "2016 Loan Agreement") and in a refunding bond (the "2016 Refunding Bond") to be issued to the Bond Bank in exchange for the 2007 Bond.

The Chief Finance and Administrative Officer or his designee is authorized to execute and deliver the 2016 Loan Agreement on behalf of the City and to deliver the 2016 Refunding Bond, executed in accordance with the provisions of the 1999 Bond Legislation and this resolution, as applicable, to the Bond Bank in exchange for the 2007 Bond. The Chief Finance and Administrative Officer and other appropriate officers and employees of the City are also hereby authorized to provide financial information about the City that the Bond Bank may require for the official statement for the 2016 Bond Bank Bonds.

Section 2. Tax Covenants; Tax Certificate. The City covenants to undertake all actions required to maintain the tax-exempt status of interest on the 2016 Refunding Bond under Section 103 of the Internal Revenue Code of 1986, as amended.

Upon the issuance of the 2016 Refunding Bond, the Chief Financial and Administrative Officer is authorized to execute a federal tax certificate (the "Tax Certificate"), which will certify to various facts and representations concerning the 2016 Refunding Bond, based on the facts and estimates known or reasonably expected on the date of its issuance, and make certain covenants with respect to the 2016 Refunding Bond as may be necessary or desirable to obtain or maintain the benefits conferred under the Code relating to tax-exempt bonds.

91 The City covenants that it will comply with the Tax Certificate unless it receives advice
92 from nationally recognized bond counsel or the Internal Revenue Service that certain provisions
93 have been amended or no longer apply to the 2016 Refunding Bond.
94

95 Section 3. General Authorization. The Mayor, Chief Finance and Administrative
96 Officer, Clerk, Attorney, and any other appropriate officers, agents, attorneys and employees of
97 the City are each hereby authorized and directed to cooperate with the Bond Bank and to take such
98 steps, do such other acts and things, and execute such letters, certificates, agreements, papers,
99 financing statements, assignments or instruments as in their judgment may be necessary,
100 appropriate or desirable to carry out the terms and provisions of, and complete the transactions
101 contemplated by, this resolution.
102

103 Section 4. Prior Acts. Any and all acts heretofore taken by officers, agents, attorneys
104 and employees of the City in connection with refinancing the 2007 Bond and issuing the 2016
105 Bond are hereby ratified and confirmed.
106

107 Section 5. Effective Date. This resolution will take effect immediately upon its
108 adoption.
109

110 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of
111 Sitka, Alaska this 13th day of September, 2016.
112
113
114
115

116 By _____
117 Mim McConnell, Mayor
118

119 ATTEST:
120
121
122

123 _____
124 Sara Peterson, CMC
125 Municipal Clerk
126

CLERK'S CERTIFICATE

I, the undersigned, Clerk of the City and Borough of Sitka, Alaska (the "City"), and keeper of the records of the Assembly (the "City"), DO HEREBY CERTIFY:

1. That the attached resolution (the "Resolution") is a true and correct copy of Resolution No. 2016-15 of the City, as adopted at a regular meeting of the Assembly held on September 13, 2016, 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 quorum was present throughout the meeting and a legally sufficient number of members of the Assembly voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been fully 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 September __, 2016.

Clerk
City and Borough of Sitka, Alaska



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 16-164 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 9/7/2016 In control: City and Borough Assembly

On agenda: 9/13/2016 Final action:

Title: Approve the Employment Agreement between the City and Borough of Sitka and Municipal Attorney Brian Hanson

Sponsors:

Indexes:

Code sections:

Attachments: [Employment Agreement Hanson.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve the Employment Agreement between the City and Borough of Sitka and Municipal Attorney Brian Hanson.

Employment Agreement
Between
City and Borough of Sitka, Alaska
And
Brian E. Hanson

This Employment Agreement ("Agreement"), made and entered into this ____ day of ____, 2016, by and between the City and Borough of Sitka, State of Alaska, a municipal government, ("the Municipality") and Brian E. Hanson ("Employee").

Recitals

1. The Municipality desires to employ the services of Employee as Municipal Attorney serving at the pleasure of the Municipal Assembly; and
2. It is the desire of the Municipal Assembly to provide certain benefits and conditions of employment for the Employee; and
3. Employee desires to accept employment as the Municipal Attorney of the City and Borough of Sitka.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

Section 1
Employee Employment and Duties

The Municipality employs Employee as Municipal Attorney to perform the function and duties specified in the Charter of the City and Borough of Sitka and the Sitka Municipal Code, and to perform other legal duties and functions as the Municipal Assembly shall from time-to-time assign.

Section 2
Term, Discharge and Resignation

A. Term

1. Desiring to establish a commitment by both parties for this Agreement, it is understood and agreed that this Agreement shall have a term commencing September 19, 2016 and ending September 19, 2019, hereinafter the termination date. Employee agrees to remain in the exclusive employment of the Municipality until said termination date unless this Agreement is earlier terminated as provided for below in paragraph B or C.
2. Should Employee continue working for the Municipality after expiration of this Agreement without a new agreement being signed or renewed, the Employee will be employed under the same terms and conditions as contained in this Agreement until the Employee relationship is severed.

3. Nothing in this Agreement prevents the parties from extending the term of this contract by mutual agreement in writing signed by the Mayor and Employee.

B. Discharge

Notwithstanding the term of this Agreement set forth above, the Employee understands that the Sitka Municipal Code establishes the Municipal Attorney as an at-will employee. Employee agrees that he is an at-will employee which means that he is serving at the pleasure of the Municipal Assembly. Consequently, Employee understands and agrees that he may be suspended or discharged without advance notice and without cause at any time based on the Code during a lawfully scheduled meeting by a vote of at least four (4) members of the Assembly.

C. Resignation

Likewise, Employee may terminate this Agreement for any reason, or no stated reason, upon giving ninety (90) calendar days written notice to the Mayor. In the event the Employee terminates this Agreement under this paragraph, the Municipality shall pay the Employee his salary and accrued but unused vacation leave, to the date of the resignation, less the amount of any unpaid balance owed to the Municipality by the Employee at the time of resignation.

Section 3
Severance Pay

A. In the event the Employee is terminated by the Municipal Assembly during the term of this agreement, the Municipality shall give the employee three (3) months of pay as severance. Severance pay shall be equal to the monetary value of all pay and benefits provided for the period of severance pay due. This section does not apply if employee is terminated for commission of a crime or gross misconduct as determined by the Assembly. Severance pay shall be paid in a lump sum payment, less applicable taxes.

B. The Municipality also agrees to pay the Employee's COBRA health insurance premium coverage for three (3) months after date of separation.

C. Employee shall be entitled to any accrued but unused vacation leave as of the date of separation.

D. Non-renewal of this Agreement after the expiration of its term shall not entitle the Employee to any severance pay or COBRA benefits paid by the Municipality.

Section 4 Salary

- A. During the term of the Agreement, the Municipality agrees to pay Employee for services rendered an annual base salary of ONE HUNDRED TWENTY FIVE THOUSAND DOLLARS AND NO CENTS (\$125,000.00), less applicable withholdings.
- B. Upon receipt of a satisfactory or better evaluation on or before September 19, 2017, the Employee's salary shall be increased to ONE HUNDRED THIRTY-FIVE THOUSAND DOLLARS AND NO CENTS (\$135,000.00) less applicable withholdings.
- C. Upon receipt of a satisfactory or better evaluation on or before September 19, 2018, Employee's salary shall be increased to ONE HUNDRED AND FORTY THOUSAND DOLLARS AND NO CENTS (\$140,000) less applicable withholdings so long as the Employee receives a satisfactory or better performance review.

Section 5 Performance Review

The Municipality agrees to review Employee's performance annually on or before September 19 of each calendar year of this agreement.

Section 6: Hours of Work

As an attorney, Employee is exempt from the provisions of the Fair Labor Standards Act ("FLSA") and shall not be paid overtime or be given compensatory time off for hours worked in excess of forty (40). Employee shall not be bound to a workweek of any set number of hours. However, Employee is expected to work as many hours as the duties and responsibilities of his position requires.

Section 7 Vacation and Benefits

1. Vacation Accrual: Effective September 19, 2016, the Employee shall have eighty (80) hours of vacation leave that may be used immediately upon hire. Employee shall accrue vacation leave thereafter at a rate of 12.67 hours per month. At the end of the first twelve (12) consecutive months of employment, the Employee shall receive an increased to his accrual rate of vacation leave to twenty (20) hours per month. The terms and conditions of the leave are subject to the provisions of the City and Borough of Sitka Personnel Policies Handbook.

2. Other Benefits and Insurance: Employer shall provide Employee with sick leave, life insurance, health insurance, retirement, and other benefits provided to other exempt employees as described in the Personnel Policies Handbook.

Section 8 Indemnification

Employer agrees to indemnify, defend and hold Employee harmless from any suit or claim brought against him for any actions or claims brought because of, based on, or arising out of his employment by or service to the Municipality so long as the Employee's actions or decisions were within his scope of responsibilities and not gross negligence or malpractice.

Section 9 Other Terms and Conditions of Employment

The Municipality may fix any other terms and conditions of employment, as it may determine from time-to-time, relating to the performance of Employee, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this Agreement or any applicable federal, state or local laws. Such terms and conditions of employment shall only be effective if in writing signed by the Mayor and the Employee.

Section 10 Conflicts of Interest

The Employee shall be sensitive to both actual and perceived conflicts of interest as the Municipal Attorney and the Employee's personal conduct including activities of members of the Employee's immediate family that are within his control which could similarly result in an actual or perceived conflict of interest. When in doubt, the Employee should consult with the Mayor in advance of any potential conflict before proceeding on the matter.

Section 11 General Provisions

A. Assignments and Subcontracts

The Employee may assign any of the work to be performed under this Agreement to third parties, so long as he oversees such assignments and informs the Assembly of such assignments.

B. Applicable Law

This Agreement shall be deemed to have been entered into and shall be construed and governed, except with respect to conflict of laws, in accordance with the laws of the State of Alaska.

C. Waivers

Failure of either party to insist, in any one or more instances, upon the performance of any of the terms, covenants, or conditions of this Agreement or to exercise any right hereunder, shall not be construed as a waiver or relinquishment of the future exercise of such right, but the obligation of the other party with respect to such future performance shall continue in full force and effect.

D. Severability

The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision or provisions were omitted.

E. Amendments

This Agreement may not be amended, modified, released, discharged, supplemented, interpreted, or changed in any manner except by written instrument signed by duly authorized representatives of both parties.

F. Headings

The headings utilized herein are provided as aids in referencing provisions of this Agreement, but shall not be utilized in interpretation, or construction of terms and conditions of it.

G. Entire Agreement

This Agreement contains the entire and only understanding or agreement between the parties in relation to the employment of the Employee as the Municipal Attorney. Any verbal or written representations, provision, undertakings or conditions hereof not contained in the wording of this Agreement shall be of no effect and shall not be binding on either party.

IN WITNESS THEREOF, the City and Borough of Sitka, on a vote of its Assembly on _____, has approved this Agreement and directed it to be signed and executed on its behalf by its Mayor and duly attested by its Municipal Clerk, and the Employee has signed this Agreement on this _____ day of _____, 2016.

EMPLOYEE

Brian E. Hanson

CITY AND BOROUGH OF SITKA

ATTEST:

Mim McConnell, Mayor

Sara Peterson, Municipal Clerk

SEAL: