



CITY AND BOROUGH OF SITKA

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

Meeting Agenda

City and Borough Assembly

*Mayor Matthew Hunter
Deputy Mayor Steven Eisenbeisz,
Vice Deputy Mayor Bob Potrzuski,
Aaron Bean, Kevin Knox, Dr. Richard Wein,
Benjamin Miyasato*

*Municipal Administrator: Keith Brady
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson*

Tuesday, March 13, 2018

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

IV. CORRESPONDENCE/AGENDA CHANGES

[18-040](#) Reminders, Calendars and General Correspondence

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

V. CEREMONIAL MATTERS

None anticipated.

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

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** [18-032](#) Approve the minutes of the February 27 Assembly meeting

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

- B** [18-034](#) Approve liquor license renewal applications: 1) American Legion Post #13 at 205 Lincoln Street, 2) Sitka Golf Association Inc. dba Sea Mountain Restaurant & 19th Hole at 301 Granite Creek Road, 3) Dove Island Lodge & Sitka Sportsfishing Charters, LLC dba Dove Island Lodge on Dove Island

Attachments: [Motion and Memo Liquor Licenses.pdf](#)

[American Legion.pdf](#)

[Sea Mountain Restaurant..pdf](#)

[Dove Island Lodge.pdf](#)

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- C** [18-033](#) Reappoint Shauna Thornton to a three-year term on the Port and Harbors Commission

Attachments: [Thornton Application redacted..pdf](#)

XI. UNFINISHED BUSINESS:

- D** [RES 18-04](#) RECONSIDERATION: Supporting a National Carbon Fee and Dividend Policy

Attachments: [Motion and Res 2018-04.pdf](#)

[Citizens' Climate Lobby.pdf](#)

[Bean suggested redraft.pdf](#)

- E** [ORD 18-04S](#) Amending Title 15 of the Sitka General Code by adding a new Chapter 15.15 "Utility Cost Subsidization Program" - 1st reading - substitute ordinance

Attachments: [Motion Memo and Ord 2018-04S.pdf](#)

[Previous version 2018-04..pdf](#)

XII. NEW BUSINESS:

- F** [18-037](#) Approve removal of the Solid Waste 4x4 route from the Solid Waste Collection Contract to reduce operating costs by approximately \$71,500 per year
Attachments: [Motion Memo and Maps 4x4 route..pdf](#)
- G** [18-035](#) Approve a liquor license renewal application for JL Sitka, Inc. dba Westmark Sitka Hotel at 330 Seward Street (executive session anticipated)
Attachments: [Steps Memo and Application.pdf](#)
- H** [ORD 18-07](#) Amending Sitka General Code Title 21 "Subdivision"
Attachments: [Motion and Memo Ord 2018-07.pdf](#)
[Ord 2018-07 Subdivision code.pdf](#)
[ZA18-02 Monumentation PlanningPacket 6Feb2018..pdf](#)
- I** [ORD 18-06](#) Adjusting the FY18 Budget (Library Donation, O'Connell Lightering Facility Repair Project)
Attachments: [Motion and Memo Ord 2018-06.pdf](#)
[Ord 2018-06.pdf](#)
[September 2017 Approved Budget Adjustment 2017-31.pdf](#)
[Cost Study and Marketing Research Results and Recommendations.pdf](#)
- J** [18-038](#) Approve the Gary Paxton Industrial Park Port Tariff No. 1
Attachments: [Motion and Memo Tariff.pdf](#)
[GPIP Port Tariff.pdf](#)
[Interdepartmental Internal Service Agreement.pdf](#)
- K** [18-039](#) Approve a one year purchase agreement between the City and Borough of Sitka and Green Gold Distributors for raw water in bulk export
Attachments: [Motion and Memo Green Gold Distributors.pdf](#)
[Green Gold Distributors.pdf](#)
[Green Gold Purchase Agreement.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

- L** [18-036](#) Financial matter: Baranof Island Brewing Company - Forbearance Agreement
Attachments: [Exec Session BIBCO.pdf](#)

XV. ADJOURNMENT

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

*Sara Peterson, MMC, Municipal Clerk
Publish: March 9*



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 18-040 **Version:** 1 **Name:**
Type: Item **Status:** AGENDA READY
File created: 3/8/2018 **In control:** City and Borough Assembly
On agenda: 3/13/2018 **Final action:**
Title: Reminders, Calendars and General Correspondence
Sponsors:
Indexes:
Code sections:
Attachments: [Reminders and Calendars.pdf](#)
[Library Director Report..pdf](#)

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

REMINDERS

| <u>DATE</u> | <u>EVENT</u> | <u>TIME</u> |
|---------------------------|---|--------------------|
| Tuesday, March 13 | Regular Meeting | 6:00 PM |
| Thursday, March 15 | Special Budget Meeting General Fund | 6:00 PM |
| Thursday, March 22 | Special Budget Meeting Enterprise Funds | 6:00 PM |
| Tuesday, March 27 | Regular Meeting | 6:00 PM |
| Thursday, March 29 | Special Budget Meeting Special Revenue Funds/ Internal Service Funds | 6:00 PM |



Assembly Calendar

2017 Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2019

March 2018

| Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday |
|------------|------------|---|--|---|-------------------------|-------------------------|
| 25 Feb | 26 | 27 | 28 | 1 Mar | 2 | 3 |
| Eisenbeisz | Eisenbeisz | Eisenbeisz 6:00pm Regular Assembly Mtg | Eisenbeisz Potrzuski 6:00pm Police and Fire Commission | Eisenbeisz Potrzuski 12:00pm SEDA Board Meeting | Eisenbeisz Potrzuski | Eisenbeisz Potrzuski |
| 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| Potrzuski | Potrzuski | Potrzuski 2:00pm Health Needs & Human Services 5:30pm Govt to Govt Dinner - Westmark Banquet Room | 6:30pm Library Commission | 12:00pm LEPC 6:00pm Joint Budget Work Session: Assembly and School Board - Harrigan Centennial Hall 7:00pm Planning Commission | Knox | Knox |
| 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| Knox | Knox | Knox 12:00pm Parks & Rec 6:00pm Regular Assembly Mtg | Knox 6:00pm Historic Preservation 6:15pm Port & Harbors Commission | Knox 6:00pm Special Meeting #1: Municipal Budget | Knox | Knox |
| 18 | 19 | 20 | 21 | 22 | 23 | 24 |
| Knox | | 12:00pm Tree/Landscape | 11:00am Employment Relations Board | 6:00pm Hospital Board Meeting 6:00pm Special Meeting #2: Municipal Budget 7:00pm Planning Commission | | Potrzuski |
| 25 | 26 | 27 | 28 | 29 | 30 | 31 Apr |
| Potrzuski | Potrzuski | Potrzuski 6:00pm Regular Assembly Mtg | Potrzuski 6:00pm Police and Fire Commission | Potrzuski 12:00pm Hospital Board 6:00pm Special Meeting #3: Municipal Budget | Potrzuski | Potrzuski |

Assembly Calendar

2017 Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2019

April 2018

| Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday |
|--------------|-----------|---|--|---|-----------|-----------|
| <u>1</u> Apr | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> |
| Potrzuski | Potrzuski | Potrzuski | Potrzuski 6:30pm Library Commission | Potrzuski 12:00pm SEDA Board Meeting 6:00pm Special Meeting #4: Municipal Budget - Sitka Community Hospital | Potrzuski | Potrzuski |
| <u>8</u> | <u>9</u> | <u>10</u> | <u>11</u> | <u>12</u> | <u>13</u> | <u>14</u> |
| Potrzuski | | 12:00pm Parks & Rec 6:00pm Regular Assembly Mtg | 6:00pm Historic Preservation 6:15pm Port & Harbors Commission | 12:00pm LEPC 2:00pm Health Needs & Human Services Commission 7:00pm Planning Commission | | |
| <u>15</u> | <u>16</u> | <u>17</u> | <u>18</u> | <u>19</u> | <u>20</u> | <u>21</u> |
| | | 12:00pm Tree/Landscape 5:30pm Special Meeting: Administrator and Attorney evals at City Hall | | 5:30pm - 7:00pm Work Session: BOE Training with State Assessor | | |
| <u>22</u> | <u>23</u> | <u>24</u> | <u>25</u> | <u>26</u> | <u>27</u> | <u>28</u> |
| | | 6:00pm Regular Assembly Mtg | Knox 6:00pm Police and Fire Commission | Knox 6:00pm Hospital Board Meeting 7:00pm Planning Commission | Knox | Knox |
| <u>29</u> | <u>30</u> | <u>1</u> May | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> |
| Knox | Knox | | 6:30pm Library Commission | 12:00pm SEDA Board Meeting | | |



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Library Director Report: February 2018

Highlights: The Love Your Library social media community engagement campaign began in February. To date 32 individuals have participated and SPL featured the first post on FaceBook on 2/26/18. SPL hosted a story-telling event featuring Bob Sam in recognition of Elizabeth Peratrovich Day. The Babies and Book event on 2/24/18 and the AFS Exchange Student presentations on 2/20/18 were both featured on the front page of the *Daily Sitka Sentinel*. A digital finding aid for the C.L Andrews Collection has been created and posted to SPL's website.

Facility Update: Rewiring of the light system in the Children's Room is complete. New shelves have been ordered to replace the faulty DVD shelves. The bar that connects to the automated door opener at the entrance doors was broken and replaced. A crack in the tile has emerged in the Men's Restroom. The Library experienced a phone service interruption over the weekend of February 9-12.

Stats:

9,180 people visited the Library in February
8757 physical materials checked out
752 digital materials checked out
798 renewed items, 863 in-house used items
103 attendees at 7 Adult Programs
259 Attendees at 8 Youth Programs
328 total public computer sessions
78 combined hours of public computer time usage
31 Meeting Room uses
32 Study Room uses
18 Teen Lab uses
4 policy infractions
1 test proctored

Notes: Print Management software has been installed for public computers use but is pending modifications before implementing into service. Two of SPL's four FTEs announced their intentions of resignation.



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 18-032 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 3/6/2018 In control: City and Borough Assembly

On agenda: 3/13/2018 Final action:

Title: Approve the minutes of the February 27 Assembly meeting

Sponsors:

Indexes:

Code sections:

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

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

CONSENT AGENDA

POSSIBLE MOTION

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

I wish to remove Item(s) _____

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

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

POSSIBLE MOTION

I MOVE TO approve the minutes of the
February 27th Assembly meeting.



CITY AND BOROUGH OF SITKA

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

Minutes - Draft

City and Borough Assembly

*Mayor Matthew Hunter
Deputy Mayor Steven Eisenbeisz,
Vice Deputy Mayor Bob Potrzuski,
Aaron Bean, Kevin Knox, Dr. Richard Wein,
Benjamin Miyasato*

*Municipal Administrator: Keith Brady
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson*

Tuesday, February 27, 2018

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 5 - Miyasato, Potrzuski, Hunter, Knox, and Wein

Telephonic: 2 - Eisenbeisz, and Bean

IV. CORRESPONDENCE/AGENDA CHANGES

No agenda changes.

18-030 Reminders, Calendars, and General Correspondence

V. CEREMONIAL MATTERS

None.

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

Steve Hartford, Director of Operations at Sitka Community Hospital, provided a status report on the Stroudwater recommendations, Project Urgent Care, a financial report, patient statistics, the budget process and the CEO recruitment process.

VII. PERSONS TO BE HEARD

Alene Henning reminded the Assembly of the economic benefit seniors gained from the senior sales tax exemption.

Sigurd Rutter spoke to the number of taxi companies and noted there were drivers who may be operating without a license or insurance.

Peter Bradley urged the Assembly to establish a policy for international water sales.

VIII. REPORTS

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

Administrator - Brady reported on his attendance at the Winter Alaska Municipal League meeting and legislative trip with Lobbyist Larry Markley. In addition, he noted O'Connell Bridge was being nominated as a special landmark for it being the first cable stay bridge in the United States.

Liaison Representatives - Knox updated on the Planning Commission and Miyasato on the Police and Fire Commission.

Clerk - Peterson reminded of the upcoming budget meetings.

Other - Wein reminded the public 1st quarter financial statements were available online in the correspondence section of the February 27 meeting packet.

IX. CONSENT AGENDA

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

Yes: 7 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Knox, Bean, and Wein

A 18-024 Approve the minutes of the February 13 Assembly meeting

This item was APPROVED ON THE CONSENT AGENDA.

B 18-025 Approve liquor license renewal applications for SOE, LLC dba Asian Palace at 327 Seward Square #1 and dba Little Tokyo at 315 Lincoln Street Suite #112

This item was APPROVED ON THE CONSENT AGENDA.

C RES 18-03 Supporting Senate Bill 92: An Act Relating to Abandoned and Derelict

Knox noted the legislation would give significant power to entities trying to manage derelict vessels. Harbormaster, Stan Eliason, spoke to the importance of the legislation and commented the Bill would afford him the ability to track ownership and handle derelict vessel situations.

A motion was made by Miyasato that this Resolution be APPROVED on FIRST

AND FINAL READING. The motion PASSED by the following vote.

Yes: 7 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Knox, Bean, and Wein

- D RES 18-05** Authorizing a grant application to the National Recreation and Parks Association (NRPA)/Disney for Crescent Harbor Playground Renovation

This item was APPROVED ON THE CONSENT AGENDA.

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- E 18-028** Reappoint Bob Sam to a three-year term on the Historic Preservation Commission (STA seat) and Appoint: 1) Gary Paxton to a three-year term on the Employment Relations Board (City representative seat), and, 2) Nancy Douglas to a three-year term on the Historic Preservation Commission (STA seat - alternate)

Miyasato and Wein thanked the individuals for their willingness to serve.

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

Yes: 7 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Knox, Bean, and Wein

XI. UNFINISHED BUSINESS:

- F ORD 18-03** Adjusting the FY18 Budget (*document management system, investment management fees*)

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

Yes: 7 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Knox, Bean, and Wein

- G ORD 18-05** Adjusting the FY18 Budget (Sitka Community Hospital RFP)

Wein suggested the recruitment process for a Chief Executive Officer at Sitka Community Hospital occur first and then the RFP process. He questioned the amount of the appropriation and wondered if it might be better to see what the results of the RFP process yielded and then appropriate the funds. Knox wished to move forward with the RFP process and not delay. Eisenbeisz, Potrzuski, Miyasato and Hunter concurred. Bean wished to move forward with the RFP however was opposed to the appropriation of funds. Municipal Attorney, Brian Hanson, recommended if the Assembly was going to proceed with the RFP process that it be done well and follow best practice by hiring a consultant.

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

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

No: 2 - Bean, and Wein

XII. NEW BUSINESS:

- H 18-029** Approve a lease agreement between Northern Southeast Regional Aquaculture Association, Inc. and the City and Borough of Sitka for Block 4, Lot 3 of the Gary Paxton Industrial Park

NSRAA General Manager, Steve Reifensstuhl, and NSRAA Board Member, Eric Jordan, spoke to the proposed lease agreement and expansion plans for salmon production on Lot 3.

Assembly members queried about water delivery agreements. Reifensstuhl explained the water amendment would come forward at a future meeting. He believed the increased amount of water needed for the hatchery expansion was achievable.

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

Yes: 7 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Knox, Bean, and Wein

- I RES 18-04** Supporting a National Carbon Fee and Dividend Policy

Public testimony on the Resolution

Speaking in support of the Resolution were: Jay Stelzenmuller, Lisa Sadlier-Hart, Kent Barkhau, Heather Bauscher, Eric Jordan, Fabian Grutter, Joel Hanson, Michelle Putz, Libby Stortz, Doug Osborne, Barbara Bingham, and Owen Kindig.

Testifying in opposition to the Resolution were Larry Edwards and Peter Bradley.

Assembly Deliberation on the Resolution

Wein stated while he believed in the notion of conservation, fee and dividend was not the answer. Bean, too, spoke in opposition to the fee and dividend structure. Knox stated climate change had been an issue for quite some time, felt action needed to be taken, and was tired of kicking the can down the road. Potrzuski agreed with Knox and noted something needed to be done. Hunter relayed that while this may not be a perfect solution, it was a solution.

Public testimony on the following amendment to strike lines 44-63

In opposition were: Michelle Putz, Libby Stortz, Kent Barkhau, and Lisa Sadlier-Hart

Larry Edwards suggested the Assembly consider forming a work group to further resolve the resolution.

Assembly Deliberation on the amendment to strike lines 44-63

Bean stated if amended he could support the resolution and have unanimous support on policy change at a national level to protect the environment. Knox believed, if amended, the resolution would lack meaning.

A motion was made by Bean to AMEND the resolution by striking lines 44-63 and clarifying the title to reflect the changes.

Lines 44-63:

WHEREAS, an annually increasing Carbon Fee levied at the extraction point of fossil fuels or point of entry into the United States will begin to account for the

external costs of fossil fuel use and unleash market forces to find the most cost-effective ways to reduce emissions; and

WHEREAS, all money collected in fees returned to households as a dividend would protect or minimize the economic effects on households while also encouraging investments in increased energy efficiency and alternate sources of energy by both industry and consumers.

NOW, THEREFORE, BE IT RESOLVED that by the Assembly of the City and Borough of Sitka to strongly urge the U.S. Congress to enact legislation that:

- A. Levies an annually increasing fee on carbon dioxide and greenhouse gas equivalent emissions produced by fossil fuels at the point of production and importation;
- B. Returns to Americans on an equitable basis all of the net revenues generated from the fee; and
- C. Encourages carbon pricing action by other nations trading with the United States, by suitable carbon-content-based fees for imports, and rebates for exports, to nations that do not have equivalent carbon pricing to that of the United States.

A motion was made by Potrzuski to LIMIT DEBATE on the amendment to two minutes per member. The motion PASSED by the following vote.

Yes: 7 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Knox, Bean, and Wein

A motion was made by Potrzuski to MOVE THE PREVIOUS QUESTION. The motion PASSED by the following vote.

Yes: 7 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Knox, Bean, and Wein

The AMENDMENT FAILED by the following vote.

Yes: 2 - Bean, and Wein

No: 5 - Miyasato, Eisenbeisz, Potrzuski, Hunter, and Knox

A motion was made by Potrzuski that this Resolution be APPROVED on FIRST AND FINAL READING. The motion PASSED by the following vote. Assembly Member Bean moved for RECONSIDERATION of the motion at the March 13 Assembly meeting.

Yes: 6 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Knox, and Bean

No: 1 - Wein

J 18-026

Discussion/Direction/Decision regarding the ban/taxation of plastic bags

Representatives of Bags for Change spoke to the Assembly about the harmful effects of single-use plastic bags and reported on results of their recent public opinion polls. The group urged the Assembly to consider sponsoring a ballot proposition for single-use bag reduction either through a ban or imposed fee.

Assembly members Potrzuski, Wein, and Knox volunteered to further research the idea of a ban or fee and bring back an ordinance for Assembly consideration or possibly a public vote.

- K 18-027** Discussion/Direction on a hiring freeze and travel restrictions for CBS employees
- Assembly members discussed their thoughts on implementing a hiring freeze and reducing employee travel. Administrator Brady offered that in addition to travel, each vacancy was scrutinized. After discussion, the Assembly directed the Administrator to continue with current hiring practices and use his discretion.

XIII. PERSONS TO BE HEARD:

None.

XIV. EXECUTIVE SESSION

None.

XV. ADJOURNMENT

A motion was made by Miyasato to ADJOURN. Hearing no objections, the meeting ADJOURNED at 10:24pm.

ATTEST: _____

Sara Peterson, MMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 18-034 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 3/7/2018 In control: City and Borough Assembly

On agenda: 3/13/2018 Final action:

Title: Approve liquor license renewal applications: 1) American Legion Post #13 at 205 Lincoln Street, 2) Sitka Golf Association Inc. dba Sea Mountain Restaurant & 19th Hole at 301 Granite Creek Road, 3) Dove Island Lodge & Sitka Sportsfishing Charters, LLC dba Dove Island Lodge on Dove Island

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and Memo Liquor Licenses.pdf](#)
[American Legion.pdf](#)
[Sea Mountain Restaurant..pdf](#)
[Dove Island Lodge.pdf](#)

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

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

POSSIBLE MOTION

I MOVE TO approve liquor license renewal applications for 1) American Legion Post #13 at 205 Lincoln Street, 2) Sitka Golf Association Inc. dba Sea Mountain Restaurant & 19th Hole at 301 Granite Creek Road, 3) Dove Island Lodge & Sitka Sportsfishing Charters, LLC dba Dove Island Lodge on Dove Island, and forward these approvals to the Alcoholic Beverage Control Board without objection.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Mayor Hunter and Assembly Members
Keith Brady, Municipal Administrator

From: Sara Peterson, Municipal Clerk

Date: March 7, 2018

Subject: Approve liquor license renewal applications for American Legion, Sitka Golf Association and Dove Island Lodge

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

Lic #: 56
DBA: American Legion Post #13
License Type: Club
Licensee: American Legion Post #13
Premises Address: 205 Lincoln Street

Lic #: 606
DBA: Sea Mountain Restaurant & 19th Hole
License Type: Beverage Dispensary
Licensee: Sitka Golf Association Inc.
Premises Address: 301 Granite Creek Road

Lic #: 5126
DBA: Dove Island Lodge
License Type: Outdoor Recreation Lodge
Licensee: Dove Island Lodge & Sitka Sportfishing Charters, LLC
Premises Address: Dove Island

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

Recommendation:

Approve liquor license renewal applications for American Legion Post #13, Sitka Golf Association Inc. dba Sea Mountain Restaurant & 19th Hole, and Dove Island Lodge & Sitka Sportfishing Charters, LLC dba Dove Island Lodge and forward these approvals to the Alcoholic Beverage Control Board without objection.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Utility Billing Clerk – Diana
Collections - Sunni
Municipal Billings – Lindsey
Sales Tax/Property Tax - Hannah
Fire Department
Police Department
Building Official(s)

From: Sara Peterson, Municipal Clerk

Date: March 1, 2018

Subject: Liquor License Renewal Application – American Legion Post #13

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

Lic #: 56
DBA: American Legion Post #13
License Type: Club
Licensee: American Legion Post #13
Premises Address: 205 Lincoln Street

Please notify no later than **noon on Tuesday, March 6** of any reason to protest this renewal request. This request is scheduled to go before the Assembly on March 13.

Thank you.



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

**Department of Commerce, Community,
and Economic Development**

ALCOHOL & MARIJUANA CONTROL OFFICE

550 West 7th Avenue, Suite 1600

Anchorage, AK 99501

Main: 907.269.0350

February 28, 2018

City and Borough of Sitka

Attn: Sara Peterson, Municipal Clerk

Via Email: sara.peterson@cityofsitka.org

melissa.henshaw@cityofsitka.org

Re: Notice of 2018/2019 Liquor License Renewal Application

| | | | |
|---------------------------|--------------------------|------------------------|----|
| License Type: | Club | License Number: | 56 |
| Licensee: | American Legion Post #13 | | |
| Doing Business As: | American Legion Post #13 | | |

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

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

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

Sincerely,

A handwritten signature in cursive script that reads "Erika McConnell".

Erika McConnell, Director

amco.localgovernmentonly@alaska.gov



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

Alaska Alcoholic Beverage Control Board

Master Checklist: Renewal Liquor License Application

| | | | |
|--------------------|--------------------------|-----------------|---------|
| License Type: | Club | License Number: | 56 |
| Doing Business As: | American Legion Post #13 | | |
| Examiner: | Carrie | Transaction #: | 1020242 |

| Document | Received | Completed | Notes |
|----------------------------|----------|-----------|-------|
| AB-17: Renewal Application | 11/20/17 | 2/27 | |
| App and License Fees | 11/20/17 | 2/28 | |

| Supplemental Document | Received | Completed | Notes |
|---|--------------|-----------|-------|
| Tourism/Rec Site Statement | | | |
| AB-25: Supplier Cert (WS) | | | |
| AB-29: Waiver of Operation | | | |
| AB-30: Minimum Operation | | | |
| Fingerprint Cards & Fees / AB-08a: Crim. History | 2/23 2/27 | 2/27 | 55474 |
| Late Fee | | | |

| | |
|--------------------|---|
| Names on FP Cards: | Jeremy DeTemple, Ronald Davis, Grant Smith, Margaret Carlson |
|--------------------|---|

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



Alcohol and Marijuana Control Office

550 W 7th Avenue, Suite 1600

Anchorage, AK 99501

alcohol.licensing@alaska.gov

<https://www.commerce.alaska.gov/web/amco>

Phone: 907.269.0350

Alaska Alcoholic Beverage Control Board

Form AB-17: 2018/2019 Renewal License Application

What is this form?

This renewal license application form is required for all individuals or entities seeking to apply for renewal of an existing liquor license that will expire on December 31, 2017. All fields of this form must be complete and correct, or the application will be returned to you in the manner in which it was received, per AS 04.11.270 and 3 AAC 304.105. The Community Council field only should be verified/completed by licensees whose establishments are located within the Municipality of Anchorage or outside of city limits within the Matanuska-Susitna Borough.

This form must be completed correctly and submitted to the Alcohol & Marijuana Control Office (AMCO)'s main office, along with all other required documents and fees, before any renewal license application will be considered complete.

Section 1 – Establishment and Contact Information

Enter information for the business seeking to have its license renewed. If any populated information is incorrect, please contact AMCO.

| | | | |
|-----------------------|--------------------------|------------|--------------|
| Licensee: | American Legion Post #13 | License #: | 56 |
| License Type: | Club | Statute: | AS 04.11.110 |
| Doing Business As: | American Legion Post #13 | | |
| Premises Address: | 205 Lincoln St | | |
| Local Governing Body: | City & Borough of Sitka | | |
| Community Council: | None | | |

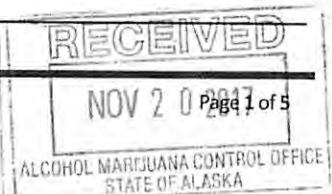
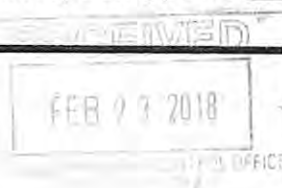
| | | | |
|------------------|-----------------|--------|--------|
| Mailing Address: | 205 Lincoln St. | | |
| City: | Sitka | State: | Alaska |
| | | ZIP: | 99835 |

Enter information for the individual who will be designated as the primary point of contact regarding this application. This individual must be a licensee who is required to be listed in and authorized to sign this application.

| | | | |
|-------------------|---------------------------|-----------------|--------------|
| Point of Contact: | Ronald Davis | | |
| Contact Phone: | 907 738-3277 | Business Phone: | 907-747-8629 |
| Contact Email: | halfbreed197071@yahoo.com | | |

Seasonal License? ☐ Yes ☒ No

If "Yes", write your six-month operating period:





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

Alaska Alcoholic Beverage Control Board

Form AB-17: 2018/2019 Renewal License Application

Section 2 – Authorization

Communication with AMCO staff:

Yes No

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



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

Margaret Carlson - manager -

Section 3 – Sole Proprietor Ownership Information

This section must be completed by any sole proprietorship who is applying for license renewal. Entities should skip to Section 4.
If more space is needed, please attach a separate sheet with the required information.

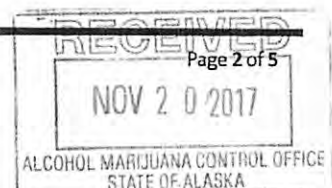
The following information must be completed for each licensee and each affiliate (spouse).

This individual is an: ☐ applicant ☐ affiliate

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

This individual is an: ☐ applicant ☐ affiliate

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





Alcohol and Marijuana Control Office
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Anchorage, AK 99501
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Phone: 907.269.0350

Alaska Alcoholic Beverage Control Board

Form AB-17: 2018/2019 Renewal License Application

Section 4 – Entity Ownership Information

This subsection must be completed by any licensee that is a corporation or LLC. Corporations and LLCs are required to be in good standing with the Alaska Division of Corporations, Business & Professional Licensing (CBPL). You may view your entity's status or find your CBPL entity number by visiting the following site: <https://www.commerce.alaska.gov/cbp/main/search/entities>
Partnerships may skip to the second half of this page. Sole proprietorships should skip to Section 5.

| | |
|-----------------------|---------|
| Alaska CBPL Entity #: | 50544 D |
|-----------------------|---------|

You must ensure that you are able to certify the following statement before signing your initials in the box to the right:

I certify that this entity is in good standing with CBPL and that all current entity officials and stakeholders (listed below) are also currently and accurately listed with CBPL.

Initials

This subsection must be completed by any community or entity, including a corporation, limited liability company, partnership, or limited partnership, that is applying for renewal. If more space is needed, please attach additional completed copies of this page.

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

| | | | | | |
|-----------------------|-----------------------|--------|--------------|----------|-------|
| Entity Official Name: | Grant Smith | | | | |
| Title(s): | president - Commander | Phone: | 907 752-1523 | % Owned: | — |
| Mailing Address: | 2020 HPR | | | | |
| City: | Sitka | State: | AK | ZIP: | 99835 |

| | | | | | |
|-----------------------|----------------------|--------|--------------|----------|-------|
| Entity Official Name: | Ronald Davis | | | | |
| Title(s): | Vice Commander / Sec | Phone: | 907-738-3277 | % Owned: | |
| Mailing Address: | P.O. Box 11 | | | | |
| City: | Sitka | State: | AK | ZIP: | 99835 |

| | | | | | |
|-----------------------|-------------------------|--------|--------------|----------|-------|
| Entity Official Name: | Jeremy Detemple | | | | |
| Title(s): | tres | Phone: | 907 301-1087 | % Owned: | ~ |
| Mailing Address: | 1803 SMC Sitka AK 99835 | | | | |
| City: | Sitka | State: | AK | ZIP: | 99835 |



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Alaska Alcoholic Beverage Control Board

Form AB-17: 2018/2019 Renewal License Application

Section 5 – License Operation

| Check a single box for each calendar year that best describes how this liquor license was operated: | 2016 | 2017 |
|---|-------------------------------------|-------------------------------------|
| The license was regularly operated continuously throughout each year, for 8 or more hours each day. | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| The license was regularly operated during a specific season each year, for 8 or more hours each day. | <input type="checkbox"/> | <input type="checkbox"/> |
| The license was only operated to meet the minimum requirement of 30 days each year, 8 hours each day. <i>If this box is checked, a complete copy of Form AB-30: Proof of Minimum Operation Checklist, and all necessary documentation must be provided with this application.</i> | <input type="checkbox"/> | <input type="checkbox"/> |
| The license was not operated at all or was not operated for at least the minimum requirement of 30 days each year, 8 hours each day, during one or both of the calendar years. <i>If this box is checked, a complete copy of Form AB-29: Waiver of Operation Application and corresponding fees must be submitted with this application for each calendar year during which the license was not operated for at least the minimum requirement.</i> | <input type="checkbox"/> | <input type="checkbox"/> |

Section 6 – Violations and Convictions

| Applicant violations and convictions in calendar years 2016 and 2017: | Yes | No |
|---|--------------------------|-------------------------------------|
| Have any notices of violation (NOVs) been issued to this licensee in the calendar years 2016 or 2017? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Has any person or entity named in this application been convicted of a violation of Title 04, of 3 AAC 304, or a local ordinance adopted under AS 04.21.010 in the calendar years 2016 or 2017? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

If "Yes" to either of the previous two questions, attach a separate page to this application listing all NOVs and/or convictions.

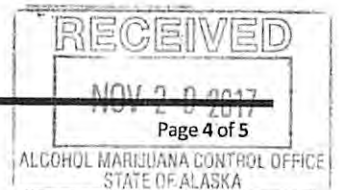
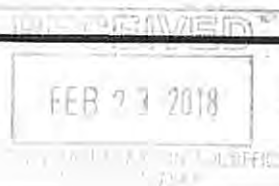
Section 7 – Alcohol Server Education

This section must be completed only by the holder of a beverage dispensary, club, or pub license or conditional contractor's permit. The holders of all other license types should skip to Section 8.

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

I certify that all licensees, agents, and employees who sell or serve alcoholic beverages or check identification of a patron have completed an alcohol server education course approved by the ABC Board and keep current, valid copies of their course completion cards on the licensed premises during all working hours, as required under AS 04.21.025 and 3 AAC 304.465.

Initials





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

Alaska Alcoholic Beverage Control Board

Form AB-17: 2018/2019 Renewal License Application

Section 8 – Certifications

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

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

Initials

[Handwritten initials]

I certify that in accordance with AS 04.11.450, no one other than the licensee(s) has a direct or indirect financial interest in the licensed business.

[Handwritten initials]

I certify that I have not altered the functional floor plan or reduced or expanded the area of the licensed premises, and I have not changed the business name or the ownership (including officers, managers, general partners, or stakeholders) from what is currently on file with the Alcoholic Beverage Control Board.

[Handwritten initials]

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

[Handwritten initials]

As an applicant for a liquor license renewal, I declare under penalty of perjury that I have read and am familiar with AS 04 and 3 AAC 304, and that this application, including all accompanying schedules and statements, is true, correct, and complete. I agree to provide all information required by the Alcoholic Beverage Control Board in support of this application and understand that failure to do so by any deadline given to me by AMCO staff will result in this application being returned to me as incomplete.

Signature of licensee

[Handwritten signature: Jeremy DeTemple]
Printed name of licensee

Signature of Notary Public

[Handwritten signature: Jonathan O. Lowrance]
Notary Public in and for the State of Alaska

STATE OF ALASKA

NOTARY PUBLIC

JONATHAN O. LOWRANCE

My Commission Expires

10-21-18

My commission expires: 10-21-2018

Subscribed and sworn to before me this 17 day of November, 2017.

| | | | | | |
|--|------------|------------------|-----------|--------|------------|
| License Fee: | \$ 1200.00 | Application Fee: | \$ 200.00 | TOTAL: | \$ 1400.00 |
| Late Fee of \$500.00 – if received or postmarked after 01/02/2018: | | | | | — |
| Miscellaneous Fees: | | | | | — |
| GRAND TOTAL (if different than TOTAL): | | | | | 1400.00 |

CR # 6375

RECEIVED

FEB 23 2018

RECEIVED

NOV 20 2017

Page 5 of 5

ALCOHOL MARIJUANA CONTROL OFFICE
STATE OF ALASKA

Department of Commerce, Community, and Economic Development
Division of Corporations, Business and Professional
Licensing

State of Alaska > Commerce > Corporations, Business, & Professional Licensing > Search & Database Download > Corp. > Corporation Details

NAME(S)

| | |
|------------|--|
| Type | Name |
| Legal Name | SITKA POST NO. 13, THE AMERICAN LEGION, DEPARTMENT OF ALASKA |

ENTITY DETAILS

Entity Type: Nonprofit Corporation
 Entity #: 50544D
 Status: Good Standing
 AK Formed Date: 11/9/1992
 Duration/Expiration: Perpetual
 Home State: ALASKA
 Next Biennial Report Due: 7/2/2018
 Entity Mailing Address: 205 LINCOLN ST, SITKA, AK 99835
 Entity Physical Address: 205 LINCOLN ST, SITKA, AK 99835

REGISTERED AGENT

Agent Name: Jeremy DeTemple
 Registered Mailing Address: 205 LINCOLN ST, SITKA, AK 99835
 Registered Physical Address: 181D PRICE ST, SITKA, AK 99835

OFFICIALS

| AK Entity # | Name | Titles | <input type="checkbox"/> Show Former Owned |
|-------------|---------------------|----------------|---|
| | Charley Daniel | Secretary | |
| | Charley Hazel | Director | |
| | Dave Roberts | President | |
| | Frank Dommrick | Director | |
| | Frank Uckert | Director | |
| | George House | President | |
| | Jermie DeTemple | Vice President | |
| | Robert Summersville | Treasurer | |

FILED DOCUMENTS

| Date Filed | Type | Filing | Certificate |
|------------|-----------------|-------------------------------|-------------|
| 11/09/1992 | Creation Filing | | |
| 8/25/1994 | Biennial Report | | |
| 11/06/1996 | Biennial Report | Click to View | |
| 9/15/1998 | Biennial Report | Click to View | |
| 1/02/2001 | Biennial Report | Click to View | |
| 9/23/2002 | Biennial Report | Click to View | |
| 7/30/2004 | Biennial Report | Click to View | |
| 7/30/2004 | Agent Change | Click to View | |



THE STATE
of **ALASKA**

Department of Commerce, Community and Economic Development
Division of Corporations, Business and Professional Licensing

mailed
2-9-18
3:30 pm
over
night
mail

COR

Corporations Section

State Office Building, 333 Willoughby Avenue, 9th Floor

PO Box 110806, Juneau, AK 99811-0806

Phone: (907) 465-2550 • Fax: (907) 465-2974

Email: corporations@alaska.gov

Website: Corporations.Alaska.Gov

Notice of Change of Officials

Domestic Non-Profit Corporation (AS 10.20)

- This Notice of Change of Officials form is only for Domestic Non-Profit Corporations and is used to report changes in officers and directors information between biennial reporting periods.
- This Notice of Change of Officials will not be filed if the entity's biennial report is not current. To verify the entity's biennial report due date, go online to www.Corporations.Alaska.Gov and select, *Search Corporations Database*
- Standard processing time for complete and correct filings submitted to this office is approximately 10-15 business days. All filings are reviewed in the date order they are received.
- The information you submit is a public record and will be posted on the State's website.

1. Important:

AS 10.20.631

Each Domestic Non-Profit Corporation is required to notify this office when there is a change of officials.

— AS 10.20.631

Failure to meet this requirement may result in involuntary dissolution of the entity's authority to transact business in the State of Alaska.

— AS 10.20.325(7)

The Domestic Non-Profit Corporation is to keep and make available the records of the official(s) changes.

— AS 10.20.131

2. Fee:

☒ \$25 Nonrefundable Filing Fee (CORF)

3 AAC 16.050(c)

Mail this form and the non-refundable \$25 filing fee in U.S. dollars to the letterhead address. Make the check or money order payable to the State of Alaska, or use the attached credit card payment form.

3. Entity Information:

AS 10.20.631

Entity Name: Sitka Post 313, The American Legion, Department of Alaska

Alaska Entity Number: 50544D



4. REMOVE from Record: AS 10.20.631(b)

The following officials (officers and directors) will be completely removed from the record as a result of this filing:

Name: Jermie De Temple Name: George House

Name: Dave Roberts Name: Robert Sommerville

If an official is not being removed from record, then list them in Item #5 below (with their current information).

5. ALL Current Officials: AS 10.20.631(b) and AS 10.20.705

The following is a complete list of ALL remaining and new officials who will be on record as a result of this filing.

Non-Profit Corporations must have a President, Vice-President, Secretary, Treasurer, and at least three (3) Directors. Two or more offices may be held by the same person, except the offices of President and Secretary which cannot be the same person. — AS 10.20.086 and AS 10.20.121

List ALL officials and their current information to be on record.
BOLD fields are required.

| FULL LEGAL NAME | COMPLETE MAILING ADDRESS | PRESIDENT | VICE-PRESIDENT | SECRETARY | TREASURER | DIRECTOR (3) | Assistant Secretary | Assistant Treasurer |
|--------------------|---------------------------------|-----------|----------------|-----------|-----------|--------------|---------------------|---------------------|
| Grant Smith | 2020 H.P.R. Sitka, Alaska 99835 | x | | | | | | |
| Ronald Davis | P.O. Box 11 Sitka, Alaska 99835 | | x | X | | | | |
| Jeremy K. DeTemple | 1803 Sawmill Creek Road | | | | X | x | | |
| Charlie Hazel | P.O. Box 256 Wrangell AK 99729 | | | | | x | | |
| Frank Uckert | P.O. Box 2126 Sitka AK 99835 | | | | | x | | |

→ If necessary, use the following supplement page and include all information required above in Item #5.

6. Required Signature: AS 10.20.631(b) and AS 10.20.650

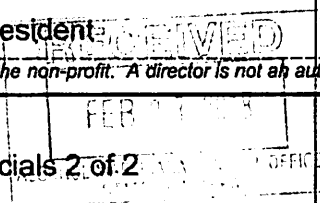
The Notice of Change of Officials must be signed by an officer of the non-profit corporation. A Director is not an authorized signer. Persons who sign documents filed with the commissioner that are known to the person to be false in material respects are guilty of a class A misdemeanor.

Signature: Ron Davis Date: 2/9/2018

Printed Name: Ron Davis

Title of Authorized Signer: Vice Commander/ Vice President

(Must be signed by an officer of the non-profit. A director is not an authorized signer.)





City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Utility Billing Clerk – Diana
Collections - Sunni
Municipal Billings – Lindsey
Sales Tax/Property Tax - Hannah
Fire Department
Police Department
Building Official(s)

From: Sara Peterson, Municipal Clerk

Date: February 27, 2018

Subject: Liquor License Renewal Applications – Sea Mountain Restaurant and Dove Island Lodge

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

Lic #: **606**
DBA: Sea Mountain Restaurant & 19th Hole
License Type: Beverage Dispensary
Licensee: Sitka Golf Association Inc.
Premises Address: 301 Granite Creek Road

Lic #: **5126**
DBA: Dove Island Lodge
License Type: Outdoor Recreation Lodge
Licensee: Dove Island Lodge & Sitka Sportfishing Charters, LLC
Premises Address: Dove Island

Please notify no later than **noon on Tuesday, March 6** of any reason to protest these renewal requests. These requests are scheduled to go before the Assembly on March 13.

Thank you.



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

**Department of Commerce, Community,
and Economic Development**

ALCOHOL & MARIJUANA CONTROL OFFICE

550 West 7th Avenue, Suite 1600

Anchorage, AK 99501

Main: 907.269.0350

February 23, 2018

City and Borough of Sitka

Attn: Sara Peterson, Municipal Clerk

Via Email: sara.peterson@cityofsitka.org

melissa.henshaw@cityofsitka.org

Re: Notice of 2018/2019 Liquor License Renewal Application

| | | | |
|---------------------------|---|------------------------|-----|
| License Type: | Beverage Dispensary | License Number: | 606 |
| Licensee: | Sitka Golf Association Inc. | | |
| Doing Business As: | Sea Mountain Restaurant & 19 th Hole | | |

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

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

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

Sincerely,

A handwritten signature in cursive script that reads "Erika McConnell".

Erika McConnell, Director

amco.localgovernmentonly@alaska.gov



Alcohol and Marijuana Control Office

550 W 7th Avenue, Suite 1600

Anchorage, AK 99501

alcohol.licensing@alaska.gov

<https://www.commerce.alaska.gov/web/amco>

Phone: 907.269.0350

Alaska Alcoholic Beverage Control Board

Form AB-17: 2018/2019 Renewal License Application

What is this form?

This renewal license application form is required for all individuals or entities seeking to apply for renewal of an existing liquor license that will expire on December 31, 2017. All fields of this form must be complete and correct, or the application will be returned to you in the manner in which it was received, per AS 04.11.270 and 3 AAC 304.105. The Community Council field only should be verified/completed by licensees whose establishments are located within the Municipality of Anchorage or outside of city limits within the Matanuska-Susitna Borough.

This form must be completed correctly and submitted to the Alcohol & Marijuana Control Office (AMCO)'s main office, along with all other required documents and fees, before any renewal license application will be considered complete.

Section 1 – Establishment and Contact Information

Enter information for the business seeking to have its license renewed. If any populated information is incorrect, please contact AMCO.

| | | | |
|-----------------------|-------------------------------------|------------|--------------|
| Licensee: | Sitka Golf Association Inc | License #: | 606 |
| License Type: | Beverage Dispensary | Statute: | AS 04.11.090 |
| Doing Business As: | Sea Mountain Restaurant & 19th Hole | | |
| Premises Address: | 301 Granite Creek Road | | |
| Local Governing Body: | City & Borough of Sitka | | |
| Community Council: | None | | |

| | | | | | |
|------------------|------------------------|--------|--------|------|-------|
| Mailing Address: | 301 Granite Creek Road | | | | |
| City: Sitka | | State: | Alaska | ZIP: | 99835 |

Enter information for the individual who will be designated as the primary point of contact regarding this application. This individual must be a licensee who is required to be listed in and authorized to sign this application.

| | | | |
|-------------------|------------------|-----------------|------|
| Point of Contact: | Richard Mulligan | | |
| Contact Phone: | 907 738 5035 | Business Phone: | None |
| Contact Email: | riccol@pci.net | | |

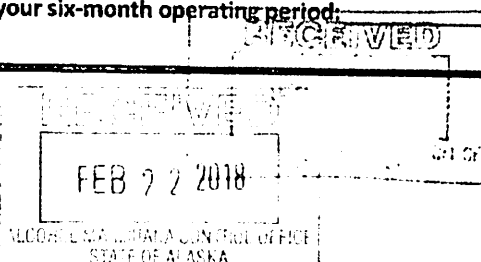
Seasonal License? Yes ☐ No ☒

If "Yes", write your six-month operating period:

[Form AB-17] (rev 10/16/2017)

License #606 DBA Sea Mountain Restaurant & 19th Hole

Page 1 of 5





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

Alaska Alcoholic Beverage Control Board

Form AB-17: 2018/2019 Renewal License Application

Section 2 – Authorization

Communication with AMCO staff:

Yes No

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

☒ ☐

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

KARL STEDMAN

Section 3 – Sole Proprietor Ownership Information

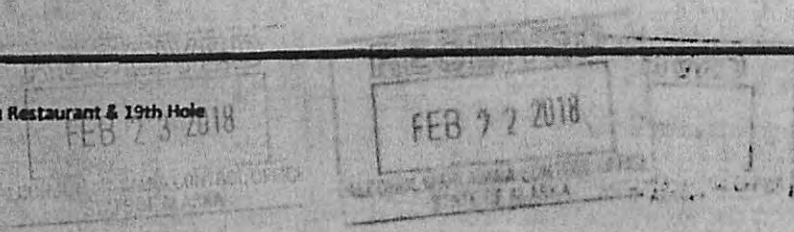
This section must be completed by any sole proprietorship who is applying for license renewal. Entities should skip to Section 4.
If more space is needed, please attach a separate sheet with the required information.
The following information must be completed for each licensee and each affiliate (spouse).

This individual is an: ☐ applicant ☐ affiliate

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

This individual is an: ☐ applicant ☐ affiliate

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





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Alaska Alcoholic Beverage Control Board

Form AB-17: 2018/2019 Renewal License Application

Section 4 – Entity Ownership Information

This subsection must be completed by any licensee that is a corporation or LLC. Corporations and LLCs are required to be in good standing with the Alaska Division of Corporations, Business & Professional Licensing (CBPL). You may view your entity's status or find your CBPL entity number by visiting the following site: <https://www.commerce.alaska.gov/cbp/main/search/entities>. Partnerships may skip to the second half of this page. Sole proprietorships should skip to Section 5.

| | |
|-----------------------|--------|
| Alaska CBPL Entity #: | 63716D |
|-----------------------|--------|

You must ensure that you are able to certify the following statement before signing your initials in the box to the right: Initials

I certify that this entity is in good standing with CBPL and that all current entity officials and stakeholders (listed below) are also currently and accurately listed with CBPL.

RM

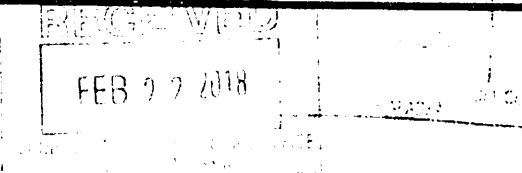
This subsection must be completed by any community or entity, including a corporation, limited liability company, partnership, or limited partnership, that is applying for renewal. If more space is needed, please attach additional completed copies of this page.

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

| | | | | | |
|-----------------------|------------------------|--------|--------------|----------|-------|
| Entity Official Name: | Tom Mattingly | | | | |
| Title(s): | President | Phone: | 907 738 3135 | % Owned: | |
| Mailing Address: | 301 Granite Creek Road | | | | |
| City: | Sitka | State: | Alaska | ZIP: | 99835 |

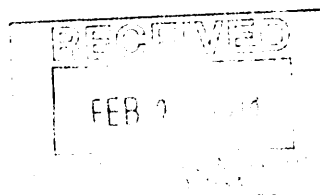
| | | | | | |
|-----------------------|------------------------|--------|--------------|----------|-------|
| Entity Official Name: | Richard Mulligan | | | | |
| Title(s): | Vice President | Phone: | 907 738 5035 | % Owned: | |
| Mailing Address: | 301 Granite Creek Road | | | | |
| City: | Sitka | State: | Alaska | ZIP: | 99835 |

| | | | | | |
|-----------------------|------------------------|--------|--------------|----------|-------|
| Entity Official Name: | Carleton Robinson | | | | |
| Title(s): | Secretary | Phone: | 360 333 5246 | % Owned: | |
| Mailing Address: | 301 Granite Creek Road | | | | |
| City: | Sitka | State: | Alaska | ZIP: | 99835 |



Form AB-17: 2018/2019 Renewal License Application

| | | | | | |
|-----------------------|------------------------|--------|--------------|----------|-------|
| Entity Official Name: | Colin Kempton | | | | |
| Title(s): | Vice President | Phone: | 907 738 3381 | % Owned: | |
| Mailing Address: | 301 Granite Creek Road | | | | |
| City: | Sitka | State: | Alaska | Zip: | 99835 |





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

Alaska Alcoholic Beverage Control Board

Form AB-17: 2018/2019 Renewal License Application

Section 5 – License Operation

| Check a single box for each calendar year that best describes how this liquor license was operated: | 2016 | 2017 |
|---|-------------------------------------|-------------------------------------|
| The license was regularly operated continuously throughout each year, for 8 or more hours each day. | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| The license was regularly operated during a specific season each year, for 8 or more hours each day. | <input type="checkbox"/> | <input type="checkbox"/> |
| The license was only operated to meet the minimum requirement of 30 days each year, 8 hours each day. <i>If this box is checked, a complete copy of Form AB-30: Proof of Minimum Operation Checklist, and all necessary documentation must be provided with this application.</i> | <input type="checkbox"/> | <input type="checkbox"/> |
| The license was not operated at all or was not operated for at least the minimum requirement of 30 days each year, 8 hours each day, during one or both of the calendar years. <i>If this box is checked, a complete copy of Form AB-29: Waiver of Operation Application and corresponding fees must be submitted with this application for each calendar year during which the license was not operated for at least the minimum requirement.</i> | <input type="checkbox"/> | <input type="checkbox"/> |

Section 6 – Violations and Convictions

| Applicant violations and convictions in calendar years 2016 and 2017: | Yes | No |
|---|--------------------------|-------------------------------------|
| Have any notices of violation (NOVs) been issued to this licensee in the calendar years 2016 or 2017? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Has any person or entity named in this application been convicted of a violation of Title 04, of 3 AAC 304, or a local ordinance adopted under AS 04.21.010 in the calendar years 2016 or 2017? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

If "Yes" to either of the previous two questions, attach a separate page to this application listing all NOVs and/or convictions.

Section 7 – Alcohol Server Education

This section must be completed only by the holder of a beverage dispensary, club, or pub license or conditional contractor's permit. The holders of all other license types should skip to Section 8.

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

I certify that all licensees, agents, and employees who sell or serve alcoholic beverages or check identification of a patron have completed an alcohol server education course approved by the ABC Board and keep current, valid copies of their course completion cards on the licensed premises during all working hours, as required under AS 04.21.025 and 3 AAC 304.465.

Initials

FEB 22 2018



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

Alaska Alcoholic Beverage Control Board

Form AB-17: 2018/2019 Renewal License Application

Section 8 – Certifications

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

Initials

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

RDm

I certify that in accordance with AS 04.11.450, no one other than the licensee(s) has a direct or indirect financial interest in the licensed business.

RDm

I certify that I have not altered the functional floor plan or reduced or expanded the area of the licensed premises, and I have not changed the business name or the ownership (including officers, managers, general partners, or stakeholders) from what is currently on file with the Alcoholic Beverage Control Board.

RDm

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

RDm

As an applicant for a liquor license renewal, I declare under penalty of perjury that I have read and am familiar with AS 04 and 3 AAC 304, and that this application, including all accompanying schedules and statements, is true, correct, and complete. I agree to provide all information required by the Alcoholic Beverage Control Board in support of this application and understand that failure to do so by any deadline given to me by AMCO staff will result in this application being returned to me as incomplete.

Richard Mulligan
Signature of licensee

[Signature]
Signature of Notary Public

RICHARD MULLIGAN
Printed name of licensee

Notary Public In and for the State of Alaska

My commission expires: June 12, 2020

Subscribed and sworn to before me this 21st day of December, 2017.

| | | | | | |
|--|------------|------------------|-----------|--------|------------|
| License Fee: | \$ 2500.00 | Application Fee: | \$ 200.00 | TOTAL: | \$ 2700.00 |
| Late Fee of \$500.00 – if received or postmarked after 01/02/2018: | | | | | |
| Miscellaneous Fees: | | | | | |
| GRAND TOTAL (if different than TOTAL): | | | | | |

FEB 27 2018



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Utility Billing Clerk – Diana
Collections - Sunni
Municipal Billings – Lindsey
Sales Tax/Property Tax - Hannah
Fire Department
Police Department
Building Official(s)

From: Sara Peterson, Municipal Clerk

Date: February 27, 2018

Subject: Liquor License Renewal Applications – Sea Mountain Restaurant and Dove Island Lodge

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

Lic #: **606**
DBA: Sea Mountain Restaurant & 19th Hole
License Type: Beverage Dispensary
Licensee: Sitka Golf Association Inc.
Premises Address: 301 Granite Creek Road

Lic #: **5126**
DBA: Dove Island Lodge
License Type: Outdoor Recreation Lodge
Licensee: Dove Island Lodge & Sitka Sportfishing Charters, LLC
Premises Address: Dove Island

Please notify no later than **noon on Tuesday, March 6** of any reason to protest these renewal requests. These requests are scheduled to go before the Assembly on March 13.

Thank you.



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

**Department of Commerce, Community,
and Economic Development**

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

February 26, 2018

City and Borough of Sitka

Attn: Sara Peterson, Municipal Clerk

Via Email: sara.peterson@cityofsitka.org
melissa.henshaw@cityofsitka.org

Re: Notice of 2018/2019 Liquor License Renewal Application

| | | | |
|---------------------------|--|------------------------|------|
| License Type: | Outdoor Recreation Lodge | License Number: | 5126 |
| Licensee: | Dove Island Lodge & Sitka Sportfishing Charters, LLC | | |
| Doing Business As: | Dove Island Lodge | | |

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

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

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

Sincerely,

A handwritten signature in cursive script that reads "Erika McConnell".

Erika McConnell, Director
amco.localgovernmentonly@alaska.gov



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

Alaska Alcoholic Beverage Control Board

Master Checklist: Renewal Liquor License Application

| | | | |
|--------------------|-------------------|-----------------|-------|
| License Type: | ORL | License Number: | 5126 |
| Doing Business As: | Dove Island Lodge | | |
| Examiner: | <i>C. Gervase</i> | Transaction #: | 54472 |

| Document | Received | Completed | Notes |
|----------------------------|----------|-----------|-------|
| AB-17: Renewal Application | 2/26 | 2/26 | |
| App and License Fees | 2/26 | 2/26 | |

| Supplemental Document | Received | Completed | Notes |
|---|----------|-----------|-------|
| Tourism/Rec Site Statement | | | |
| AB-25: Supplier Cert (WS) | | | |
| AB-29: Waiver of Operation | | | |
| AB-30: Minimum Operation | | | |
| Fingerprint Cards & Fees / AB-08a: Crim. History | | | |
| Late Fee | 2/26 | 2/26 | |

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

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



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alcohol.licensing@alaska.gov
<http://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

Alaska Alcoholic Beverage Control Board

Form AB-17: 2018/2019 Renewal License Application

What is this form?

This renewal license application form is required for all individuals or entities seeking to apply for renewal of an existing liquor license that will expire on December 31, 2017. All fields of this form must be complete and correct, or the application will be returned to you in the manner in which it was received, per AS 04.11.220 and 2 AAC 204.105. The Community Council field only should be verified/completed by licensees whose establishments are located within the Municipality of Anchorage or outside of city limits within the Matanuska-Susitna Borough.

This form must be completed correctly and submitted to the Alcohol & Marijuana Control Office (AMCO)'s main office, along with all other required documents and fees, before any renewal license application will be considered complete.

Section 1 – Establishment and Contact Information

Enter information for the business seeking to have its license renewed. If any populated information is incorrect, please contact AMCO.

| | | | |
|-----------------------|--|------------|--------------|
| Licensee: | Dove Island Lodge & Sitka Sportfishing Charters, LLC | License #: | 5126 |
| License Type: | Outdoor Recreation Lodge | Statute: | AS 04.11.225 |
| Doing Business As: | Dove Island Lodge | | |
| Premises Address: | Dove Island | | |
| Local Governing Body: | City & Borough of Sitka | | |
| Community Council: | None | | |

| | | | | | |
|------------------|----------------|--------|----|------|-------|
| Mailing Address: | P. O. Box 1512 | | | | |
| City: | Sitka | State: | AK | ZIP: | 99835 |

Enter information for the individual who will be designated as the primary point of contact regarding this application. This individual must be a licensee who is required to be listed in and authorized to sign this application.

| | | | |
|-------------------|----------------------------|-----------------|--------------|
| Point of Contact: | Harold D. Lambeth | | |
| Contact Phone: | 907-738-0856 | Business Phone: | 907-747-5660 |
| Contact Email: | gofish@doveislandlodge.com | | |

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



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

Alaska Alcoholic Beverage Control Board

Form AB-17: 2018/2019 Renewal License Application

Section 2 – Authorization

Communication with AMCO staff:

Yes No

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

☒ ☐

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

Nicole Bilinski, she is our lodge manager and handles office paperwork for us

Section 3 – Sole Proprietor Ownership Information

This section must be completed by any sole proprietorship who is applying for license renewal. Entities should skip to Section 4.
If more space is needed, please attach a separate sheet with the required information.
The following information must be completed for each licensee and each affiliate (spouse).

This individual is an: ☐ applicant ☐ affiliate

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

This individual is an: ☐ applicant ☐ affiliate

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



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

Alaska Alcoholic Beverage Control Board

Form AB-17: 2018/2019 Renewal License Application

Section 4 – Entity Ownership Information

This subsection must be completed by any licensee that is a corporation or LLC. Corporations and LLCs are required to be in good standing with the Alaska Division of Corporations, Business & Professional Licensing (CBPL). You may view your entity's status or find your CBPL entity number by visiting the following site: <https://www.commerce.alaska.gov/cbp/main/search/entities>. Partnerships may skip to the second half of this page. Sole proprietorships should skip to Section 5.

| | |
|-----------------------|--------|
| Alaska CBPL Entity #: | 80025D |
|-----------------------|--------|

You must ensure that you are able to certify the following statement before signing your initials in the box to the right: Initials

I certify that this entity is in good standing with CBPL and that all current entity officials and stakeholders (listed below) are also currently and accurately listed with CBPL.

This subsection must be completed by any community or entity, including a corporation, limited liability company, partnership, or limited partnership, that is applying for renewal. If more space is needed, please attach additional completed copies of this page.

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

| | | | | | |
|-----------------------|----------------|--------|--------------|----------|-------|
| Entity Official Name: | Harold Lambeth | | | | |
| Title(s): | Member | Phone: | 907-738-0856 | % Owned: | 50 |
| Mailing Address: | P. O. Box 1512 | | | | |
| City: | Sitka | State: | AK | ZIP: | 99835 |

| | | | | | |
|-----------------------|----------------|--------|--------------|----------|-------|
| Entity Official Name: | Tracie Lambeth | | | | |
| Title(s): | Member | Phone: | 907-738-0944 | % Owned: | 50 |
| Mailing Address: | P. O. Box 1512 | | | | |
| City: | Sitka | State: | AK | ZIP: | 99835 |

| | | | | | |
|-----------------------|--|--------|--|----------|--|
| Entity Official Name: | | | | | |
| Title(s): | | Phone: | | % Owned: | |
| Mailing Address: | | | | | |
| City: | | State: | | ZIP: | |



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

Alaska Alcoholic Beverage Control Board

Form AB-17: 2018/2019 Renewal License Application

Section 5 – License Operation

Check a single box for each calendar year that best describes how this liquor license was operated:

The licensee was regularly operated continuously by the licensee each year, for a minimum of one day.

2018 2019

☒ ☒

The licensee was regularly operated during a specific season each year, for a minimum of one day.

☐ ☐

The licensee was operated for a portion of the calendar year, for a minimum of one day. If this box is checked, a complete copy of Form AB-30: Proof of Minimum Operation Checklist, and all necessary documentation must be provided with this application.

☐ ☐

The licensee was operated for a minimum of 8 hours each day, during one or both of the calendar years. If this box is checked, a complete copy of Form AB-29: Waiver of Operation Application and corresponding fees must be provided with this application.

☐ ☐

Section 6 – Violations and Convictions

Applicant violations and convictions in calendar years 2018 and 2019:

2018 2019

Violations of the Alaska Liquor Control Act, AS 04.01, or any other applicable law.

☐ ☒

Violations of the Alaska Liquor Control Act, AS 04.01, or any other applicable law, or any other applicable ordinance adopted under AS 04.01.010 in the calendar years 2018 or 2019.

☐ ☒

If "Yes" to either of the previous two questions, attach a separate page to this application listing all NCVS and/or convictions.

Section 7 – Alcohol Server Education

This section must be completed only by the holder of a beverage dispensary, club, or pub license or conditional contractor's permit. The holders of all other license types should skip to Section 8.

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

Initials

I certify that all licensee, agent, and employee who sell or serve alcoholic beverages or check identification of a patron have completed an alcohol server education course approved by the ABC Board and held a current valid copy of their course completion card on the licensee premises during the calendar year, as required under AS 04.01.010 and 3 AAC 304.465.

☐



Alcohol and Marijuana Control Office
 350 W 7th Avenue, Suite 1000
 Anchorage, AK 99501
 phone: 907 264 0300
<http://www.commerce.alaska.gov/web/amco>

Alaska Alcoholic Beverage Control Board

Form AB-17: 2018/2019 Renewal License Application

Section 8 - Certifications

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

I certify that I am the owner of the premises (as defined in AS 24.01.020) and I am not a minor, as defined in AS 24.01.020.

III *[Signature]*

I certify that I am not a minor, as defined in AS 24.01.020, and I am not a person who has been convicted of a crime involving the sale or distribution of alcoholic beverages.

III *[Signature]*

I certify that I have not, directly or indirectly, transferred or attempted to transfer my ownership or control of the premises to any other person, and I have not, directly or indirectly, transferred or attempted to transfer my ownership or control of the premises to any other person, and I have not, directly or indirectly, transferred or attempted to transfer my ownership or control of the premises to any other person.

III *[Signature]*

I certify that I have not, directly or indirectly, transferred or attempted to transfer my ownership or control of the premises to any other person, and I have not, directly or indirectly, transferred or attempted to transfer my ownership or control of the premises to any other person, and I have not, directly or indirectly, transferred or attempted to transfer my ownership or control of the premises to any other person.

III *[Signature]*

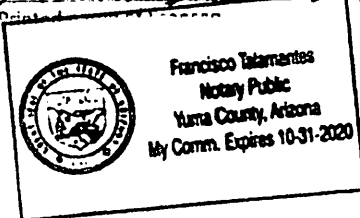
As an applicant for a liquor license renewal, I hereby certify that I am not a minor, as defined in AS 24.01.020, and that this application, including all accompanying schedules and statements, is true, correct, and complete. I agree to provide the information requested on this application, and I agree that any false or misleading information provided on this application will result in this application being returned to me as incomplete.

[Signature]
 Signature of licensee

[Signature]
 Signature of Notary Public

Harold Duane Lambeth
 Printed name of licensee

Notary Public in and for the State of Arizona



My commission expires 10/31/2020

Subscribed and sworn to before me this 23 day of February, 2018.

| | | | | | |
|--|------------|------------------|-----------|--------|------------|
| License Fee: | \$ 1250.00 | Application Fee: | \$ 200.00 | TOTAL: | \$ 1450.00 |
| Late Fee of \$500.00 - if received or postmarked after 01/02/2018: | | | | | |
| Miscellaneous Fees: | | | | | |
| GRAND TOTAL (if different than TOTAL): | | | | | |

License #5126 DBA Dove Island Lodge

Department of Commerce, Community, and Economic Development
Division of Corporations, Business and Professional
Licensing

State of Alaska > Commerce > Corporations, Business, & Professional Licensing > Search & Database Download > Corp. > Corporation Details

NAME(S)

| | |
|------------|---|
| Type | Name |
| Legal Name | DOVE ISLAND LODGE SITKA SPORTFISHING CHARTERS LLC |

ENTITY DETAILS

Entity Type: Limited Liability Company
Entity #: 80025D
Status: Good Standing
AK Formed Date: 5/13/2003
Duration/Expiration: Perpetual
Home State: ALASKA
Next Biennial Report Due: 1/2/2019
Entity Mailing Address: PO BOX 1512, SITKA, AK 99835
Entity Physical Address: 1 DOVE WAY, SITKA, AK 99835

REGISTERED AGENT

Agent Name: Tracie Lambeth
Registered Mailing Address: PO BOX 1512, SITKA, AK 99835
Registered Physical Address: 1 DOVE WAY, SITKA, AK 99835

OFFICIALS

| AK Entity # | Name | Titles | Owned | <input type="checkbox"/> Show Former |
|-------------|----------------|--------|-------|--------------------------------------|
| | HAROLD LAMBETH | Member | 50 | |
| | TRACIE LAMBETH | Member | 50 | |

FILED DOCUMENTS

| Date Filed | Type | Filing | Certificate |
|------------|-----------------|-------------------------------|-------------|
| 5/13/2003 | Creation Filing | Click to View | |
| 5/16/2003 | Biennial Report | | |
| 3/23/2006 | Biennial Report | Click to View | |
| 9/17/2010 | Biennial Report | Click to View | |
| 9/18/2010 | Biennial Report | Click to View | |
| 5/13/2011 | Biennial Report | Click to View | |
| 6/27/2013 | Biennial Report | Click to View | |
| 6/27/2013 | Agent Change | Click to View | |
| 12/11/2014 | Biennial Report | Click to View | |
| 11/17/2016 | Biennial Report | Click to View | |

Juneau Mailing Address
P.O. Box 110806
Juneau, AK 99811-0806

Anchorage Mailing/Physical Address
550 West Seventh Avenue
Suite 1500
Anchorage, AK 99501-3567



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 18-033 Version: 1 Name:
Type: Item Status: AGENDA READY
File created: 3/6/2018 In control: City and Borough Assembly
On agenda: 3/13/2018 Final action:
Title: Reappoint Shauna Thornton to a three-year term on the Port and Harbors Commission
Sponsors:
Indexes:
Code sections:
Attachments: [Thornton Application redacted..pdf](#)

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

POSSIBLE MOTION

I MOVE TO reappoint Shauna Thornton to a three-year term on the Port and Harbors Commission.



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

Board/Commission/Committee: Harbor Commission
 Name: Shauna Thomson Daytime Phone: [REDACTED]
 Address: [REDACTED] Evening Phone: [REDACTED] *
 Email Address: [REDACTED] Fax Number: [REDACTED]
 Length of Residence in Sitka: 10 yrs Registered to vote in Sitka? ☒ Yes ☐ No
 Employer: Northrim Bank

Organizations you belong to or participate in: Just moving here and have joined Rotary, attend Chamber, Board Member / Board Heart Volunteers
Previous Chair for Harbor Commission member of Parks & Rec

Explain your main reason for applying:

I have a lot to offer the City and Community of Sitka

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

Currently Enrolled Ph.D. Program, Masters Public Admin
Coalition of Student Leaders Sys Rotor Paul Harris Award Winner
& others

Please disclose any potential conflicts of interest that may arise from your appointment. These may include but are not limited to: None

- 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: 3-6-18 Signature: Shauna Thomson

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

Shauna L. Thornton

Objective:

As an experienced management professional with over ten years of outstanding managerial experience, I would like to utilize all my previous experience related to managing and critical decision making. I would also like to lead a team and display my leadership qualities. My goal as an experienced management professional would be to participate in management discussions, build productive teams, and take important decisions in favor of the company and its employees and make a mark as a manager in the company's history.

Summary of Qualifications:

- Computer literate: Microsoft Word, Excel, Outlook, PC Law, QuickBooks, various specialty programs for business and accounting.
- Excellent interpersonal skills and history of dealing with diverse professionals, clients, and staff members. Exceptional at building, developing and maintaining strong relationships.
- Capable of finding fast and effective solutions to problems.
- Able of working under pressure and maintaining confidentiality.
- Research and investigative skills. Able to make effective use of all available resources.
- Personal Attributes: Self-starter, fast learner, decisive, team player, and goal-oriented.
- Demonstrated success in organizing and raising funds for a variety of activities and programs.
- Extensive leadership and team building skills. Collaborative leader.
- Accounting Skills: Payroll, accounts receivables, and accounts payables.
- Adept at working across departments, with faculty, administrators, and cross-training and promoting students.

Education:

North Central University

Currently attending Ph.D.

Organizational Leadership

University of Alaska Southeast

May 2017

Masters Public Administration

May 2014

Bachelor of Liberal Arts

August 2015

Accounting Technician Certificate

Experience:

Northrim Bank-Sitka Financial Center
Assistant Manager

Current

Joseph Kashi Law Office
Legal Assistant

2012 to 2017

- Drafting legal documents and correspondence.
- Conduct legal research and investigation.
- Accounting: Payroll, quarterly tax returns, accounts receivables and accounts payables.
- Office administration: Scheduling, greeting clients, answering phones, maintaining office files, and other miscellaneous office duties.

KRCU, Kenai River Campus
Student Union Advisor

2014 to 2017

- Coach and mentor students to achieve leadership goals for future endeavors.
- Change management by aligning students with the University's goals and objectives.

University of Alaska
Coalition of Student Leader

2012 to 2014

The Coalition of Student Leaders is a statewide student organization consisting of student government representatives from across Alaska and encompassing the diverse scope of student affairs and needs by promoting their educational needs, general welfare, and rights.

- Foster communication and team building between faculty, staff, state legislature and the community.
- Promote change management with current students to become potential leaders within the community.

Kenai Peninsula College
Student Admin. Assist/Student Union President & VP

2009 to 2012

- Planned and coordinated events for students and faculty.
- Created and developed programs and events to engage students with their personal career growth.
- Made detailed oral and written presentations of curricular actions in public student forums.
- Managed five officers with various job duties and tasks.
- Interacted with organizational staff, executives, clients, vendors, and visitors on daily basis.
- Established and implemented administrative policies and procedures for office.

- Maintained the office database – retrieved and organized information for individual employees and clients.
- Created spreadsheets and presentations for faculty.
- Provided written evaluation of each applicant, interviews, and final recommendations to faculty.
- Maintained inventory and stock to maximize revenue.
- Purchased office equipment and supplies – contacted vendors and subcontractors.
- Performed various administrative duties such as documenting, photocopying, mailing, and organizing filing system.
- Coordinated agendas for meetings with visitors and clients.
- Answered telephones and transferred calls to appropriate staff members.
- Sorted and distributed incoming communication data, including faxes, letters, and emails.

Boys and Girls Club

2008 to 2009

Group Leader

- Planned and organized group activities and events.
- Group team leader and team builder while fostering positive outcomes towards organization's goals and objectives.
- Performed administrative job tasks such as drafting correspondence, copying, mailing, and various other tasks.

Mount Redoubt Designs

2005 to 2007

Sales Associate

- Responsible for handling over 2/k customers at multiple location sites in various countries.
- Draft proposals.
- Planned and implemented various effective sales promotions/ product demonstrations and trade shows in multiple location sites.
- Effectively and timely moved several design collections to various locations within the US and internationally.
- Creatively gave several marketing concepts/designs, which company utilized with clients.
- Maintained company's database, including mass marketing product emails.
- Maintained and updated company's website.
- Proficiently and timely procured, packaged, and delivered orders to various customers.

Alaska USA Federal Credit Union

2003 to 2005

Sales Manager/Senior Sales Associate for Retail Branch

- Responsible for all aspects of the bank's branch.
- Responsible for branch's legal and regulatory compliance and performed routine internal audits.
- Responsible for safety and security for branch.
- Responsible for branch personnel: hiring, coaching, mentoring, performance management, terminations, scheduling, training, and various other personnel tasks.
- Conducted effective and efficient meetings with personnel and the public.
- Planned and implemented sales promotions.
- Fostered positive customer and community relations in alignment with the company's goals and objectives.
- Responsible for cash transactions, loan applications and closings, and various other financial responsibilities.
- Performed routine branch and personnel audits.
- Acted as a liaison between other branches and personnel.

Boys and Girls Club

2000 to 2003

Art Director/Group Leader

- Organized and implemented activities.
- Program coordination for special projects and presentations.
- Fundraising.

Accomplishments:

- Effectively advocated and campaigned to pass Proposition B to obtain approval for funding various University of Alaska capital projects, and plans to construct a student dormitory at the Kenai River Campus, while acting as a liaison for both the students, faculty members, and the community.
- Rotary's Paul Harris Award for community service recipient 2016
- Currently serving as Acting Treasurer for a nonprofit corporation, ARTSpace, Acting Board Member and Treasurer for the Kenai Fine Art Center and a former Board President from 2012 to 2014; and President of the Kenai Peninsula College Media Group.
- Former Reporter for Kenai Peninsula Connection Newspaper "Word on Campus."
- Additional non-profit experience available upon request.
- Sitka Ports and Harbor Commission- Commission Member
- Brave Heart Volunteers- Sitka- Board Member
- Ocean Waves Quilt Guild- Sitka



PORT AND HARBORS COMMISSION

| NAME | CONTACT NUMBERS | TERM STARTS | EXPIRES | CATEGORY |
|--|--|--------------------|--------------------|----------------------------------|
| MICHAEL NURCO PO Box 6443 | 738-0927 albatrossalaskacharters@gmail.com | 11/11/15 | 7/8/17 12/12/20 | CHAIR |
| MELISSA GREENHALGH PO Box 25 | 738-1320 melissarae1984@yahoo.com | 2/11/15 5/24/16 | 3/26/16 5/24/19 | VICE CHAIR |
| JOSH ARNOLD 106 Shotgun Alley | 738-0854 747-0545 oceanlure@gmail.com | 5/13/14 5/23/15 | 5/22/15 5/23/18 | |
| BRENDAN JONES PO Box 6265 | 738-8209 brendanisaacjones@gmail.com | 2/9/16 6/14/16 | 6/11/16 6/14/19 | |
| DAVE GORDON 717 Lake Street | 738-0515 sitkadgordon@gmail.com | 12/13/16 | 12/13/19 | |
| KEN CREAMER 101 Sunset Drive | 738-0223 747-8903 k.creamer@gci.net | 9/12/17 | 10/27/18 | <i>Skousen's term</i> |
| SHAUNA THORNTON PO Box 2156 | 598-1171 shaunat@gci.net | 11/28/17 | 3/24/18 | <i>Knox's term</i> |
| Stan Eliason Office: 617 Katlian Street | 747-3439 w 738-0832 stan.eliason@cityofsitka.org | | | Harbormaster Non-voting |
| Aaron Bean 103 Toivo Circle | 738-8923 assemblybean@cityofsitka.org | | | Assembly Liaison |
| Matthew Hunter 102 Remington Way | 738-6851 c assemblyhunter@cityofsitka.org | | | Alternate Assembly Liaison |
| Kristi Jones Harbor Office Manager | 747-3439 w kristi.jones@cityofsitka.org | | | Secretary |

7 members from the public, 3-year terms
 Established by Resolution 88-375
 Nine meetings per year, September – May, 2nd Wednesday 6:15 p.m.
 Harrigan Centennial Hall, 300 Harbor Drive

Revised: December 14, 2017



CITY AND BOROUGH OF SITKA

Legislation Details

File #: RES 18-04 Version: 1 Name:

Type: Resolution Status: AGENDA READY

File created: 2/21/2018 In control: City and Borough Assembly

On agenda: 3/13/2018 Final action:

Title: RECONSIDERATION: Supporting a National Carbon Fee and Dividend Policy

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and Res 2018-04.pdf](#)
[Citizens' Climate Lobby.pdf](#)
[Bean suggested redraft.pdf](#)

| Date | Ver. | Action By | Action | Result |
|-----------|------|---------------------------|--------|--------|
| 2/27/2018 | 1 | City and Borough Assembly | | |
| 2/27/2018 | 1 | City and Borough Assembly | | |

POSSIBLE MOTIONS

Step 1

I MOVE TO reconsider the motion to approve Resolution 2018-04 on first and final reading.

Notes:

- Notice of reconsideration was given by Aaron Bean on February 27, 2018
- The motion to reconsider needs to be made by a member who voted on the prevailing side: Hunter, Bean, Knox, Potrzuski, Eisenbeisz, Miyasato
- Requires a second and majority vote
- If the motion fails, the item is not up for reconsideration, or further debate, and the initial vote stands.

Step 2 – if the motion to reconsider passes

I MOVE TO approve Resolution 2018-04 on first and final reading.

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 2018-04

**A RESOLUTION BY THE CITY AND BOROUGH OF SITKA
SUPPORTING A NATIONAL CARBON FEE AND DIVIDEND POLICY**

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

WHEREAS, progress toward the development of a local climate action plan for Sitka began early in 2008 following a series of presentations on ocean acidification and climate action planning sponsored by fishing and environmental organizations; and

WHEREAS, the citizens of Sitka are reliant on our oceans and forests and the wildlife and resources contained within them, in our economies including fisheries and tourism, our way of life including subsistence food gathering, cultural and historical importance; and

WHEREAS, The City and Borough of Sitka supports all cultural, traditional and subsistence activities historically and continually practiced by Native and non-Native peoples in the State of Alaska and these practices can be irreparably harmed by major changes in our climate; and

WHEREAS, the citizens of Sitka recognize that global climate change includes the general warming of the climate, arctic melting, ocean acidification, and increase in severe weather events, from severe winter snows to massive precipitation events like the one experienced on August 18, 2015; and

WHEREAS, reductions of CO2 emissions are warranted to prevent further global warming, particularly in Northern latitudes where temperatures are climbing at a more rapid rate than the rest of the globe; and

WHEREAS, the City and its residents bear much of the economic burden for severe weather events and fisheries impacts, but local emission reductions alone are insufficient to prevent the progression of climate change, national action is necessary to urgently lower CO2 in the atmosphere and oceans; and

WHEREAS, an annually increasing Carbon Fee levied at the extraction point of fossil fuels or point of entry into the United States will begin to account for the external costs of fossil fuel use and unleash market forces to find the most cost-effective ways to reduce emissions; and

WHEREAS, all money collected in fees returned to households as a dividend would protect or minimize the economic effects on households while also encouraging

51 investments in increased energy efficiency and alternate sources of energy by
52 both industry and consumers.

53
54 **NOW, THEREFORE, BE IT RESOLVED** that by the Assembly of the City and Borough of Sitka
55 to strongly urge the U.S. Congress to enact legislation that:

- 56
57 A. Levies an annually increasing fee on carbon dioxide and greenhouse gas equivalent
58 emissions produced by fossil fuels at the point of production and importation;
59 B. Returns to Americans on an equitable basis all of the net revenues generated from the
60 fee; and
61 C. Encourages carbon pricing action by other nations trading with the United States, by
62 suitable carbon-content-based fees for imports, and rebates for exports, to nations that
63 do not have equivalent carbon pricing to that of the United States.

64
65 **NOW, THEREFORE, BE IT FURTHER RESOLVED** that the City and Borough of Sitka
66 Municipal Clerk will forward a copy of this resolution to the delegation in the U.S. Congress
67 representing Sitka and Alaska within 30 days of enactment.

68
69 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka,
70 Alaska this 27th day of February, 2018.

71
72
73
74 _____
75 Matthew Hunter, Mayor

76 ATTEST:

77
78 _____
79 Sara Peterson, MMC
80 Municipal Clerk

81
82 1st reading PASSED 2/27/18 – motion for reconsideration
83
84



Citizens' Climate Lobby

What is Carbon Fee and Dividend?

Carbon Fee and Dividend is the policy proposal created by Citizens' Climate Lobby (CCL) to put a federal price on carbon-based fuels so that their consumer cost reflects their true costs to society.

It's the policy that both climate scientists and economists say is the best first-step to reduce the likelihood of catastrophic climate change from global warming.

Why Carbon Fee and Dividend?

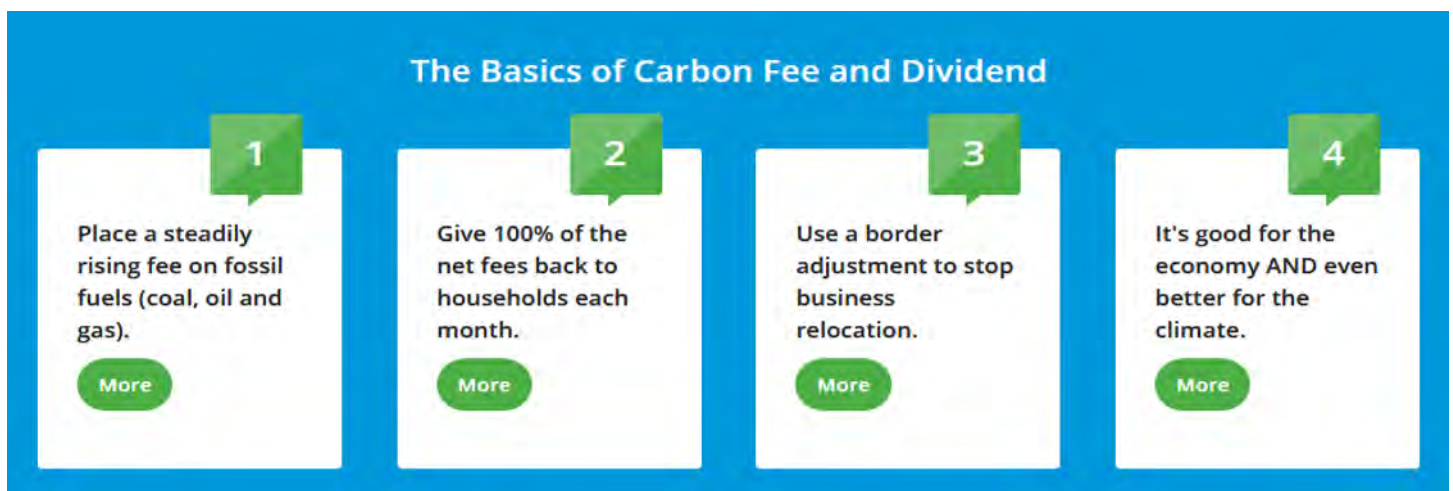
Currently, the price of fossil fuels does not reflect their true costs—including their impact on global climate. Correcting this market failure will require that their price account for the true social costs.

As long as fossil fuels remain artificially inexpensive, their use will rise. Correcting this market failure requires a federal price on carbon that accounts for their true costs.

What Will Carbon Fee and Dividend Do?

Carbon Fee and Dividend will do four things:

1. Account for the cost of burning fossil fuels in the price consumers pay.
2. Cut emissions enough to stay below the 2C threshold for "dangerous" warming.
3. Grow jobs and GDP without growing government one bit.
4. Recruit global participation.



The Text of the Carbon Fee and Dividend Proposal:

Therefore the following legislation is hereby enacted:

1. **Collection of Carbon Fees/Carbon Fee Trust Fund:** Upon enactment, impose a carbon fee on all fossil fuels and other greenhouse gases at the point where they first enter the economy. The fee shall be collected by the Treasury Department. The fee on that date shall be \$15 per ton of CO₂ equivalent emissions and result in equal charges for each ton of CO₂ equivalent emissions potential in each type of fuel or greenhouse gas. The Department of Energy shall propose and promulgate regulations setting forth CO₂ equivalent fees for other greenhouse gases including at a minimum methane, nitrous oxide, sulfur hexafluoride, hydrofluorocarbons (HFCs), perfluorocarbons, and nitrogen trifluoride. The Treasury shall also collect the fees imposed upon the other greenhouse gases. 100% of the net revenues are to be placed in the Carbon Fees Trust Fund and be rebated to American households as outlined below.
2. **Methane Leakage:** Methane is a much more potent greenhouse gas than CO₂ with both direct and indirect effects contributing to warming. It is therefore important to place a fee on methane that leaks to the atmosphere. Some of this leakage will occur after the fee has been assessed on methane under the assumption that it will be burned to yield the less potent CO₂. To ensure the integrity of the program and that markets receive accurate information with regard to the climate forcings caused by various fossil fuels, the carbon fee shall be assessed on such leaked methane at a rate commensurate with the global warming potential ("GWP") of methane including both its direct and indirect effects. Given the importance of tipping points in the climate system, the 20-year GWP of methane shall be used to assess the fee, and not the 100-year GWP. As proper accounting for such leakage is necessary for honest assessment of progress towards program goals, reasonable steps to assess the rate of methane leakage shall be implemented, and leaked methane shall be priced accordingly. The entity responsible for the leaked methane shall be responsible for paying the fee.
3. **Emissions Reduction Targets:** To align US emissions with the physical constraints identified by the Intergovernmental Panel on Climate Change (IPCC) to avoid irreversible climate change, the yearly increase in carbon fees including other greenhouse gases, shall be at least \$10 per ton of CO₂ equivalent each year. Annually, the Department of Energy shall determine whether an increase larger than \$10 per ton per year is needed to achieve program goals. Yearly price increases of at least \$10 per year shall continue until total U.S. CO₂-equivalent emissions have been reduced to 10% of U.S. CO₂-equivalent emissions in 1990.
4. **Equal Per-Person Monthly Dividend Payments:** Equal monthly per-person dividend payments shall be made to all American households ($\frac{1}{2}$ payment per child under 18 years old, with a limit of 2 children per family) each month. The total value of all monthly dividend payments shall represent 100% of the total carbon fees collected per month less administrative costs.
5. **Border Adjustments:** In order to ensure that U.S.-made goods can remain competitive at home and abroad and to provide an additional incentive for international adoptions of carbon fees, Carbon-Fee-Equivalent Tariffs shall be charged for goods entering the U.S. from countries without comparable Carbon Fees/Carbon Pricing. Carbon-Fee-Equivalent Rebates shall be used to reduce the price of exports to such countries and to ensure that U.S. goods can remain competitive in those countries. The Department of Commerce will determine rebate amounts and exemptions if any.

More at citizensclimatelobby.org and citizensclimatelobby.org/remi-report

Sara Peterson

From: Aaron Bean (Assembly)
Sent: Wednesday, February 28, 2018 8:58 PM
To: Assembly
Cc: Keith Brady; Sara Peterson
Subject: *** do not reply all *** A suggested redraft of Resolution 2018-04 (climate)
Attachments: Suggested revised (Draft #1) to Resolution 2018-04.docx; ATT00001.htm

Gentlemen,

As you all know I made a motion to reconsider at last nights meeting. Below you'll find attached a resolution that I could support- I hope you will to - Please read and consider it in lieu of our current 'fee and dividend' approach. I'm exited for our next meeting; looking forward to it, and I thank everyone for our meaningful, productive debate last night.

Respectfully,

Aaron Bean
PO Box 464
Sitka, Alaska

PS Sara, as a matter of record and process can you please make sure this option is included in our next packet as an alternative motion?

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 2018-04

A RESOLUTION BY THE CITY AND BOROUGH OF SITKA

CALLING UPON THE CONGRESS TO FULLY CONFRONT CLIMATE CHANGE

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

WHEREAS, progress toward the development of a local climate action plan for Sitka began early in 2008 following a series of presentations on ocean acidification and climate action planning sponsored by fishing and environmental organizations; and

WHEREAS, the citizens of Sitka are reliant on: our oceans and forests and the wildlife and resources contained within them; our economies including fisheries and tourism; and our way of life including subsistence food gathering, and features of cultural and historical importance; and

WHEREAS, The City and Borough of Sitka supports all cultural, traditional and subsistence activities historically and continually practiced by Native and non-Native peoples here and throughout the State of Alaska -- practices that can be irreparably harmed by major changes in our climate; and

WHEREAS, the citizens of Sitka recognize that climate change is amply evident globally, including these local and Alaskan observations: the unmistakable warmings of the climate and the ocean; dramatic losses of sea ice, permafrost and glaciers; a high rate of ocean acidification; and increasingly intense and frequent severe weather events (which include massive precipitation events like the one experienced on August 18, 2015, and in recent years both record-setting winter snowfall and winters with an unusual absence of snow); and

WHEREAS, the City and its residents bear a growing economic burden for severe weather events and fisheries impacts, a plight that is not unique to Sitka since growing temperatures and ocean acidification and the impacts they cause are amplified everywhere in the world's higher Northern latitudes; and

WHEREAS, local actions alone are insufficient to reduce emissions enough to prevent the progression of climate change and ocean acidification;

NOW, THEREFORE, BE IT RESOLVED by the Assembly of the City and Borough of Sitka that it concludes:

A. Congressional action is urgently needed, to establish a program that will reduce U.S. greenhouse gas emissions at a constant rate until, within 10 or at most 15 years, a net-zero level of greenhouse gas emissions is attained; and

B. In that action, particular emphasis on carbon dioxide is necessary because of its millennial persistence in the atmosphere and ocean; and

C. The legislation's program should include research on negative emissions technologies (NETs) for the purpose of drawing down the amount of carbon dioxide in the atmosphere, and the program should: (1) favor the function of natural systems for this purpose; (2) not include a NET in mitigation planning until it is

actually proven at commercial scale, and (3) ensure that planning for use of a NET will not exceed a realistic scale in terms resource and land area requirements and other impacts.

NOW, THEREFORE, BE IT FURTHER RESOLVED that within 30 days of enactment the City and Borough of Sitka Municipal Clerk will forward a copy of this resolution to the delegation in the U.S. Congress representing Sitka and Alaska, and also to the governor and Sitka's state representative and senator.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 13th day of March, 2018.

Matthew Hunter, Mayor

ATTEST: _____

Sara Peterson, MMC Municipal Clerk

2nd and final reading 3/13/18



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 18-04S Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 2/5/2018 In control: City and Borough Assembly

On agenda: 3/13/2018 Final action:

Title: Amending Title 15 of the Sitka General Code by adding a new Chapter 15.15 "Utility Cost Subsidization Program" - 1st reading - substitute ordinance

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Memo and Ord 2018-04S.pdf](#)
[Previous version 2018-04..pdf](#)

| Date | Ver. | Action By | Action | Result |
|-----------|------|---------------------------|-----------|--------|
| 2/13/2018 | 1 | City and Borough Assembly | POSTPONED | Pass |
| 2/13/2018 | 1 | City and Borough Assembly | | |
| 2/13/2018 | 1 | City and Borough Assembly | | |

POSSIBLE MOTION

I MOVE TO approve Ordinance 2018-04S* on first reading.

*Note: After Assembly discussion, and postponement of the original ordinance at the February 13th, 2018 meeting, the cosponsors decided to further clarify and define the proposed ordinance.

Changes:

- Add social welfare language, no 1099 needed—Added to purpose line 22 and 15.15.020.A policy and procedure line 83
- Add live aboard vessel as household— Added to 15.15.010.A definitions line 62
- Define only one account can receive subsidy—Added to 15.15.020.D policy and procedure line 97
- Delete language about subsidy termination if behind on bills—deleted 15.15.030.D eligibility for subsidization



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Mayor Hunter and Assembly Members
Keith Brady, Municipal Administrator

From: Assembly Members Bob Potrzuski and Kevin Knox

Date: 2/7/18

Subject: Approve Ordinance 2018-04 Utility Cost Subsidization Program

This ordinance is in response to long-standing discussion about mitigating the rise in utility rates over the last few years for those least able to afford them. Providing utility assistance to Sitka's most vulnerable citizens brings a measure of equity to our rate structure. Utility costs often represent a higher percentage of a household budget for low to low-middle income households and particularly for fixed income households. Offering assistance to reduce that burden increases that households economic strength and local impact, bringing benefit to the household and possibly to Sitka's economy in general.

This ordinance would provide a mechanism to provide assistance through a monthly utility rebate to individual customer accounts based on the level of need and availability of funding for the program. An annual application for the program will account for the number of assistance rebates divided into the annual appropriation by the Assembly. (See 15.15.020 Paragraph H)

The mechanisms for qualifying are in place already (Medicaid/Medicare, BIHA, SNAP, etc) and would only need to be reviewed by staff for eligibility. Because applicants would come 'pre-approved' it should not be onerous. (See 15.15.030 Paragraph A)

If the city finds itself, in the future, unable to provide funding for this program, assistance would then be suspended at the annual renewal date. Funding of \$400,000 was approved for FY '18 and due to various issues this ordinance was never fully vetted until now. Providing some measure of assistance as soon as practical is prudent given the availability of funds and a clear need to provide assistance to those most in need in our community.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2018-04S

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING TITLE 15 OF THE
SITKA GENERAL CODE BY ADDING A NEW CHAPTER 15.15
"UTILITY COST SUBSIDIZATION PROGRAM"

1. **CLASSIFICATION.** This ordinance is of a permanent nature and is intended to become a part of the Sitka General Code.

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

3. **PURPOSE.** The purpose of this ordinance is to add a new chapter to Title 15 of the Sitka General Code to establish a utility cost subsidization program to help low- and middle-income households with the cost of utilities, by providing a regulatory framework for the subsidization of utility costs as a social welfare program. This ordinance shall set forth how and when utility cost subsidizations shall be authorized and implemented; how long such subsidizations shall continue for; when such subsidizations shall be terminated; and, penalties for obtaining subsidies under false pretenses.

4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that the Sitka General Code Title 15 is amended by adding a new Chapter 15.15, entitled "Utility Cost Subsidization Program," to read as follows (new language underlined):

Title 15
PUBLIC UTILITIES

- 15.01 Electric Utility Policies
- 15.02 Watershed Control Program
- 15.04 Sewer System
- 15.05 Water System
- 15.06 Solid Waste Treatment and Refuse Collection
- 15.07 Storm Drainage
- 15.08 Utility Poles
- 15.12 Private Extensions of Water, Wastewater, and Stormwater Utilities
- 15.15 Utility Cost Subsidization Program

Chapter 15.15
Utility Cost Subsidization Program

Sections:

- 15.15.010 Definitions.
- 15.15.020 Policy and Procedure.

53 15.15.030 Eligibility for Subsidization.

54 15.15.040 Penalties for Receiving Subsidization Under False Pretenses.

55
56 **15.15.010 Definitions.**

57
58 A. A "household" consists of all the people who occupy a "housing unit". A house, an apartment
59 or other group of rooms, or a single room, is regarded as a housing unit when it is occupied or
60 intended for occupancy as separate living quarters; that is, when the occupants do not live with
61 any other persons in the structure and there is direct access from the outside or through a
62 common hall. A previously designated live aboard vessel in the city and borough harbor system
63 is also regarded as a housing unit. A household includes the related family members and all the
64 unrelated people, if any, such as lodgers, foster children, wards, or employees who share the
65 housing unit. A person living alone in a housing unit, or a group of unrelated people sharing a
66 housing unit such as partners or roomers, is also counted as a household. The count of
67 households excludes group quarters.

68
69 B. "Obligation" or "debt" means any sum of money which a citizen of the city and borough, or
70 customer of the city and borough in some capacity, is legally obligated to pay to the city and
71 borough for any purpose.

72
73 C. "Past-due" refers to any obligation or debt owed to the city and borough which has not been
74 paid within thirty days of the date the payment was due. As an exception, debts owed for utility
75 services consumed are considered overdue fifteen days after the date the payment was due.

76
77 D. "Subsidization" refers to "utility cost subsidization".

78
79 **15.15.020 Policy and Procedure.**

80
81 A. It shall be the policy of the city and borough that applicants meeting certain criteria shall be
82 eligible for subsidization of their municipal utility costs from general governmental sources. This
83 subsidization is intended as a social welfare payment.

84
85 B. Subsidization shall be in the form of general governmental subsidy payments to municipal
86 utility accounts for the benefit of eligible applicants. Under no circumstances may subsidization
87 be in the form of reduced utility rates or the provision of free utility services.

88
89 C. A separate utility cost subsidization fund shall be established at inception by a special
90 appropriation of the assembly. That fund may be annually funded by a budgetary appropriation
91 of the assembly. The total amount of annual utility cost subsidization by the city and borough
92 shall be in the municipal administrator's annual consolidated operating budget. Monies
93 appropriated and used for utility cost subsidization shall be accounted for in a separate fund and
94 shall be used for no other purpose than utility cost subsidization.

95
96 D. Applications for subsidization shall be submitted to the finance department on forms
97 provided by the finance department. Only one applicant per household is allowed. And, only one
98 subsidization per applicant is allowed. A subsidization period shall be for one year, starting
99 January following the application period. If an applicant is deemed eligible for subsidization, that
100 eligibility only extends for the upcoming subsidization period. Applications must be submitted
101 during the application period, between August 1st and October 31st each year, for the upcoming

subsidization period. Any applicant deemed eligible for a subsidization period must re-apply for eligibility in any subsequent subsidization period.

E. The finance department shall examine all applications, determine the eligibility of each applicant, and make a recommendation to the administrator as to the eligibility of each applicant.

F. Upon receiving the finance departments recommendations, the administrator, in his or her sole discretion and before the applicable subsidization period, shall accept and/or reject each recommendation and submit the applicants thereby determined eligible for a subsidy to the finance department for disbursement of the subsidy during the applicable subsidization period.

G. Upon receiving the administrator's declaration of applicants eligible for a subsidy during the upcoming subsidization period, the finance department shall credit those applicant utility accounts the applicable monthly subsidy each month during the upcoming subsidization period.

H. The applicable monthly subsidy available for each eligible applicant during any subsidization period shall be calculated by taking the total subsidization appropriation for that subsidization period, divided by 12 (months), and, then, divided by the number of eligible applicants for the upcoming subsidization period. The applicable monthly subsidy shall not exceed sixty-five dollars. The applicable monthly subsidy shall be credited before sale tax is applied.

15.15.030 Eligibility for Subsidization.

A. An applicant must be a customer receiving and responsible for paying electric utility services from the city and borough for the housing unit in which the applicant resides during the applicable subsidization period.

B. Any applicant shall be eligible for subsidization if the applicant is receiving assistance, on the date of the application, from any of the following programs:

1. Supplemental Nutrition Assistance Program (SNAP) administered from the State of Alaska through the local Division of Public Assistance office in association with the United States Department of Agriculture (USDA) Food and Nutrition Services.

2. Medicaid administered from the State of Alaska through the local Division of Public Assistance.

3. Baranof Island Housing Authority (BIHA), the tribally designated housing entity for the Sitka Tribe of Alaska (STA) administered through the Sheeł'iká X'áat'i Hitx'i" (Sitka Island Housing) office.

4. National School Lunch Program (NSLP) administered through the Sitka School District (SSD), known as Free and Reduced School Lunch Program in association with the USDA.

In order to be eligible for subsidization, the applicant must provide the finance department with satisfactory documentary evidence that he or she is currently receiving assistance from one of the programs.

C. If assistance from the program identified by the applicant for eligibility is discontinued before or during the subsidization period, the applicant shall notify the finance department within thirty days of discontinuance of the assistance and the city and borough shall terminate the subsidization for the remainder of the subsidization period.

D. An applicant will be deemed ineligible for a subsidy if the applicant has any past-due obligation owed to the city and borough other than utility-related obligations. These other obligations shall include all unpaid citations and billings for protective custody cases. On a case-by-case basis, the administrator may waive, reduce, or create a payment plan for past due obligations in order for an applicant to be eligible for subsidization.

15.15.040 Penalties for Receiving Subsidization Under False Pretenses.

A. It will be unlawful for any citizen to receive subsidization under this chapter under false pretenses. It will also be unlawful for any citizen to continue to receive subsidization under this chapter if assistance from the program identified by the applicant for eligibility is discontinued before or during the subsidization period.

B. Upon the determination that an unlawful act may have occurred in which subsidization was received under false pretenses, the city and borough may notify the appropriate law enforcement agency so that a criminal investigation may be initiated.

5. EFFECTIVE DATE. This ordinance shall become effective 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 March, 2018.

Matthew Hunter, Mayor

ATTEST:

Sara Peterson, MMC
Municipal Clerk

1st reading 2/13/18 – postponed to 3/13/18

1st reading 3/13/18 – substitute ordinance introduced

2nd reading 3/27/18

Previous version
introduced on 2/13/18

Previous Version

Sponsors: Potrzuski/Knox

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2018-04

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING TITLE 15
OF THE SITKA GENERAL CODE BY ADDING A NEW CHAPTER 15.15
"UTILITY COST SUBSIDIZATION PROGRAM"

1. **CLASSIFICATION.** This ordinance is of a permanent nature and is intended to become a part of the Sitka General Code.

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

3. **PURPOSE.** The purpose of this ordinance is to add a new chapter to Title 15 of the Sitka General Code to establish a utility cost subsidization program to help low- and middle-income households with the cost of utilities, by providing a regulatory framework for the subsidization of utility costs. This ordinance shall set forth how and when utility cost subsidizations shall be authorized and implemented; how long such subsidizations shall continue for; when such subsidizations shall be terminated; and, penalties for obtaining subsidies under false pretenses.

4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that the Sitka General Code Title 15 is amended by adding a new Chapter 15.15, entitled "Utility Cost Subsidization Program," to read as follows (new language underlined):

Title 15
Public Utilities

- 15.01 Electric Utility Policies**
- 15.02 Watershed Control Program**
- 15.04 Sewer System**
- 15.05 Water System**
- 15.06 Solid Waste Treatment and Refuse Collection**
- 15.07 Storm Drainage**
- 15.08 Utility Poles**
- 15.12 Private Extensions of Water, Wastewater, and Stormwater Utilities**
- 15.15 Utility Cost Subsidization Program**

* * *

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Ordinance No. 2018-04

Page 2

Chapter 15.15 **Utility Cost Subsidization Program**

Sections:

15.15.010 Definitions.

15.15.020 Policy and Procedure.

15.15.030 Eligibility for Subsidization.

15.15.040 Penalties for Receiving Subsidization Under False Pretenses.

15.15.010 Definitions.

A. "Household" a household consists of all the people who occupy a housing unit. A house, an apartment or other group of rooms, or a single room, is regarded as a housing unit when it is occupied or intended for occupancy as separate living quarters; that is, when the occupants do not live with any other persons in the structure and there is direct access from the outside or through a common hall. A household includes the related family members and all the unrelated people, if any, such as lodgers, foster children, wards, or employees who share the housing unit. A person living alone in a housing unit, or a group of unrelated people sharing a housing unit such as partners or roomers, is also counted as a household. The count of households excludes group quarters.

B. "Obligation" or "debt" means any sum of money which a citizen of the city and borough, or customer of the city and borough in some capacity, is legally obligated to pay to the city and borough for any purpose.

C. "Past-due" refers to any obligation or debt owed to the city and borough which has not been paid within thirty days of the date the payment was due. As an exception, debts owed for utility services consumed are considered overdue fifteen days after the date the payment was due.

D. "Subsidization" refers to "utility cost subsidization".

15.15.020 Policy and Procedure.

A. It shall be the policy of the city and borough that applicants meeting certain criteria shall be eligible for subsidization of their municipal utility costs from general governmental sources.

B. Subsidization shall be in the form of general governmental subsidy payments to municipal utility accounts for the benefit of eligible applicants. Under no circumstances may subsidization be in the form of reduced utility rates or the provision of free utility services.

C. A separate utility cost subsidization fund shall be established at inception by a special appropriation of the assembly. That fund may be annually funded by a budgetary appropriation of the assembly. The total amount of annual utility cost subsidization by the city and borough shall be in the municipal administrator's annual consolidated operating budget. Monies appropriated and used for utility cost subsidization shall be accounted for in a separate fund and shall be used for no other purpose than utility cost subsidization.

Previous Version

Ordinance No. 2018-04

Page 3

89 D. Applications for subsidization shall be submitted to the finance department on forms
90 provided by the finance department. Only one applicant per household is allowed. A
91 subsidization period shall be for one year, starting January following the application period. If an
92 applicant is deemed eligible for subsidization, that eligibility only extends for the upcoming
93 subsidization period. Applications must be submitted during the application period, between
94 August 1st and October 31st each year, for the upcoming subsidization period. Any applicant
95 deemed eligible for a subsidization period must re-apply for eligibility in any subsequent
96 subsidization period.

97
98 E. The finance department shall examine all applications, determine the eligibility of each
99 applicant, and make a recommendation to the administrator as to the eligibility of each applicant.

100
101 F. Upon receiving the finance departments recommendations, the administrator, in his or her sole
102 discretion and before the applicable subsidization period, shall accept and/or reject each
103 recommendation and submit the applicants thereby determined eligible for a subsidy to the
104 finance department for disbursement of the subsidy during the applicable subsidization period.

105
106 G. Upon receiving the administrator's declaration of applicants eligible for a subsidy during the
107 upcoming subsidization period, the finance department shall credit those applicant utility
108 accounts the applicable monthly subsidy each month during the upcoming subsidization period.

109
110 H. The applicable monthly subsidy available for each eligible applicant during any subsidization
111 period shall be calculated by taking the total subsidization appropriation for that subsidization
112 period, divided by 12 (months), and, then, divided by the number of eligible applicants for the
113 upcoming subsidization period. The applicable monthly subsidy shall not exceed sixty-five
114 dollars. The applicable monthly subsidy shall be credited before sale tax is applied.

115 15.15.030 Eligibility for Subsidization.

116
117
118 A. Applicant must be a customer receiving and responsible for paying electric utility services
119 from the city and borough for the housing unit in which he or she will reside during the
120 applicable subsidization period.

121
122 B. Any applicant shall be eligible for subsidization if the applicant is receiving assistance, on the
123 date of the application, from any of the following programs:

124 1. Supplemental Nutrition Assistance Program (SNAP) administered from the State of
125 Alaska through the local Division of Public Assistance office in association with the
126 United States Department of Agriculture (USDA) Food and Nutrition Services.

127 2. Medicaid administered from the State of Alaska through the local Division of Public
128 Assistance.

129 3. Baranof Island Housing Authority (BIHA), the tribally designated housing entity for
130 the Sitka Tribe of Alaska (STA) administered through the Sheet'iká X'áat'i Hitx'i" (Sitka
131 Island Housing) office.

132 4. National School Lunch Program (NSLP) administered through the Sitka School
133 District (SSD), known as Free and Reduced School Lunch Program in association with
134 the USDA.

Previous version

In order to be eligible for subsidization, the applicant must provide the finance department with satisfactory documentary evidence that he or she is currently receiving assistance from one of the programs.

C. If assistance from the program identified by the applicant for eligibility is discontinued before or during the subsidization period, the applicant shall notify the finance department within thirty days of discontinuance of the assistance and the city and borough shall terminate the subsidization for the remainder of the subsidization period.

D. An applicant will be deemed ineligible for a subsidy if the applicant has any past-due obligation owed to the city and borough other than utility-related obligations. These other obligations shall include all unpaid citations and billings for protective custody cases. On a case-by-case basis, the administrator may waive, reduce, or create a payment plan for past due obligations in order for an applicant to be eligible for subsidization. If any such obligation becomes past-due during a subsidization period, the city and borough shall terminate the subsidization.

15.15.040 Penalties for Receiving Subsidization Under False Pretenses.

A. It will be unlawful for any citizen to receive subsidization under this chapter under false pretenses. It will also be unlawful for any citizen to continue to receive subsidization under this chapter if assistance from the program identified by the applicant for eligibility is discontinued before or during the subsidization period.

B. Upon the determination that an unlawful act may have occurred in which subsidization was received under false pretenses, the city and borough may notify the appropriate law enforcement agency so that a criminal investigation may be initiated.

5. EFFECTIVE DATE. This ordinance shall become effective 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 February, 2018.

Mathew Hunter, Mayor

ATTEST:

Sara Peterson, MMC
Municipal Clerk

1st reading 2/13/18

2nd reading 2/27/18



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 18-037 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 3/7/2018 In control: City and Borough Assembly

On agenda: 3/13/2018 Final action:

Title: Approve removal of the Solid Waste 4x4 route from the Solid Waste Collection Contract to reduce operating costs by approximately \$71,500 per year

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Memo and Maps 4x4 route..pdf](#)

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
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POSSIBLE MOTION

I MOVE TO approve removal of the Solid Waste 4x4 route from the Solid Waste Collection Contract to reduce operating costs by approximately \$71,500 per year.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Mayor Hunter and Assembly Members
Keith Brady, Municipal Administrator

From: Michael Harmon, P.E., Public Works Director *[Signature]*
Harry Greene, M & O Superintendent *[Signature]*

Reviewer: Jay Sweeney, Chief Finance and Administrative Officer *[Signature]*

Date: February 28, 2018

Subject: Remove the Solid Waste 4x4 Route to reduce expenses by approximately \$71,500 per year.

Background

Back in September 26, 2017 the Assembly approved a budget adjustment to the Solid Waste fund to account for the increased costs associated to the new collection and off-island contracts. At that time, we highlighted the need to look for ways to cut costs to help reduce future rate increases and help the fund finish the year in a stronger position. This agenda item proposes removing the 4x4 routes and reduce our operating costs by approximately \$71,500 per year.

Key background associated to the 4x4 route:

- The 4x4 route provides specialty service on roads not maintained by the CBS which are too difficult and dangerous for the automated trucks to traverse.
- These routes serve 97 customers (see attached maps outlining customers with specialty service).
- This service was created over the past 20 plus years by a prior contractor who took it upon themselves to provide this service outside the contract requirements at no additional cost to CBS.
- It is not clear why the past contractor provided this service to some customers and not others (it appears to be somewhat random).
- During the master planning process, this route was identified as costly, in some cases dangerous, potentially expensive, and likely to be an issue under a new contract/contractor. At that time it was unknown who all received this service and the cost.

- As expected, our new contractor identify this route as a problem and recommended this service to be dropped due to cost, safety, and inequity of service.

Separate from the 4x4 route, Alaska Waste is able to provide a “pack-out” service for homes within 30 feet of the automated truck routes. Before the contractor performs the requested service, the contractor will assess the service area to determine if it is safe to perform. This service entails the driver getting out of their truck and hand carrying the trash from the house to the truck. This is a service Alaska Waste is willing to continue for an additional fee of \$11.50 per month. Customers who are eligible will sign up with Alaska Waste and pay them the additional fee directly and they will administer the program.

Analysis:

The attached map shows the customers currently receiving specialty service without an additional fee. The yellow properties would potentially be eligible for the pack-out service and the blue outlined properties are on the 4x4 route. Currently these services require an addition crew and 4x4 truck. The cost for these specialty services is currently being subsidized by all rate payers.

If the 4x4 route was eliminated, impacted customers would need to move their trash container to a designated area where an automated truck can safely traverse to pick the container. For some this would mean moving their trash container a significant distance from their house to a CBS maintained road on days it needs to be picked up. Some areas will have several cans that will need to be placed in groups at a specific location. A few areas may need to go to a shared tub if there is not enough property available to have several containers staged for pickup. This is how some customers already manager their containers in the winter months.

If the cost of this service was paid by the users of the service, the additional fee would be approximately \$737.00 per year per customer (based on the current number of customers on the 4x4 route). This fee would be above and beyond the standard solid waste fee of \$51.99 per month for a 90 gallon container. This is a high user fee that would likely not be popular and customers may choose not to participate. Under a user fee model, it would be assumed that the service was optional. The less users selecting this service, the higher the fee would need to be to cover the cost over a smaller customer base. For these reason, we believe a special user fee would be unpopular and therefore unfeasible. It is our recommendation to consider two primary options as follows:

Maintain 4x4 route (subsidized by all rate payers approximately \$71,500 per year):

PROS:

- Maintains a high level of service that customers have come to expect in Sitka (service satisfaction)
- No special high fees per month for the users on this route.

- No need to have additional shared tubs or groups of containers located in front of someone's house or along the road.

CONS:

- This is an increased cost to the Solid Waste contract which is paid by everyone although only a select few receive benefit.
- The program would need to be revamped so it is available for everyone vs. the current favoritism approach. If it is available to everyone the costs may increase and the efficiency reduced as we move away from automated trucks to more 4x4 pickup trucks routes with heavy labor. This is currently the problem other communities have who are working hard to model Sitka in becoming efficient with automated trucks and reduced cost.
- Higher risk for truck damage, safety problems, and employees out on injury. If a truck or employee is out of service, we are an isolated community and it is not something that can be mitigated overnight.

Remove the 4x4 route (reduce expenses by approximately \$71,500 per year):

PROS:

- This is an increased cost of approximately \$71,500 per year to the Solid Waste contract which is approximately a 2% rate increase for everyone.
- Reduced risk for truck damage, safety problems, and employees out on injury. If a truck or employee is out of service, we are an isolated community and it is not something that can be mitigated overnight.
- Significant reduced risk in workers injury.
- Less equipment and trucks to maintain.

CONS:

- Reduction of service means approximately 97 customers will need to transport their trash containers to a location the automated trucks can safely traverse. In many cases this is a significant distance from someone's home.
- Some areas will have several cans that will need to be placed in groups at a specific location. This may be viewed as an impact to some homes who do not want groups of containers by their home and will increase the cluttering of containers on some streets.
- A few areas may need to go to a shared tub if there is not enough property available to have several containers staged for pickup. Communal containers usually generate complaints about inequitable use of the container.
- Although this change will reduce pressure on rate increases, we will still need a rate increase to be sustainable given the contracts increase by the CPI every year. Customers will be getting reduced services with increased fees.

Fiscal Note:

Dropping the 4x4 route will reduce labor and equipment cost ultimately decreasing the cost of the contract by approximately \$1,000,000 over the remaining 14-years of the contract

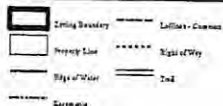
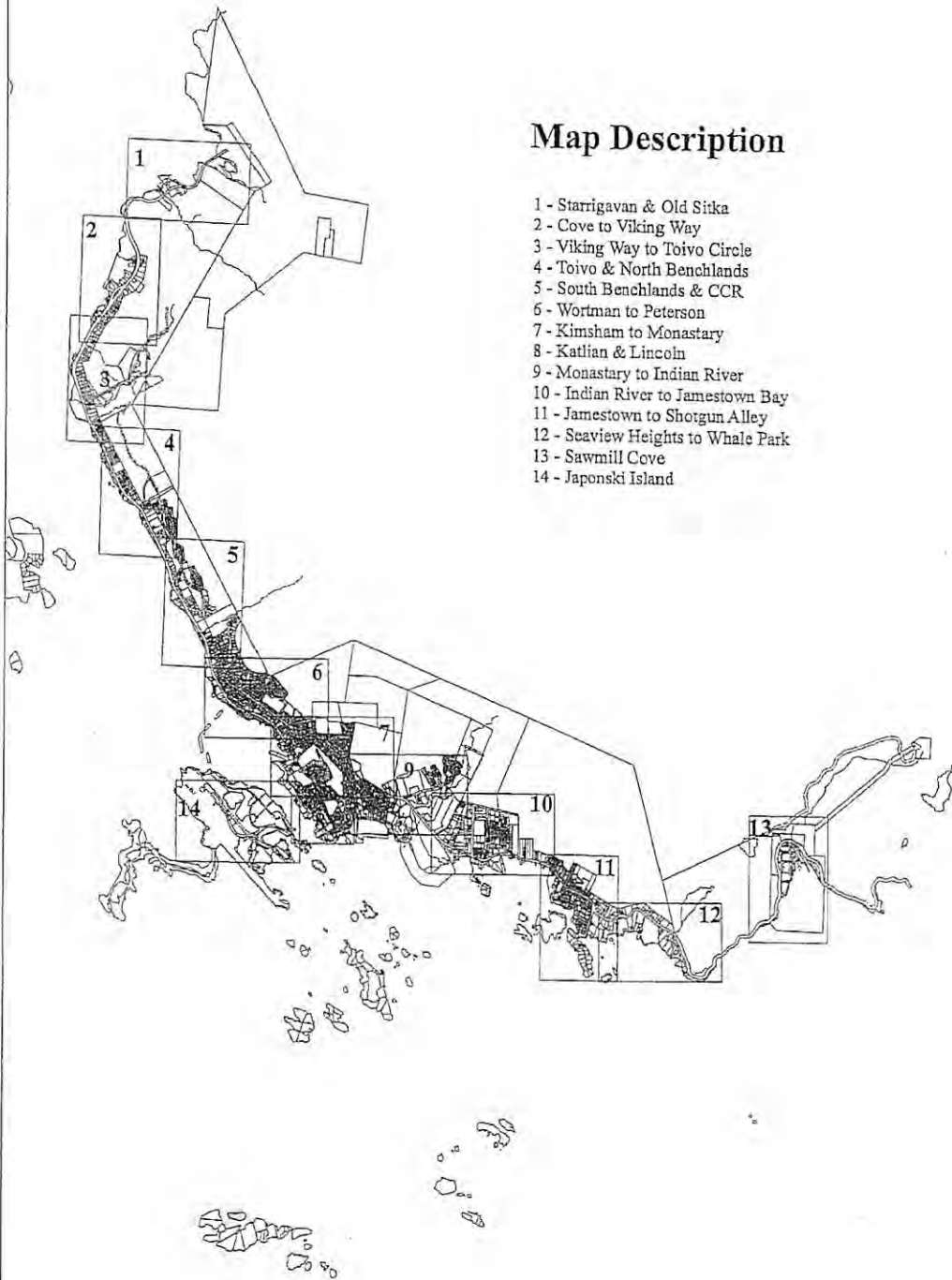
FY19 draft budget was developed with the assumption that the 4x4 route will be discontinued. If the Assembly chooses to maintain the 4x4 route, the proposed appropriation for collection expenses in the FY19 draft budget will need to be increased by \$71,500.

Recommendation:

Remove the 4x4 routes and reduce our operating costs by approximately \$71,500 per year.

Map Description

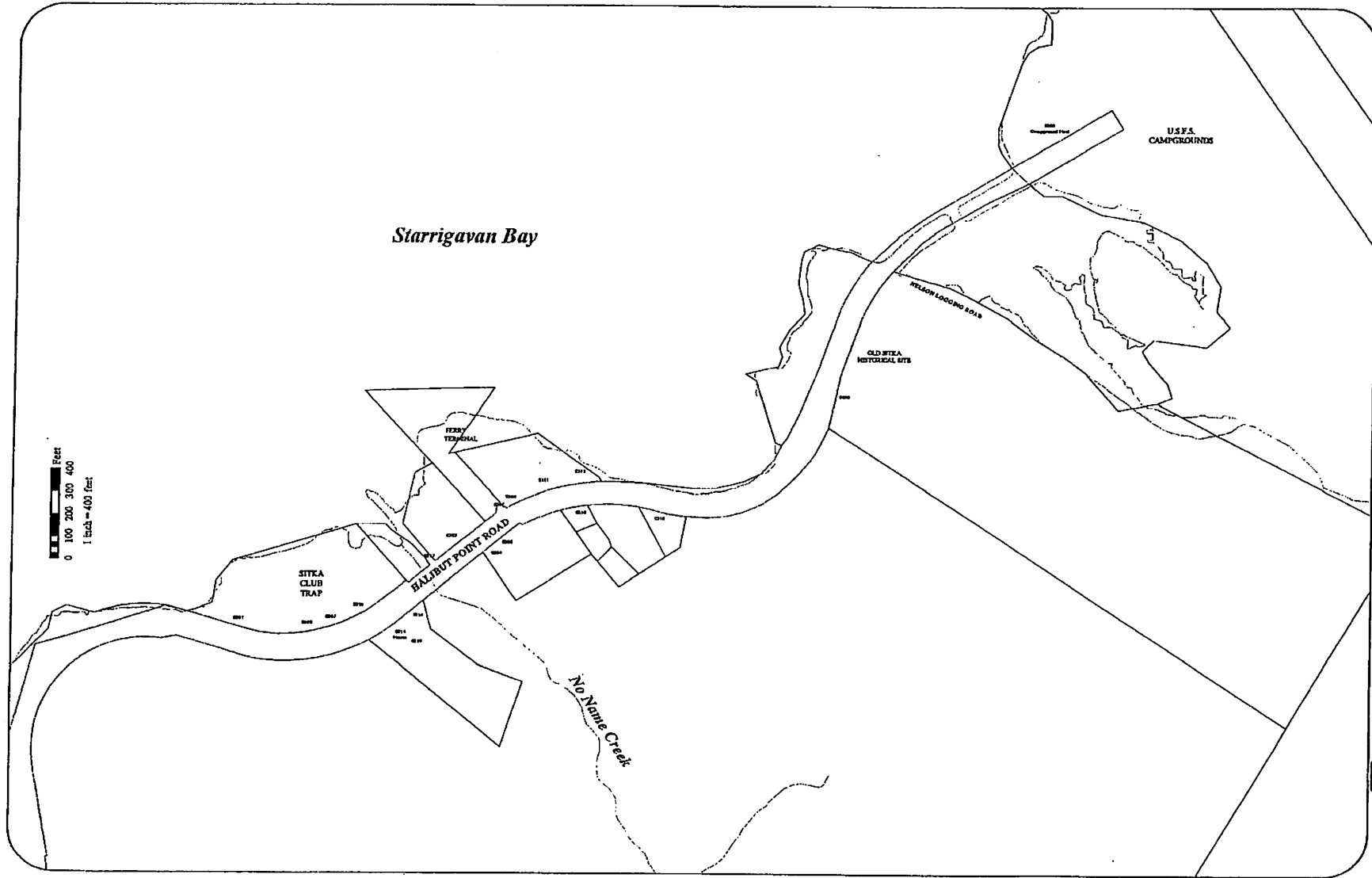
- 1 - Starrigavan & Old Sitka
- 2 - Cove to Viking Way
- 3 - Viking Way to Toivo Circle
- 4 - Toivo & North Benchlands
- 5 - South Benchlands & CCR
- 6 - Wortman to Peterson
- 7 - Kimsham to Monastery
- 8 - Katlian & Lincoln
- 9 - Monastery to Indian River
- 10 - Indian River to Jamestown Bay
- 11 - Jamestown to Shotgun Alley
- 12 - Seaview Heights to Whale Park
- 13 - Sawmill Cove
- 14 - Japonski Island



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Sitka Road System
 Address Maps
 Index Map

| Revisions | |
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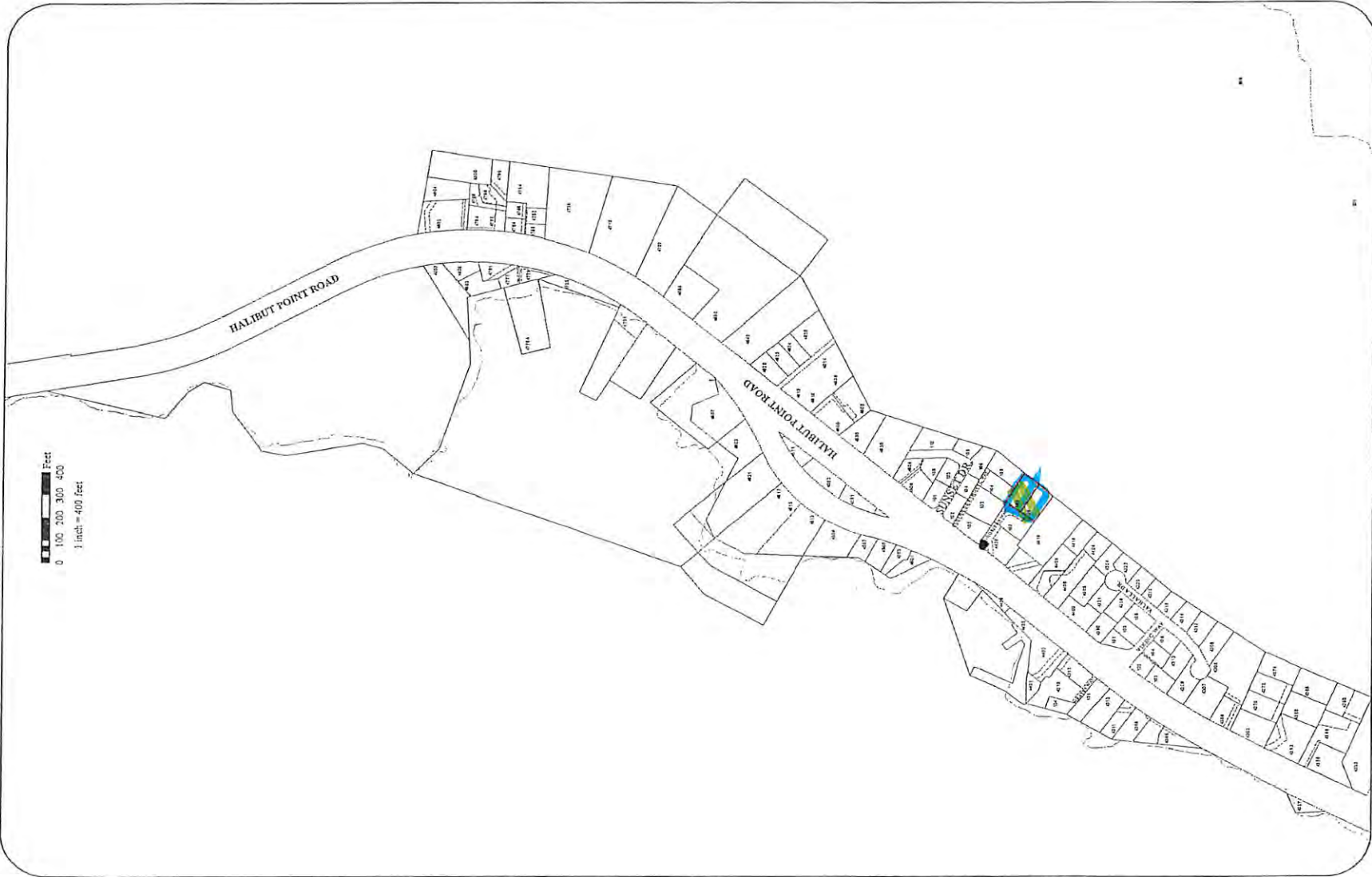
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Sitka Road System
Address Maps
Starrigavan & Old Sitka

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Map Symbols:

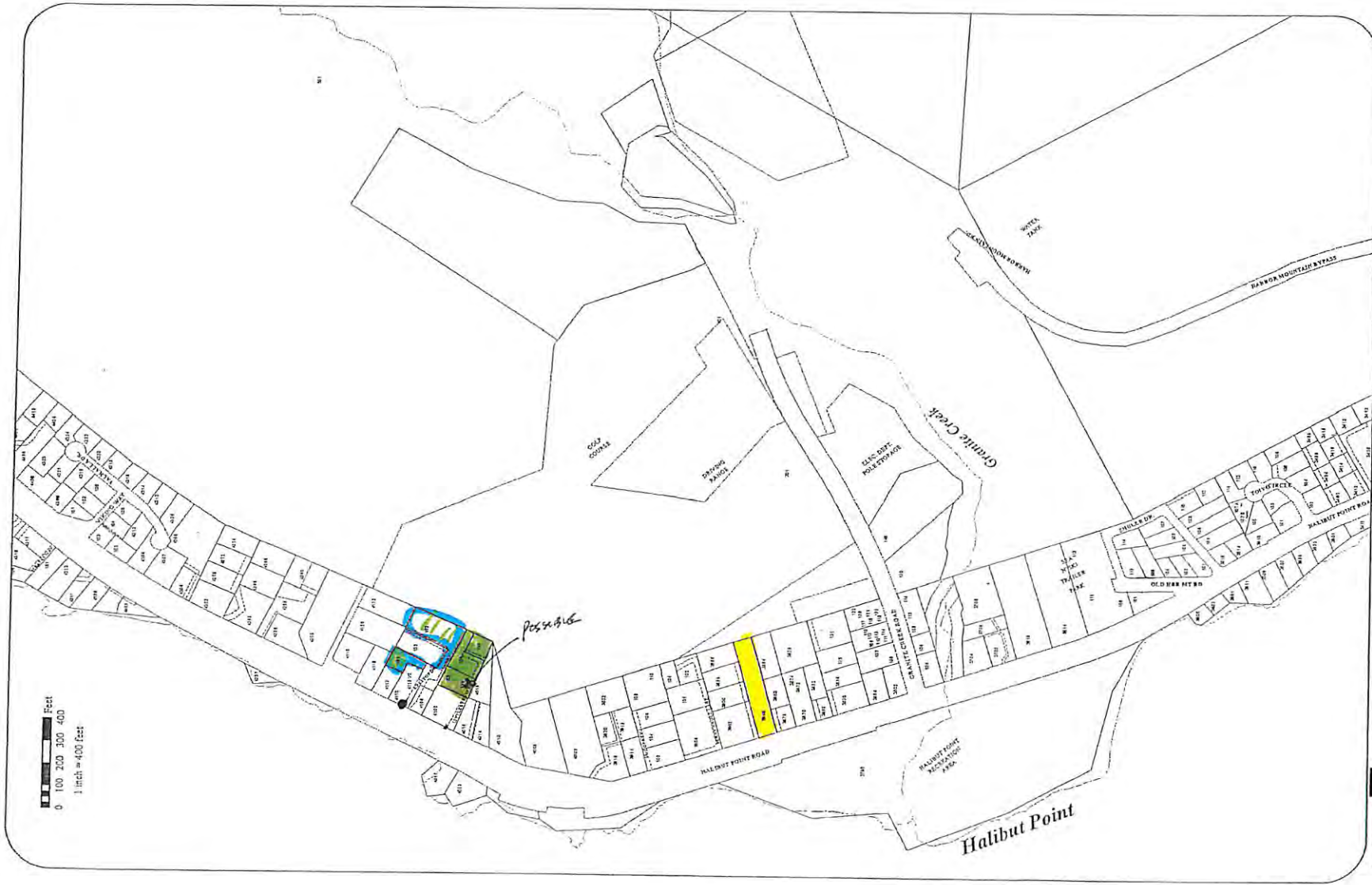
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- Property Line
- Old Lot Line
- Easement
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- Trail
- Fences
- Edge of Water

Revisions

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Sitka Road System
Address Maps
Village Way to Toho Circle

| NO. | DATE | REVISIONS |
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| 1 | 1/24/2011 | UPDATE |

Legend

- Zoning Boundary
- Trail
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- Fence
- Easement
- ROW
- Edge of Water

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**Sitka Road System
Address Maps**
Tulve & N. Benchlands

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Siting Boundary Trail
 Property Line Old Lot Line
 Property Line Road
 ROW
 Edge of Water



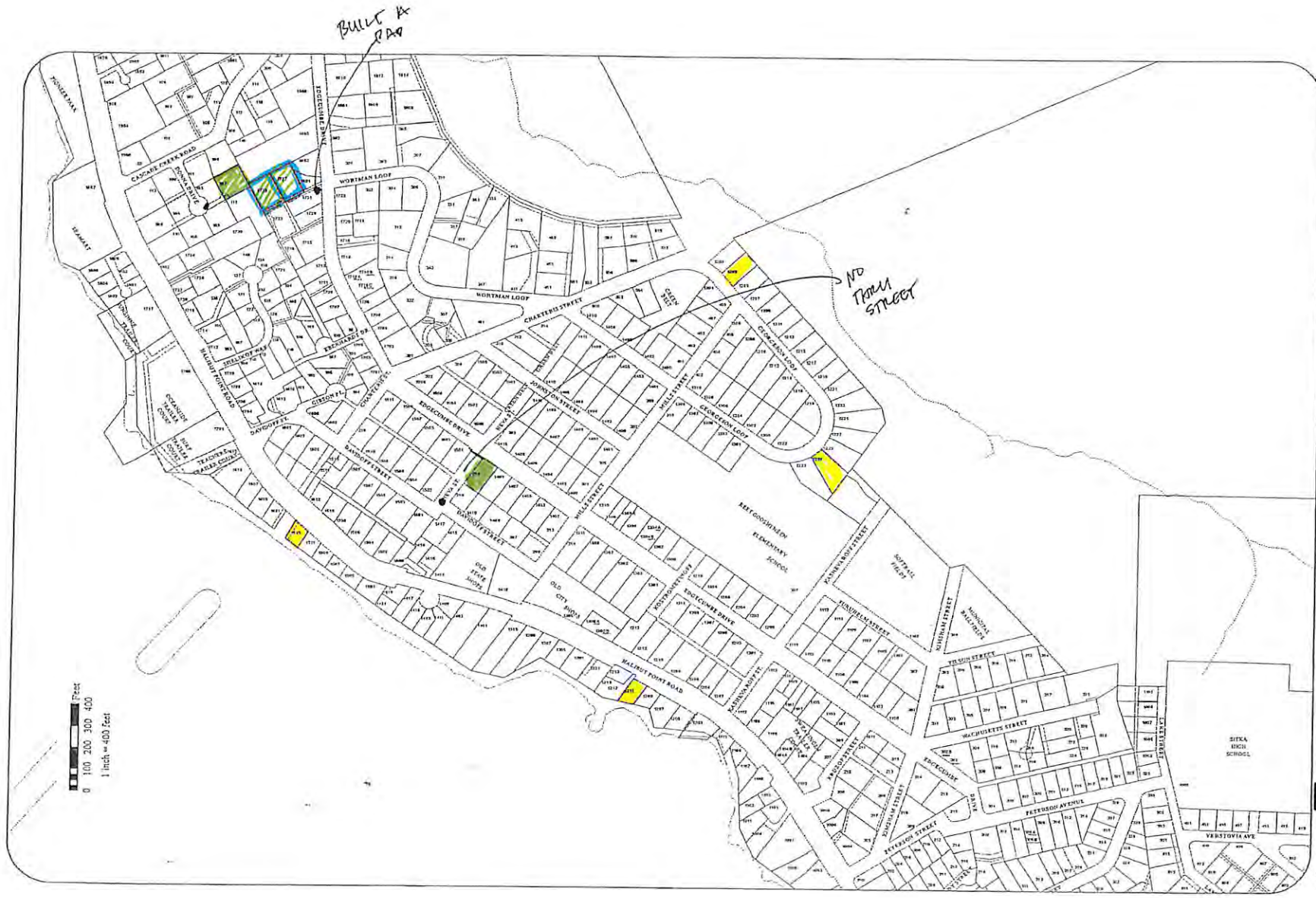
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Sitka Road System
Address Maps
S. Berellands & CCR

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Sitka Road System
Address Maps
 Worthington to Peterson

Legend

- Zoning Boundary
- Property Line
- City Lot Line
- Right of Way
- East
- Edge of Water

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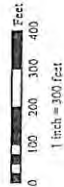
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**Sitka Road System
Address Maps**
Kumham to Monastery

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Legend

- Main Street
- Other Street
- Old Lot Line
- Property Line
- Right of Way
- Edge of Water



- Zoning Boundary
- Old Lot Line
- Property Line
- Fence Line
- Easement
- Right of Way
- North Arrow

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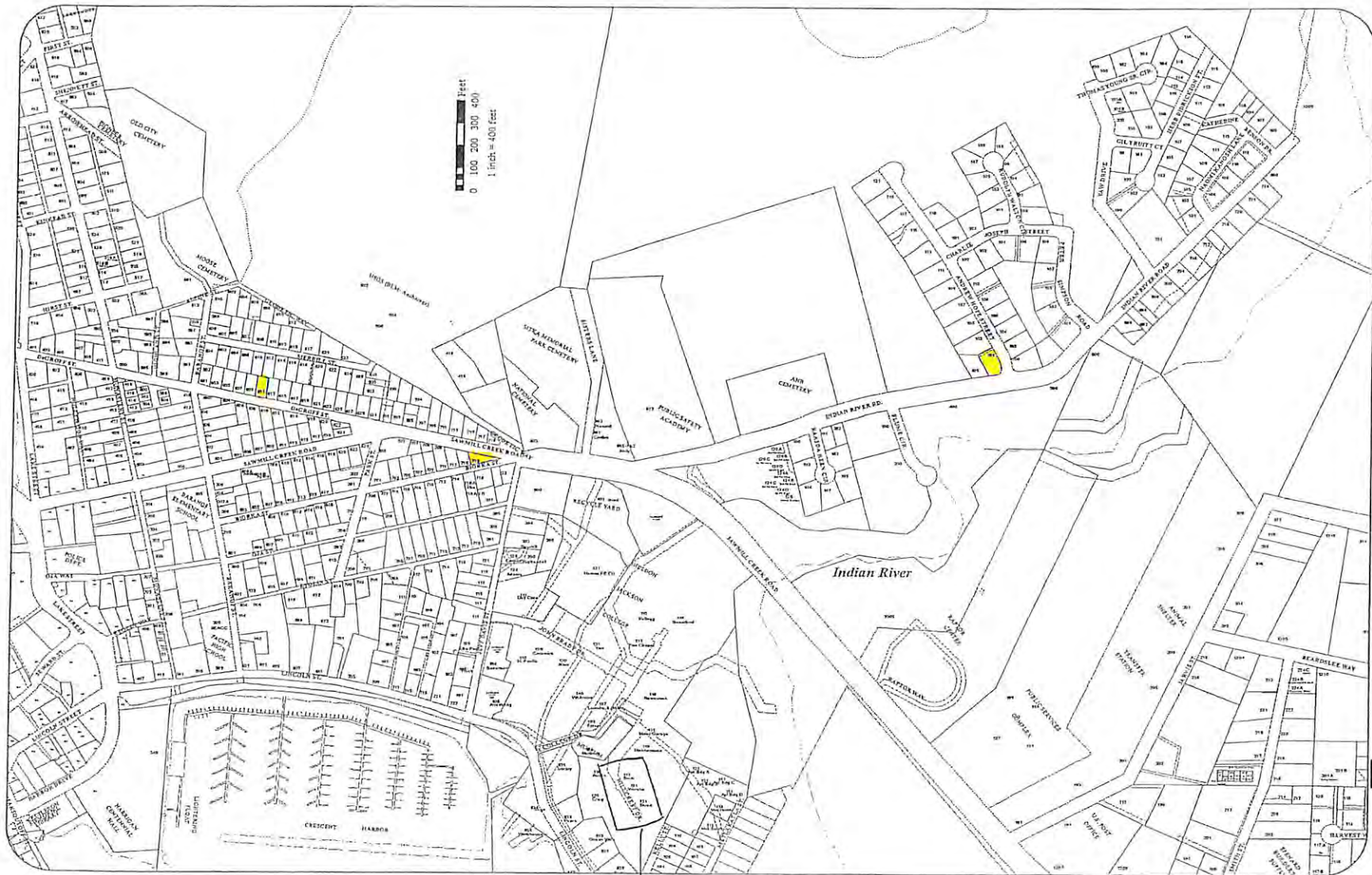
Sitka Road System Address Maps

Katlian & Lincoln

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Sitka Road System
Address Maps
Monastery to Indian River

Revisions

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Legend

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- Property Line
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- ROW
- Edge of Water



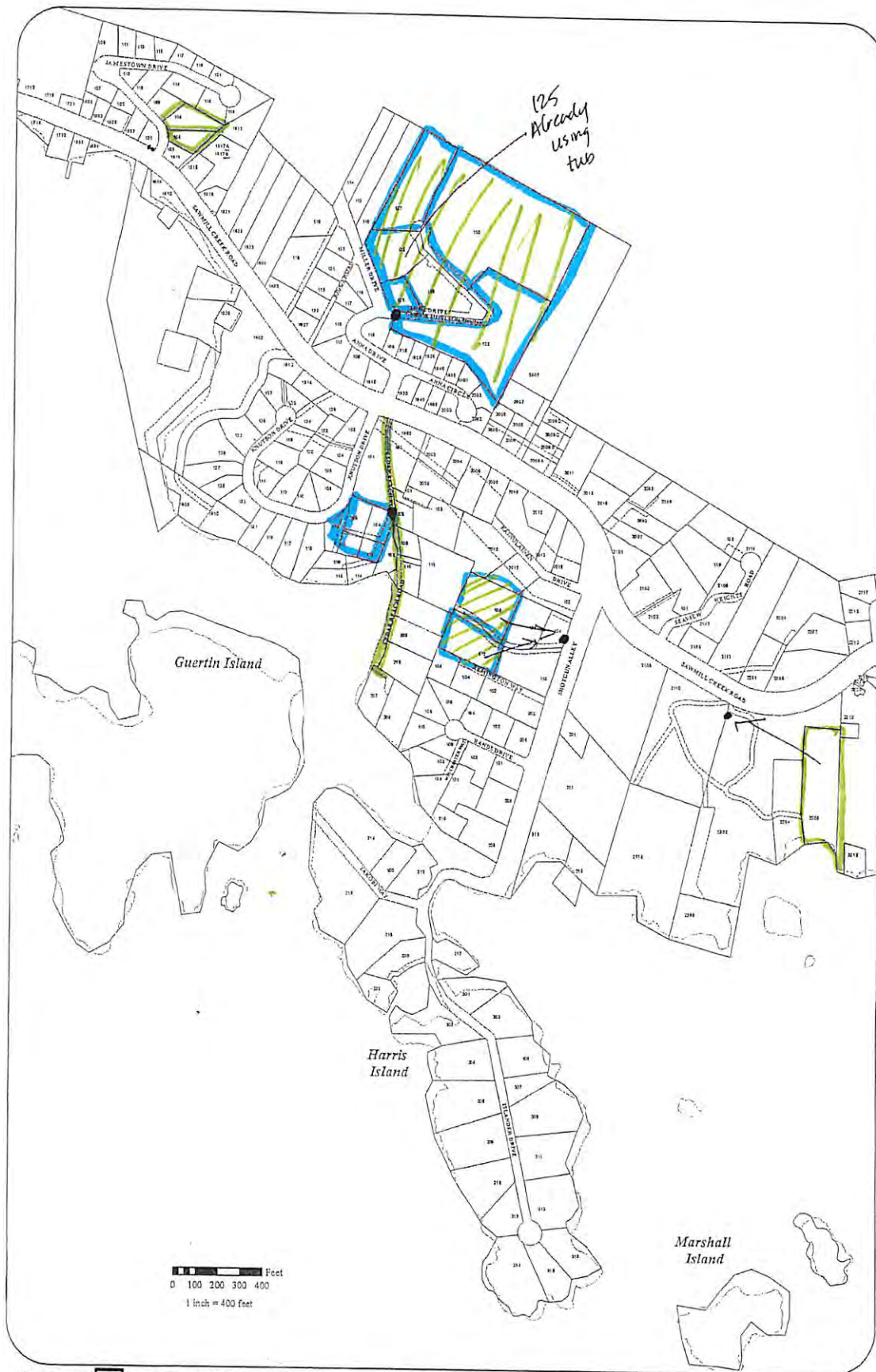
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Sitka Road System
Address Maps
Indian River to Jamestown Bay

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Zone Boundary
Property Line
Old Lot Line
Right of Way
Edge of Way



MainStreetGIS



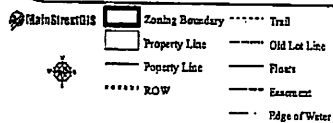
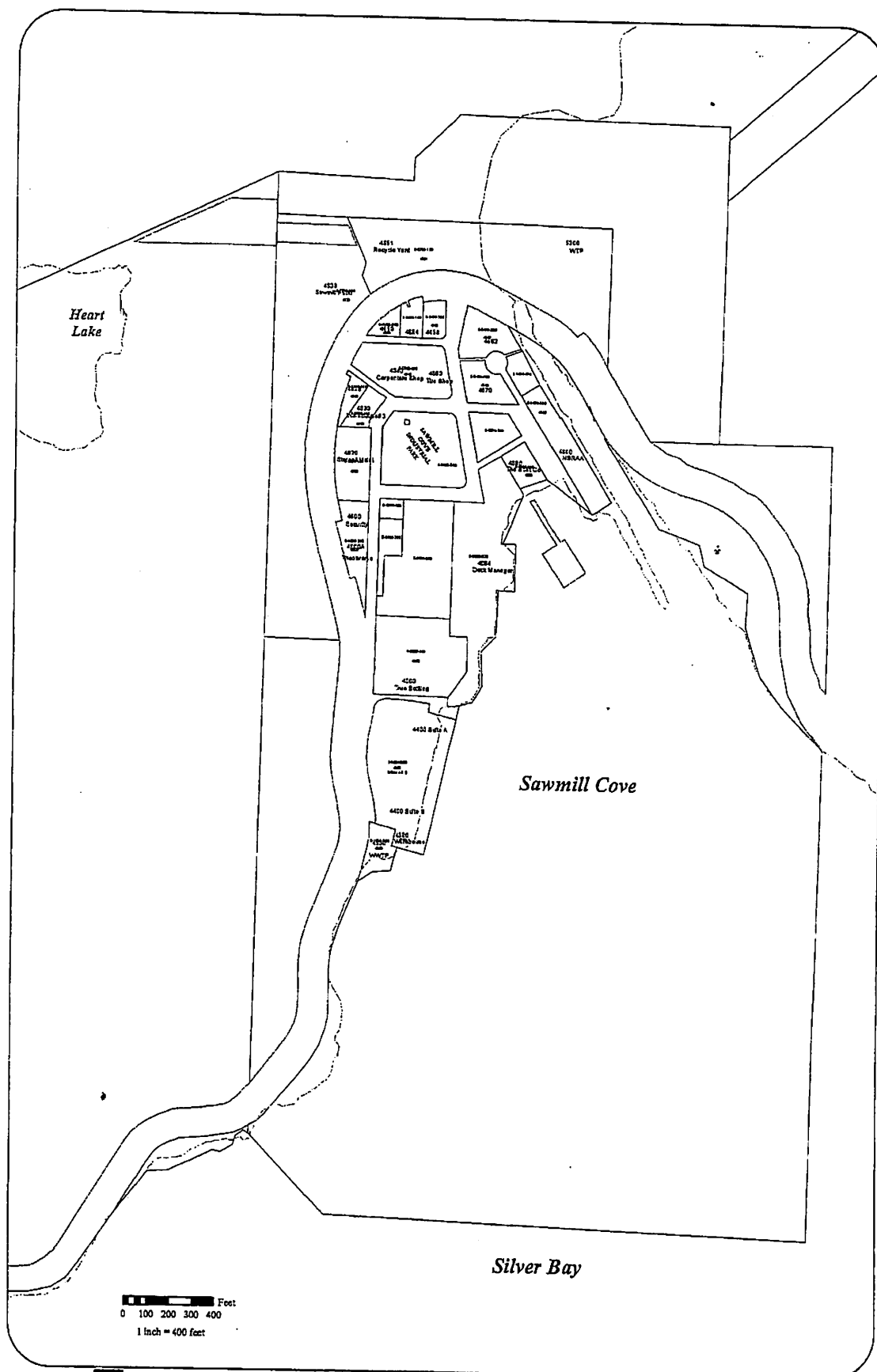
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- Property Line
- Easement
- ROW
- Trail
- Old Lot Line
- Floats
- Edge of Water

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Sitka Road System
Address Maps
 Jamestown to Shotgun Alley

| Revisions | |
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Sheet
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11
 of 14

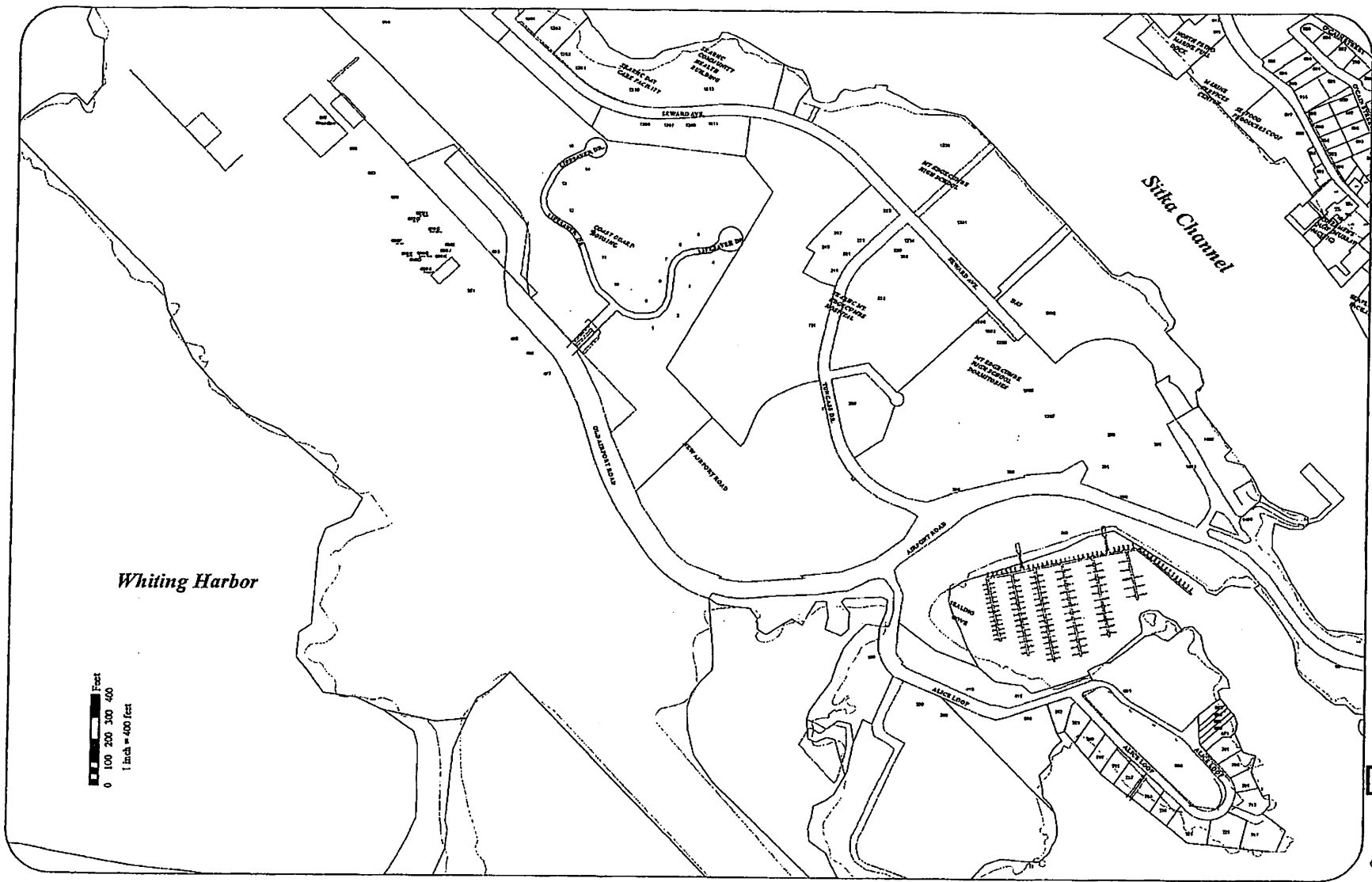


City and Borough of Sitka
Planning Department
100 Lincoln Street - Sitka, Alaska 99815
Tel: (907) 747-1814 Fax: (907) 747-6138
Printed: 1/24/2011

Sitka Road System
Address Maps
Sawmill Cove

| Revisions | | |
|-----------|------|-------------|
| No. | Date | Description |
| | | |
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Sheet
Number
13
of 14



City and Borough of Sitka
Planning Department
 100 Lincoln Street - Sitka, Alaska 99835
 Tel: (907) 747-1814 Fax: (907) 747-6138

Sitka Road System
Address Maps
 Japanese Island

| Revisions | By | Date |
|-----------|----|------|
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Sheet
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 of 14

Printed: 1/24/2011



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 18-035 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 3/7/2018 In control: City and Borough Assembly

On agenda: 3/13/2018 Final action:

Title: Approve a liquor license renewal application for JL Sitka, Inc. dba Westmark Sitka Hotel at 330 Seward Street (executive session anticipated)

Sponsors:

Indexes:

Code sections:

Attachments: [Steps Memo and Application.pdf](#)

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

Step 1

I MOVE to go into Executive Session with Chief Finance and Administrative Officer Jay Sweeney to discuss subjects that tend to prejudice the reputation and character of any person and to discuss matters, the immediate knowledge of which, would adversely affect the finances of the City and Borough of Sitka and invite in if desired, and when ready, representatives of JL Sitka, Inc.

Step 2

I MOVE to reconvene as the Assembly in regular session.

Step 3

I MOVE to approve, with the condition that the applicant must satisfy the note/payment plan entered into with the City and Borough of Sitka, a liquor license renewal application for JL Sitka, Inc. dba Westmark Sitka Hotel at 330 Seward Street and forward this approval to the Alcoholic Beverage Control Board without objection.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Mayor Hunter and Assembly Members
Keith Brady, Municipal Administrator

From: Sara Peterson, Municipal Clerk

Date: March 7, 2018

Subject: Approve, with a condition, a liquor license renewal application for Westmark Sitka Hotel

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

Lic #: 1031
DBA: Westmark Sitka Hotel
License Type: Beverage Dispensary - Tourism
Licensee: JL Sitka, Inc.
Premises Address: 330 Seward Street

A memo was circulated to the various departments who may have a reason to protest. There were departmental objections which would be addressed by imposing a condition on the approval.

Recommendation:

Approve, with the condition that the applicant must satisfy the note/payment plan entered into with the City and Borough of Sitka, a liquor license renewal application for JL Sitka, Inc. dba Westmark Sitka Hotel and forward this approval to the Alcoholic Beverage Control Board without objection.



THE STATE
of ALASKA
GOVERNOR BILL WALKER

Department of Commerce, Community,
and Economic Development

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

January 18, 2018

City and Borough of Sitka

Attn: Sara Peterson, Municipal Clerk

Via Email: sara.peterson@cityofsitka.org
melissa.henshaw@cityofsitka.org

Re: Notice of 2018/2019 Liquor License Renewal Application

| | | | |
|--------------------|-------------------------------|-----------------|------|
| License Type: | Beverage Dispensary – Tourism | License Number: | 1031 |
| Licensee: | JL Sitka, Inc. | | |
| Doing Business As: | Westmark Sitka Hotel | | |

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

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

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

Sincerely,

A handwritten signature in cursive script that reads "Erika McConnell".

Erika McConnell, Director
amco.localgovernmentonly@alaska.gov



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

Alaska Alcoholic Beverage Control Board

Beverage Dispensary – Tourism License

Form AB-17d: 2018/2019 Renewal License Application

What is this form?

This renewal license application form is required for all individuals or entities seeking to apply for renewal of an existing beverage dispensary – tourism liquor license that will expire on December 31, 2017. All fields of this form must be complete and correct, or the application will be returned to you in the manner in which it was received, per AS 04.11.270 and 3 AAC 304.105. The Community Council field only should be verified/completed by licensees whose establishments are located within the Municipality of Anchorage or outside of city limits within the Matanuska-Susitna Borough.

This form must be completed correctly and submitted to the Alcohol & Marijuana Control Office (AMCO)'s main office, along with all other required documents and fees, before any renewal license application will be considered complete.

Section 1 – Establishment and Contact Information

Enter information for the business seeking to have its license renewed. If any populated information is incorrect, please contact AMCO.

| | | | |
|-----------------------|-------------------------------|------------|-----------------|
| Licensee: | JL Sitka, Inc. | License #: | 1031 |
| License Type: | Beverage Dispensary - Tourism | Statute: | AS 04.11.400(d) |
| Doing Business As: | Westmark Sitka Hotel | | |
| Premises Address: | 330 Seward Street | | |
| Local Governing Body: | City & Borough of Sitka | | |
| Community Council: | None | | |

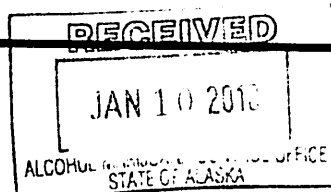
| | | | |
|------------------|-------------------|--------|----|
| Mailing Address: | 330 Seward Street | | |
| City: | Sitka | State: | AK |
| ZIP: | 99835 | | |

Enter information for the individual who will be designated as the primary point of contact regarding this application. This individual must be a licensee who is required to be listed in and authorized to sign this application.

| | | | |
|-------------------|----------------------|-----------------|------|
| Point of Contact: | Lisa J. Laudon | | |
| Contact Phone: | 907-230-4695 | Business Phone: | Same |
| Contact Email: | lisalaudon@gmail.com | | |

Seasonal License? ☐ Yes ☒ No

If "Yes", write your six-month operating period: _____





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

Alaska Alcoholic Beverage Control Board

Beverage Dispensary – Tourism License

Form AB-17d: 2018/2019 Renewal License Application

Section 2 – Authorization

Communication with AMCO staff:

Yes No

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

☒ ☐

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

Shaion Bryant, Joseph List, Susan Doyle
General Managers, authorized office management

Section 3 – Sole Proprietor Ownership Information

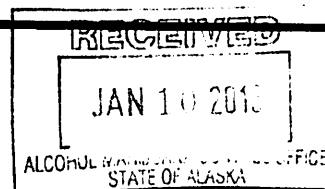
This section must be completed by any sole proprietorship who is applying for license renewal. Entities should skip to Section 4.
If more space is needed, please attach a separate sheet with the required information.
The following information must be completed for each licensee and each affiliate (spouse).

This individual is an: ☐ applicant ☐ affiliate

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

This individual is an: ☐ applicant ☐ affiliate

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





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

Alaska Alcoholic Beverage Control Board

Beverage Dispensary – Tourism License

Form AB-17d: 2018/2019 Renewal License Application

Section 4 – Entity Ownership Information

This subsection must be completed by any licensee that is a corporation or LLC. Corporations and LLCs are required to be in good standing with the Alaska Division of Corporations, Business & Professional Licensing (CBPL). You may view your entity's status or find your CBPL entity number by visiting the following site: <https://www.commerce.alaska.gov/cbp/main/search/entities>
Partnerships may skip to the second half of this page. Sole proprietorships should skip to Section 5.

| | |
|-----------------------|--------|
| Alaska CBPL Entity #: | 114445 |
|-----------------------|--------|

You must ensure that you are able to certify the following statement before signing your initials in the box to the right: Initials

I certify that this entity is in good standing with CBPL and that all current entity officials and stakeholders (listed below) are also currently and accurately listed with CBPL.

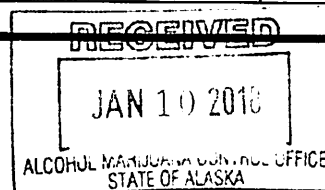
This subsection must be completed by any community or entity, including a corporation, limited liability company, partnership, or limited partnership, that is applying for renewal. If more space is needed, please attach additional completed copies of this page.

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

| | | | | | |
|-----------------------|---------------------|--------|--------------|----------|-------|
| Entity Official Name: | John E Emme | | | | |
| Title(s): | Director, Sec, V.P. | Phone: | 907-229-7135 | % Owned: | 50 |
| Mailing Address: | 330 Seward St | | | | |
| City: | Sitka | State: | AK | ZIP: | 99835 |

| | | | | | |
|-----------------------|---------------------------|--------|--------------|----------|-------|
| Entity Official Name: | Lisa J. Laudon | | | | |
| Title(s): | Director, Pres, Treasurer | Phone: | 907-230-4095 | % Owned: | 50 |
| Mailing Address: | 330 Seward Street | | | | |
| City: | Yakutat Sitka | State: | AK | ZIP: | 99835 |

| | | | | | |
|-----------------------|--|--------|--|----------|--|
| Entity Official Name: | | | | | |
| Title(s): | | Phone: | | % Owned: | |
| Mailing Address: | | | | | |
| City: | | State: | | ZIP: | |





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

Alaska Alcoholic Beverage Control Board

Beverage Dispensary – Tourism License

Form AB-17d: 2018/2019 Renewal License Application

Section 5 – License Operation

Check a single box for each calendar year that best describes how this liquor license was operated:

2016 2017

The license was regularly operated continuously throughout each year, for 8 or more hours each day.

☒ ☒

The license was regularly operated during a specific season each year, for 8 or more hours each day.

☐ ☐

The license was only operated to meet the minimum requirement of 30 days each year, 8 hours each day.

☐ ☐

If this box is checked, a complete copy of Form AB-30: Proof of Minimum Operation Checklist, and all necessary documentation must be provided with this application.

The license was not operated at all or was not operated for at least the minimum requirement of 30 days each year, 8 hours each day, during one or both of the calendar years.

☐ ☐

If this box is checked, a complete copy of Form AB-29: Waiver of Operation Application and corresponding fees must be submitted with this application for each calendar year during which the license was not operated for at least the minimum requirement.

Section 6 – Violations and Convictions

Applicant violations and convictions in calendar years 2016 and 2017:

Yes No

Have any notices of violation (NOVs) been issued to this licensee in the calendar years 2016 or 2017?

☐ ☒

Has any person or entity named in this application been convicted of a violation of Title 04, of 3 AAC 304, or a local ordinance adopted under AS 04.21.010 in the calendar years 2016 or 2017?

☐ ☒

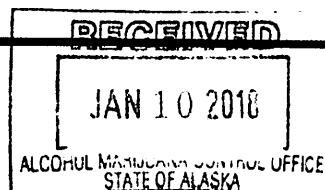
If "Yes" to either of the previous two questions, attach a separate page to this application listing all NOVs and/or convictions.

Section 7 – Alcohol Server Education

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

Initials

I certify that all licensees, agents, and employees who sell or serve alcoholic beverages or check identification of a patron have completed an alcohol server education course approved by the ABC Board and keep current, valid copies of their course completion cards on the licensed premises during all working hours, as required under AS 04.21.025 and 3 AAC 304.465.





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

Alaska Alcoholic Beverage Control Board

Beverage Dispensary – Tourism License

Form AB-17d: 2018/2019 Renewal License Application

Section 8 – Certifications

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

Initials

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

[Signature]

I certify that in accordance with AS 04.11.450, no one other than the licensee(s) has a direct or indirect financial interest in the licensed business.

[Signature]

I certify that I have not altered the functional floor plan or reduced or expanded the area of the licensed premises, and I have not changed the business name or the ownership (including officers, managers, general partners, or stakeholders) from what is currently on file with the Alcoholic Beverage Control Board.

[Signature]

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

[Signature]

I am submitting as part of this application a written statement that meets the attached Tourism Statement Guidelines, for review by the Alcoholic Beverage Control Board.

[Signature]

As an applicant for a liquor license renewal, I declare under penalty of perjury that I have read and am familiar with AS 04 and 3 AAC 304, and that this application, including all accompanying schedules and statements, is true, correct, and complete. I agree to provide all information required by the Alcoholic Beverage Control Board in support of this application and understand that failure to do so by any deadline given to me by AMCO staff will result in this application being returned to me as incomplete.

Signature of licensee

Lisa J. Landrum
Printed name of licensee

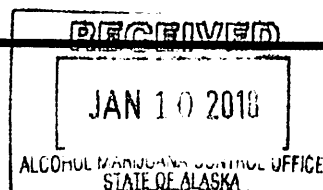
Signature of Notary Public

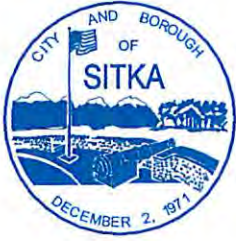
Notary Public in and for the State of Alaska

My commission expires: 3.9.20

Subscribed and sworn to before me this 6 day of December, 2017.

| | | | | | |
|--|------------|------------------|-----------|--------|---------------|
| License Fee: | \$ 2500.00 | Application Fee: | \$ 200.00 | TOTAL: | \$ 2700.00 |
| Late Fee of \$500.00 – if received or postmarked after 01/02/2018: | | | | | <u>627.00</u> |
| Miscellaneous Fees: | | | | | |
| GRAND TOTAL (if different than TOTAL): | | | | | |





City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Utility Billing Clerk – Diana
Collections - Sunni
Municipal Billings – Lindsey
Sales Tax/Property Tax - Hannah
Fire Department
Police Department
Building Official(s)

From: Sara Peterson, Municipal Clerk

Date: January 19, 2018

Subject: Liquor License Renewal Application – Westmark Sitka Hotel

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

Lic #: 1031
DBA: Westmark Sitka Hotel
License Type: Beverage Dispensary - Tourism
Licensee: JL Sitka, Inc.
Premises Address: 330 Seward Street

Please notify no later than **noon on Friday, February 2** of any reason to protest this renewal request. This request is scheduled to go before the Assembly on February 13.

Thank you.



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 18-07 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 3/7/2018 In control: City and Borough Assembly

On agenda: 3/13/2018 Final action:

Title: Amending Sitka General Code Title 21 "Subdivision"

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and Memo Ord 2018-07.pdf](#)
[Ord 2018-07 Subdivision code.pdf](#)
[ZA18-02 Monumentation PlanningPacket 6Feb2018..pdf](#)

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

POSSIBLE MOTION

I MOVE TO approve Ordinance 2018-07 on
first reading.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Honorable Mayor Hunter and Assembly Members

From: Michael Scarcelli, Director, Planning and Community Development *MJS*

Cc: Keith Brady, Municipal Administrator
Brian Hanson, Municipal Attorney
Michael Harmon, Director, Public Works

Date: March 7, 2018

Subject: Recommendation for Code Change Regarding Title 21 Monumentation and Flagging Requirements.

Background: in early 2016, Staff in consultation with local surveyors, engineers, and regional professionals began to realize that the existing Title 21, Subdivision code, that required monumentation (aka property markers, brass cap, *etc.*) and flagging were very stringent and not followed.

The state has legislated in the field of required monumentation for subdivisions (AS 40.15.320). In essence, that law requires something akin to *secondary* monumentation at all angle points. State law does not require *primary* monuments at all angle points. However, our existing code requires primary monumentation at all angle points.

Primary monumentation is also a field legislated by the state. Primary monumentation requires extensively more survey work (3 bearing objects and additional recordings), which raises the cost of land development significantly (approx. \$1,500 to \$10,000 per subdivision). Primary monumentation at all angle points is better suited for very large tracts of land where one marker may be hundreds of feet from another marker. Primary monumentation is not necessary for property marking of distances of 60-150 linear feet, which is the case for Sitka most of the time. It is also an educated guess, but staff believe our existing code was influenced by certain state law regarding surveying of large tracts of state land (11 AAC 53.100-260).

In regards to monumentation, our proposed code surpasses the state minimums and is a middle ground approach to our current code. The proposal is a blend of requiring secondary monumentation for most points and primary monumentation as needed, but not too much.

In regards to flagging, that is where our existing Code is even more unique. There is no state requirement. Currently, flagging in our local code is required by default and is often a wasted cost (in that flagging does not always produce a benefit). The proposal is to require flagging upon motion of the deciding body, when it is germane to a material issue regarding the subdivision (topography, drainage, structures, location of utilities or other important improvements, or other material issues, such as disputed property line raise the need for more information).

To sum, through an extensive process that began in December 2016, staff have drafted the following proposal that attempts to change the code to something that is good enough, but not too much, while preserving reasonable, accurate, and fair subdivision processes and monumentation and flagging requirements.

Fiscal Note: code drafts covered by existing staff budgets. Positive economic impact to developers over existing code that will reduce development costs substantially.

Recommendation: To approve the code change.

Applicable Code: Title 21: 21.12.010, 21.12.030, 21.32.040, 21.32.050, & 21.40.160.

**CITY AND BOROUGH OF SITKA
ORDINANCE NO. 2018-07**

**AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING SITKA GENERAL
CODE TITLE 21 "SUBDIVISION"**

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 revise the monumentation and flagging requirements for subdivisions to reduce costs, create continuity between practice and code, provide for reasonable, durable and accurate monumentation, while providing an accurate and fair subdivision process that is not excessively burdensome.
4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that the Sitka General Code Title 21 Subdivision, be amended as follows (new language underlined; deleted language stricken):

**Title 21
SUBDIVISION**

**Chapter 21.12
MINOR SUBDIVISION**

Sections:

- 21.12.010 Application.
- 21.12.020 Concept plat.
- 21.12.030 Final plat.
- 21.12.040 Recording timetable.

21.12.010 Application.

A. The minor subdivision plat procedure shall apply to the following plats:

1. Plats that create no more than four additional tracts or lots;
2. Plats that create parcels that will become integral parts of the adjoining lots or rights-of-way;
3. A movement or creation of lot lines that does not result in an increase in the density or number of residential units within the area being subdivided or resubdivided;
4. A subdivision involving the vacation of a street or alley;
5. A subdivision created for a government agency acquisition of a street right-of-way.

B. Basic Criteria. The following general conditions are necessary for approval of a minor subdivision:

1. No dedications are needed;

2. Monuments exist sufficient to locate all proposed lots on the site, as required by section 21.40.160;

3. The plat includes all contiguous land under common ownership;

4. Maintenance agreements as necessary.

C. Preapplication. Participation in preapplication procedures as described in the major subdivision plat requirements (Section 21.32.020) is advised to address any questions regarding the minor subdivision application.

* * *

21.12.030 Final plat.

A. A final plat shall be prepared by a registered land surveyor and submitted for planning commission review following the board review of the concept plat. The plat shall comply with all the major subdivision final plat submission requirements in Section 21.32.160. The easements and improvements shall comply with all the applicable standards in Chapter 21.40. It must be submitted at least thirteen days prior to the next planning commission meeting. ~~The perimeter of the subdivision shall be flagged with readily viewable marking at least ten days prior to the planning commission hearing. In addition, the planning office may require that interior subdivision lot corners shall be marked with two inch square wooden hubs and flagging ten days prior to the planning commission hearing.~~ Flagging may be required along the proposed plat's existing or proposed boundaries or features as required by the platting authority pursuant to section 21.40.160. Notices and a public hearing shall be required and given as provided for Chapter 21.52.

B. In addition to providing a plat that conforms to the major subdivision final plat requirements, the following shall be submitted:

1. General topography of the site and immediate surroundings, showing specific topographic features and spot elevations. The purpose of this topography is to provide an understanding of the overall terrain of the site and to confirm the grades of access easements and rights-of-way. The planning commission may also require more detailed topographic information of existing and proposed grades.

C. The planning commission shall approve, deny, or approve with conditions the final plat at a regularly scheduled meeting and the action shall be given within sixty days of the date of submission of a complete final plat. A delay in commission action may be requested in writing by the applicant, may result from the application being incomplete, or may result from evidence requiring further city consideration. If the plat approval is denied or the applicant is not satisfied with the conditions placed on the plat, the matter shall be reconsidered by the planning commission unless the applicant files an appeal directly to the assembly.

D. After the final plat is approved, a recordable plat shall be prepared by a registered land surveyor including any required certificates as also required of a major subdivision, all applicable plat notes required by this title, and all plat notes required by the planning commission during the approval process. The recordable document shall reference all monuments that have been installed following the approval of the plat.

* * *

Chapter 21.32 MAJOR SUBDIVISIONS

Sections:

- 21.32.010 General outline of procedure for major plat approval.
- 21.32.020 Major subdivision preapplication.
- 21.32.030 Major subdivision—Suggested concept plan submittal.
- 21.32.040 Major subdivision—Preliminary plat submission requirements.
- 21.32.050 Preliminary plat review and approval.
- 21.32.160 Major subdivision—Final plat submission requirements.
- 21.32.170 Final subdivision plat review and approval by the planning commission.
- 21.32.180 Final subdivision plat review and approval by the assembly.
- 21.32.190 Appeal to superior court.

* * *

21.32.040 Major subdivision--- Preliminary plat submission requirements.

A. In the event the owner or developer does not elect to go through the concept plat review process and submit a complete application at that time, an application for subdivision plat approval shall precede the submission of a preliminary plat. If a previous application does not incorporate any request for any necessary platting variances and vacations, those requests shall accompany the applications. Applications shall be in a form approved by the city.

B. Preliminary plat applications shall be signed by all persons holding an interest in the property that is the subject of the application. If the applicant intends to develop the land covered by the preliminary plat in phases, the application for preliminary plat approval shall include a master phasing plan specifying the timing and sequence of development.

C. The preliminary plat shall include all contiguous land under the applicant's ownership even if under separate legal description. If only a portion of the applicant's land is intended for development under the proposed subdivision, the remaining portion shall be given a tract designation and shall be part of the preliminary and final plat.

D. The applicant shall submit the application for preliminary plat approval, including the following items, within the time required by the city in order for staff review before the regular meeting of the planning commission at which the plat is to be considered. The city shall determine the completeness of the application and notify the applicant if additional information is necessary. The perimeter of the subdivision ~~shall~~ may be flagged with readily viewable marking at least ten days prior to the planning commission hearing when required pursuant to section 21.40.160. In addition, the planning office may require that interior subdivision lot corners shall be marked with two-inch square wooden hubs and flagging ten days prior to the planning commission hearing. The planning commission review and public hearing shall be scheduled for the earliest possible date depending upon the size and complexity of the proposal.

E. Preliminary Plat Submittal.

1. Plat Copy Requirements.

- a. Four blue or black line prints of the preliminary plat prepared by a registered surveyor (or fewer copies as approved by the city).
- b. One eight-and-one-half-inch by eleven-inch sheet of the proposed new lot lines without signature blocks.
- c. One copy to each of the appropriate governmental state or federal regulatory agencies and to the private telephone/television companies directed by the city.

2. All plats shall be drawn to a scale of at least one inch equals one hundred feet to show details and to enable appropriate decisions. Plats shall be submitted on sheets of one of the following sizes with each sheet being the same size: eighteen by twenty-four inches, twenty-four by thirty-six inches, or thirty by forty-two inches. The plat shall have four distinctive line weights according to the following breakdown from heaviest to lightest:

- a. Boundary lines;
- b. Block and tract outlines;
- c. Lot lines;
- d. Easements, street centerlines, topographic contours, and other features.

3. The preliminary plat shall include the following information:

- a. Title block at the bottom right corner of the plat sheet or the index sheet showing:
 - i. Name of proposed subdivision,
 - ii. Scale,
 - iii. Date,
 - iv. Total area,
 - v. Legal description of parcel being subdivided,
 - vi. Proposed lot numbers, block numbers, and street names,
 - vii. Name, address, and license number of surveyor preparing plat,
 - viii. Owner(s) and/or applicants of the property and mailing address;
- b. When a plat consists of more than one sheet, an index sheet is required. The index sheet must include a key map showing the entire project with street names, lots, block numbers, match lines indicating the sheet numbers which will display pertinent data of that particular portion of the project. The match lines shall follow obvious divisions within the plat and be easily recognizable.

When more than one sheet is submitted, one sheet shall contain all the approval certificates. All sheets must be the same size;

c. North arrow;

d. Vicinity map which includes the following:

i. Scale of one inch equals one thousand feet,

ii. Principal road systems, and, if applicable, major water bodies and/or watercourses, boundaries of national forest or other pertinent boundaries, location of subdivision and north arrow;

e. Dedicated rights-of-way, patent reservations, road easements, or utility and other reservations, public or private, within the proposed subdivision boundaries and within contiguous parcels showing location, dimensions, and purposes;

f. Adjacent property lines shall be shown with dashed lines to show their general relationship to the proposed plat;

g. Proposed lot lines, tract lines, and rights-of-way including approximate dimensions and areas of all lots and tracts, approximate curve radii and lengths, and similar information;

h. Designation of proposed public areas;

i. Topography shall be shown with contour intervals of two feet for any portion of the proposed subdivision within the floodplain of any watercourse; five feet outside floodplain areas if the ground slope is less than ten percent; and ten feet if the ground slope is greater than ten percent;

j. Preliminary horizontal location of water supply, sewage collection or disposal systems, storm drainage and other public improvement details to enable the city to make a preliminary determination as to conformance with municipal and state standards;

k. The location of water bodies and drainage courses, including the location of flood hazard areas;

l. The location of existing facilities, permanent buildings and structures within the proposed subdivision such as roadways, buildings, sewage systems, wells, oil lines including pipe sizes, utility poles and lines, underground power lines, excavations, bridges, and culverts;

m. Legal access from the public system where necessary;

n. Any additional information required by the municipality.

F. The applicant shall submit supporting written information including all soils and engineering data required by the appropriate state agency for the review of installation of either on-site

sewer and water facilities, if such are needed, or the general design and layout when such utilities are to become a part of the city and borough community system. If this subdivision or any part thereof is in a coastal management district, any information required for coastal management compliance shall also be submitted as may be required by the city.

G. Accompanying the preliminary plat shall be a plat certificate documenting all persons holding any legal interest in the land being subdivided, prepared by an authorized title insurance company.

21.32.050 preliminary plat review and approval.

The planning commission shall approve, deny, or approve with conditions the preliminary plat at a regularly scheduled meeting and the action shall be given within sixty days of the date of submission of a complete final plat. ~~The exterior of lot lines of the project shall be flagged ten days prior to the first planning commission hearing on the preliminary plat. Flagging of interior lot lines shall be installed at the same time if required by the municipality. Flagging may be required along the proposed plat's existing or proposed boundaries or features as required by the platting authority pursuant to section 21.40.160.~~ A delay in commission action may be requested in writing by the applicant, may result from the application being incomplete, or may result from evidence requiring further city consideration. If the plat approval is denied or the applicant is not satisfied with the conditions placed on the plat, the matter shall be reconsidered by the planning commission unless the applicant files an appeal directly to the assembly.

* * *

Chapter 21.40

DESIGN AND CONSTRUCTION REQUIREMENTS AND MONUMENTATION

Sections:

- 21.40.010 Design principles and standards.
- 21.40.020 Compliance with standard specifications and subdivision agreements.
- 21.40.030 Easements.
- 21.40.040 Lots and blocks.
- 21.40.060 Maintenance agreements.
- 21.40.070 Street improvements.
- 21.40.080 Street arrangement.
- 21.40.090 Access to primary and secondary roads.
- 21.40.100 Street names.
- 21.40.110 Dedicated right-of-way street design standards.
- 21.40.120 Rights-of-way.
- 21.40.130 Additional design and construction requirements.
- 21.40.140 Design and construction requirements for subdivided island properties.
- 21.40.150 Flood hazard areas.
- ~~21.40.160 Required monumentation—Final plat monuments.~~ Monumentation and flagging.

* * *

~~21.40.160 Required monumentation—Final plat monuments.~~ Monumentation and flagging.

A. Generally.

1. All subdivisions, boundary line adjustments, replats, and any plat that requires approval to be recorded shall comply with the required monumentation and flagging as detailed in this section. References to monumentation and flagging requirements appear in other sections of this code; however, this section shall control.

2. All monuments required herein shall be installed, shown, and referenced on all final subdivision plats prior to the recording of the plats. All monuments recovered during the survey process shall all be shown on the plat.

~~2.—Flagging requirements appear in the sections covering preliminary and final plat reviews in other chapters of the title. If considered appropriate to facilitate the review of the subdivision, temporary wooden hubs may be required to be installed by the municipality during the review process.~~

~~B.—Primary monuments must be established for surveys as set forth herein. A primary monument must consist of a minimum two-inch diameter metal pipe at least thirty inches long with a minimum four-inch flange at the bottom. A minimum two-and-one-half-inch diameter metal cap must be permanently attached at the top. If both the cap and the pipe are of nonferrous metal, then additives with magnetic qualities must be permanently attached at both the top and bottom of the monument. Every primary monument cap must be permanently stamped with the year set, the surveyor's registration number, and the corner identification. The city may approve one of the following alternatives upon petition by the surveyor: a cap grouted into firm stone or a durable tablet containing a minimum of one thousand cubic inches of concrete and a cap marking the actual corner point.~~

~~C.—Every subdivision must have a minimum of two primary monuments set or recovered on the boundary of the subdivision. All angle points along the subdivision boundary should have a primary monument. Primary monuments along a subdivision boundary may not be situated more than one thousand three hundred twenty feet apart. If an exterior boundary line is less than two thousand six hundred forty feet, but more than one thousand three hundred twenty feet long, then the intermediate primary monument must be set as close to the midpoint as practical. If the point for a primary monument is in a place that would be impractical to monument because of natural obstacles such as water bodies or roads, a witness corner must be set. The witness distance and course must be shown on the plat of survey from the existing monument as set to the true corner position. Witness corners must always be set on a survey property line at a distance considered reasonable and practical from the true corner point. Witness corners must comply with the standards for primary monuments.~~

~~D.—Secondary monuments shall be used for property line curvature control, at interior angle points, on interior lines that exceed one thousand three hundred twenty feet in length that are not established with primary monuments, and all other corners that are part of the subdivision. Secondary monuments will consist of at least a five-eighths-inch metal bar four feet long with a one-and-one-half-inch cap attached at the top with the surveyor's registration number and corner identification stamped on the top. Secondary monuments do not require monument accessories.~~

3. The following are the requirements for secondary monumentation:
a. All secondary monuments shall be at least a 5/8 inch by 24 inch rebar and cap at all exterior and interior controlling corners, points, and angles. Monuments shall be capped and stamped with survey grade material and

information. Where topography limits depth or type of monument, a reasonable survey grade monument of choice may be used if approved by the platting authority, and this includes setting monuments until reasonable refusal for depth.

b. Secondary monumentation shall be required at all exterior and interior angles, corners, points, and used where needed for curvature control for all subdivisions, replats and/or reviews under this title.

i. Where there is an existing and sufficient monument that is accurate and durable, that monument may be used to fulfill this subsection.

ii. Primary monumentation may be required for certain plats. A primary monument will fulfill this subsection.

4. The following are the requirements for primary monumentation:

a. Primary monuments must be established for surveys as set forth in this subsection. A primary monument must consist of a minimum two-inch diameter metal pipe, at least 30 inches long, with a minimum four-inch flange at the bottom. A minimum two-and-one-half-inch diameter metal cap must be permanently attached at the top. If both the cap and the pipe are of nonferrous metal, then additives with magnetic qualities must be permanently attached at both the top and bottom of the monument. Every primary monument cap must be permanently stamped with the year set, the surveyor's registration number, and the corner identification. This data must be orientated so that the data may be read when the reader is facing north. Monuments and accessories found in a disturbed condition must be returned to the original position and condition as nearly as possible or replaced so as to perpetuate the position. An alternative monument may be approved by the platting authority, where needed due to constraints of topography.

b. All major subdivisions, planned unit developments, cluster subdivisions, small lot subdivisions of 6 lots or more, or any hybrid or combi subdivision of 6 lots or more shall provide at least two (2) recovered or new primary monuments along the boundary of the subdivision at points required by the platting authority or planning commission.

c. All minor subdivisions, zero-lot lines, or hybrid or combi subdivisions of 5 lots or less shall provide at least one (1) recovered or new primary monument along the boundary of the subdivision at points required by the platting authority or planning commission.

d. Primary monumentation for boundary line adjustments, accretion plats, replats, vacation of easements or right-of-ways, lot joiners, or lot splits may be required where existing primary monumentation is found insufficient by the platting authority or planning director.

e. Existing primary monuments that are recovered, accurate, and durable may be used to fulfill this subsection.

413
414 E. f. All primary monuments must be referenced to at least three bearing trees
415 or objects. If bearing trees or objects are used, they must be located as nearly
416 as possible at right angles and may not be farther than one hundred feet from
417 the monument. A distance to trees or objects must be measured at waist
418 height and in the case of trees measured to the center of the tree with
419 distances reduced to horizontal equivalent. Bearing trees must be marked with
420 a nonferrous metal tag of at least nine square inches in size which must be
421 placed facing the monument. These tags must be clearly and permanently
422 marked as to the corner nomenclature and distance.

423
424 5. Existing recovered monumentation shall be shown and described.

425
426 6. Flagging requirements appear in other sections of this title, however, this
427 section shall control. If considered appropriate to facilitate the review or
428 consideration of a subdivision or other plat, flagging may be required to be
429 installed by the municipality during the review process. Criteria to determine
430 when flagging shall be installed shall include when topography, drainage,
431 structures, location of utilities or other important improvements, or other
432 material issues, such as disputed property line raise the need for more
433 information. Such a decision shall be by motion of the planning commission,
434 platting authority, or city and borough assembly.

435
436 5. **EFFECTIVE DATE.** This ordinance shall become effective the day after the date of its
437 passage.

438
439 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka,
440 Alaska this 27th day of March, 2018.

441
442
443
444 _____
Matthew Hunter, Mayor

445 ATTEST:

446
447 _____
448 Sara Peterson, MMC
449 Municipal Clerk

450
451 1st reading 3/13/18
452 2nd reading 3/27/18

Information provided to Planning Commission



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

Planning and Community Development Department

Date: February 6, 2018

From: Michael Scarcelli JD, Director, Planning and Community Development Department

To: Planning Commission

Re: Monumentation Discussion and Direction

KEY POINTS AND CONCERNS:

1. Existing Monumentation Standards are very stringent.
2. Existing Monumentation standards have, arguably, not been followed
3. Existing Flagging requirements are mandatory and sometimes have no value, but have a cost.
4. Proposed monumentation is in-line with practice, provides a standard that is moderate and similar to many other jurisdictions, and reduces development costs from about \$1,500 to \$10,000 versus if all monuments were primary.
5. Proposed flagging would occur where circumstances warrant and upon motion of the Commission.

RECOMMENDATION:

Staff recommends that the Planning Commission recommend approval of this Title 21 code amendment, subject to legal review. Note: Minor changes of a non-material may occur after legal review, which may include adding references to the final monumentation section in other areas of the code for clarity and uniformity.

ATTACHMENTS

Attachment A: Example Plats

Attachment B: Legal Blackline of Code

BACKGROUND

The current code has stringent requirements for plat submission requirements, specifically the requirements for flagging and primary monumentation. These requirements add significant costs to platting surveys, which can range from adding an additional \$1,500 to \$10,000 to the cost of the survey. Moreover, the existing monumentation requirements are overkill, and in practice these requirements have not been followed. State law does have requirements for monumentation and this proposed change mirrors and complies with those requirements.

On the other side, there are positives to having primary monuments in terms of the quality and potential durability of the monument – but even primary monuments can get destroyed. Placing and recording a primary monument requires more digging, more materials, referencing three bearing objects, et cetera, and is a burdensome task. On the other hand, down the line when replats or development occur, primary monuments are invaluable to reestablish property lines and less likely to be moved or lost. The proposal does incorporate some level of primary monumentation for certain plats. In essence, more complex plats require more primary monuments.

Final Plat Submission Requirements – What the Existing Sitka General Code States

Minor Subdivisions - Monumentation

- SGC Section 21.12.010 states under Basic Criteria, “Monuments exist sufficient to locate all proposed lots on the site,” and that means legal sufficiency.
- To be legally sufficient, SGC Section 21.12.030 Final Plat, subsection A, states that the Minor Subdivisions Final Plat “shall comply with **all** major subdivisions final plat submission requirements in Section 21.32.160. emphasis added).”
- SGC 21.32.160 Major Subdivision – Final Plat submission requirements states “The plat shall comply with the development and design standards contained in this title” This includes the design and monumentation standards set forth in Chapter 21.40, specifically SGC Section 21.40.160 - Required monumentation – Final Plat monuments.
- SGC Section 21.40.160 - Required monumentation – Final Plat monuments requires under subsection C, that ‘Every subdivision must have a minimum of two primary monuments set or recovered on the boundary of the subdivision. All angle points along the subdivision boundary should have a primary monument. Subsection D, establishes that secondary monuments, “shall be used for property line curvature control, at interior angle points, on interior lines ...”
- While it is staffs’ opinion and determination that this requires primary monuments, staff

also recognizes that primary monuments have rarely been required in practice and are not required to such an extent by the state. In addition, there are sections that support flexibility within Title 21 for submission requirements and waiver pursuant to 21.52.

Minor Subdivisions – Flagging

SGC Section 21.12.030, Final Plat, states “The perimeter of the subdivision shall be flagged with readily viewable marking at least ten days prior to the planning commission hearing.” Further, SGC Section 21.40.160 also references flagging in subsection A.2.

Major Subdivisions - Monumentation

- SGC 21.32.160 Major Subdivision – Final Plat submission requirements states “The plat shall comply with the development and design standards contained in this title” This includes the design and monumentation standards set forth in Chapter 21.40, specifically SGC Section 21.40.160 - Required monumentation – Final Plat monuments.
- SGC Section 21.40.160 - Required monumentation – Final Plat monuments requires under subsection C, that ‘Every subdivision must have a minimum of two primary monuments set or recovered on the boundary of the subdivision. All angle points along the subdivision boundary should have a primary monument. Subsection D, establishes that secondary monuments, “shall be used for property line curvature control, at interior angle points, on interior lines ...”
- While it is staffs’ opinion and determination that this requires primary monuments, staff also recognizes that primary monuments have rarely been required in practice and are not required to such an extent by the state. In addition, there are sections that support flexibility within Title 21 for submission requirements and waiver pursuant to 21.52.

Major Subdivisions – Flagging

SGC 21.32.050 Preliminary plat review and approval, states that “The exterior of the lots lines of the project shall be flagged tend days prior to the first planning commission hearing on the preliminary plat.” And interior flagging if required by municipality. SGC Section 21.32.170 states that the final plat shall be flagged in the same manner. Further, SGC Section 21.40.160 also references flagging in subsection A.2.

State Law Requirements

AS 29.40 vests in this home rule chartered municipality the platting authority subject to the following under subsection **100** regarding information required for a plat, to sum: 1) initial point of survey; 2) original or reestablished corner and their descriptions; 3) actual traverse with details; 4) other info as may be required by the municipality.

State Law Sets Forth Minimum of Secondary Monumentation

Further, **AS 40.15.320**, sets forth the minimum monumentation requirements for subdivisions and dedications for public records and recordings. To sum, it requires, what we would term secondary monuments at all exterior corners for subdivisions of five or less, and all at exterior and interior points for subdivisions for 6 or more.

“AS 40.15.320. Monuments.

(a) In a subdivision with five or fewer lots, the existence of at least a 5/8 inch by 24 inch rebar and cap monument at controlling exterior corners of the subdivision shall be established by the surveyor.

(b) In a subdivision of more than five lots, each interior corner shall be monumented with at least a 5/8 inch by 24 inch rebar and cap.

(c) If a monument of record does not lie on the parcel or tract boundary, the plat shall reflect a boundary survey and tie to a monument of record.”

State Land Survey Requirements (11 AAC 53.100-260)

Under these sections, it sets forth the minimum survey requirements for state land. Under subsection 190, state surveys require a minimum of four primary monuments. In addition, with some deviation, this appears to be the basis or a close approximation for the SGC section on monumentation. Moreover, if state land is in a municipality, the survey is subject to the stricter controls, if any, of the municipality, under subsection 100.

Platting Authority in Unorganized Boroughs (11 AAC 53.600-740.)

State regs set requirements in unorganized boroughs for subdivisions with 1) five or less lots, and 2) 6 and more lots. In both, these monuments are more similar to our code’s secondary monuments versus primary monuments.

Other Municipalities’ Requirements

Ketchikan Gateway Borough – Example of more lenient code

KGC section 17.10.090 requires the rough equivalent of secondary monuments for its subdivisions for all exterior corners of the subdivision and all lot corners.

City and Borough of Juneau – Example of similar for majors and example of more lenient for minor subdivision

CBJ Code Section 49.15.453 – Monumentation, requires primary monumentation, similar to SGC, for subdivisions of 6 or more lots; and secondary monumentation, similar to SGC, for 5 or fewer lots.

Anchorage Municipal Code

21.85.130 - Monuments.

Monuments and lot corner markers for determining the boundaries of subdivisions and lot corners shall be set in a professional manner. Survey monumentation shall conform to such additional standards as the director of public works may establish by regulation under [chapter 3.40](#).

And AMC section 21.08.030(K): *Monuments*. Monuments and lot corner markers for determining the boundaries of subdivisions and lot corners shall be set by a professional registered land surveyor licensed by the state of Alaska. Survey monumentation shall conform to such additional standards as the municipal surveyor may establish by regulation under AMC [Chapter 3.40](#).

RECOMMENDATION

Staff recommend that flagging be changed to being required by the Planning Commission during review of the concept or preliminary plat only when circumstances such as topography, drainage, setbacks, disputed or uncertain property line, or other development criteria or issues arise that warrant such marking. This would be a departure from mandatory flagging.

Staff recommend that monumentation requirements should meet state minimums for secondary monumentation and detail when primary monumentation should be required. Overall, the proposed language would be a moderate approach.

Summary of Proposed Changes and Areas Not Changed That Could Be

The following code sections were reviewed: The sections underlined have had changes, the sections bulleted, have not been changed, but could be, subject to legal review (such change may be a reference to 21.40.160 versus to existing reference)

Support from SGC Code: Under SGC 21.04.020 (J) "To provide for the accurate surveying of land"

21.12.010.B.2. (Minor Sub Code) references monuments sufficient and changed to reference 21.40.160.

21.12.030.A. references **flagging** and changed to reference 21.40.160 (and may be required)

- 21.16.010.B. (BLA) references in accord with 21.32.160
- 21.20.030.A (Replats) references 21.32.160
- 21.20.040.B. same as above,

- 21.24.010 (Zero LL) references 21.12
- 21.28.040 (B&C) (PUDs) references 21.32.040 (Major Sub Standards)

21.32.040.D (Major Sub) references flagging, changed to reference 21.40.160 and may be required

21.32.050 ref flagging, changed to reference 21.40.160 and may be required

- 21.32.160 reference devl standards in 21 and 22.
- 21.36.020.A. 5 lot hybrid references minor sub
- 21.36.020.B Combi hybrid references major sub.

21.40.160 Required Monumentation (A.B (flagging)-E)

Recommended Motion

I move to recommend approval of this Title 21 code amendment pertaining to monumentation and flagging requirements, subject to legal and administrative review. Note: Minor changes of a non-material may occur after legal review, which may include adding references to the final monumentation section in other areas of the code for clarity and uniformity.

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 7/11/2016 OWNER Karen J. Lucas

DATE _____ OWNER _____

NOTARY'S ACKNOWLEDGEMENT

U.S. OF AMERICA
STATE OF ALASKA
CITY & BOROUGH OF SITKA

STATE OF ALASKA
NOTARY PUBLIC
Samantha Pison
My Commission Expires 2018

THIS IS TO CERTIFY THAT ON THIS 11 DAY OF July, 2016
BEFORE ME, THE UNDERSIGNED, A NOTARY PUBLIC IN AND FOR
THE STATE OF ALASKA, DULY COMMISSIONED AND SWORN, PER-
SONALLY APPEARED Karen J. Lucas

TO ME KNOWN TO BE THE IDENTICAL INDIVIDUAL(S) MENTIONED
AND WHO EXECUTED THE WITHIN PLAT AND she ACKNOWLEDGED
TO ME THAT she SIGNED THE SAME 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.

Samantha Pison
NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA

MY COMMISSION EXPIRES with office

CERTIFICATE STATE OF ALASKA
(FIRST 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: Karen J. Lucas

(ALL OWNERS OF RECORD) AND THAT, ACCORDING
TO THE RECORDS IN MY POSSESSION, ALL TAXES ASSESSED
AGAINST SAID LANDS AND IN FAVOR OF THE CITY AND BOROUGH
OF SITKA ARE PAID IN FULL; THAT CURRENT TAXES FOR THE
YEAR 2016 WILL BE DUE ON
OR BEFORE August 31, DATED THIS 11th
DAY OF July, 2016, AT SITKA, ALASKA.

Wendy Lawrence
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 SUBDIVI-
SION REGULATIONS OF THE CITY AND BOROUGH OF SITKA
PLATTING BOARD, AND THAT SAID PLAT HAS BEEN APPROVED
BY THE BOARD BY PLAT RESOLUTION No. File-07
DATED June 21, 2016, AND THAT THE PLAT SHOWN HEREON
HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF
THE DISTRICT COURT, EX OFFICIO RECORDER, SITKA,
ALASKA.

DATE 7-11-2016 CHAIRMAN, PLATTING BOARD
Samantha Pison
SECRETARY

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 ASSEMBLY
AS RECORDED IN MINUTE BOOK 13 PAGE 240 DATED June 21
2016, AND THAT THE PLAT SHOWN HEREON HAS BEEN APPROVED
FOR RECORDING IN THE OFFICE OF THE DISTRICT COURT, EX
OFFICIO RECORDER, SITKA, ALASKA.

DATE 7/12/16 MAYOR
Sara Peterson
CITY AND BOROUGH CLERK

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 RECORDS OF THE CITY AND
BOROUGH OF SITKA, THE FOLLOWING DESCRIBED PROPERTY
IS CARRIED ON THE RECORDS IN THE NAME OF:
Karen J. Lucas (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
AND BOROUGH OF SITKA ARE PAID IN FULL.

DATED THIS 13 DAY OF July,
2016, AT SITKA, ALASKA.

Paul Sweeney III
FINANCE DIRECTOR
CITY AND BOROUGH OF SITKA

LAIRD
SUBDIVISION

(PRIOR DESCRIPTION)

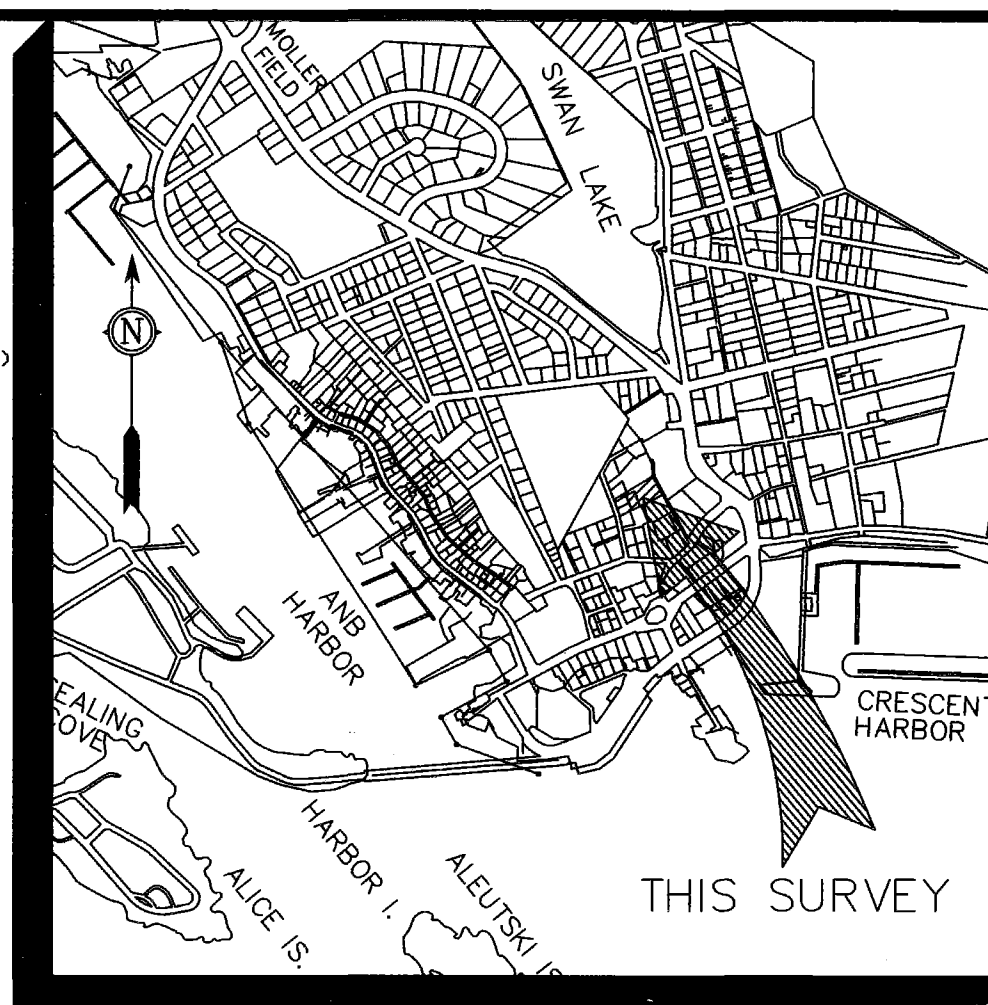
POR. LOT 1, BLK 8, S1474A
PARCEL No. 2,
SITKA RECORDING DISTRICT
DOCUMENT 2005-000449-0

RECORD POSITION
(NOT USED)

MONUMENT FOUND
OUT OF RECORD
POSITION
(POSITION HELD)

LOT 4

SWAN CREEK
SUB.
BLOCK 2



VICINITY MAP

SCALE 1"=1,000'

LEGEND

- PRIMARY CONTROL MONUMENT RECOVERED (BRASS CAP)
- ⊕ BLM/GLD PRIMARY BRASS CAP (RECOVERED)
- SECONDARY MONUMENT (SET)
- SECONDARY MONUMENT (RECOVERED)
- LEAD PLUG AND TACK ON STONE WALL
- (R) RECORDED DATA
- (C) COMPUTED DATA
- (M) MEASURED DATA

NOTES

- 1) THE PURPOSE OF THIS PLAT IS AS FOLLOWS:
 - A) ADJUST THE PROPERTY LINE BETWEEN NEW LOTS 1 AND 2 AS SHOWN.
 - B) REMOVE THE PROPERTY LINE BETWEEN THE PORTION OF LOT 1, BLOCK 8, AND THE ADJACENT PORTION OF LOT 2, BLOCK 8, (AS MERGED PER DOCUMENT 2012-000748-0) CREATING NEW LOT 2 OF THIS SUBDIVISION.
- 2) A STONE WALL STRADDLES THE BOUNDARY LINE BETWEEN NEW LOTS 1 AND 2 AND LOTS 1 AND 2 OF DOROTHY'S SUBDIVISION.
- 3) TWO PARKING SPACES ARE TO BE PROVIDED ON NEW LOT 1.
- 4) A "DECLARATION OF EASEMENT AND ACCESS RIGHTS" INCLUDING MAINTENANCE RESPONSIBILITIES IS FILED IN THE SITKA RECORDING DISTRICT OFFICE, SERIAL No. 2016-000699-0

SITKA RECORDING DISTRICT

O'NEILL

SURVEYING AND ENGINEERING

BOX 1849 SITKA, ALASKA 99835
PHONE: (907) 747-6700
FAX: (907) 747-7590
EMAIL: oneillengr@ak.net

SCALE IN FEET

| BY | DATE | REV. | DESCRIPTION OF CHANGE |
|---------------------|------|------|-----------------------|
| RECORD OF REVISIONS | | | |



DESIGNED: P. O'NEILL
DRAWN: WAD/JCH/ACAD
CHECKED: PKO
DATE OF PLAT: JULY 2016
SCALE: 1" = 20'
DRAWING NAME: 30575C02
PROJECT NO. 30575-02

SURVEYOR'S CERTIFICATE

I HEREBY CERTIFY THAT I AM A REGISTERED SURVEYOR, LICENSED IN THE
STATE OF ALASKA, AND THAT IN MAY 2016 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 7/8/16 Patrick K. O'Neill
TIME 10:15 AM
SITKA
DIST
DATE
TIME

OBSERVATORY STREET LOT LINE ADJUSTMENT

A PORTION OF LOT 1 (DEED) AND PORTIONS OF
LOT 2 (DEEDS), BLOCK 8, US SURVEY 1474A

CLIENT: KAREN LUCAS
218 OBSERVATORY STREET
SITKA, ALASKA 99835

SHEET
1 OF 1

MONUMENT RECORD
FILED FOR THIS MONUMENT

JOHN Q. SULLIVAN
REGISTRATION No. 0000 S
DATE _____

(SEAL & SIGNATURE)

1/4 10 3

N 0° 02' 40" W 2640.60'

S 89° 59' 00" W 2640.49'

C 1/4

S 89° 59' 00" W 1319.56'

CE 1/16

2639.12'

1319.56'

NW 1/4 SE 1/4
40.02 Ac

1320.87'

2641.74'

CS 1/16

1320.08'

S 89° 59' 30" W

SE 1/16

N 0° 04' 00" W 1321.06'

1321.25'

2642.50'

10" SPRUCE

8" BIRCH

N 35° 50' W 20.7'

N 23° E 35.8'

1/4 10 11

N 0° 05' 20" W 2640' BLM)

1321.25'

1/4 10 15

N 0° 02' 40" W 2640.61'

1320.60'

1320.60'

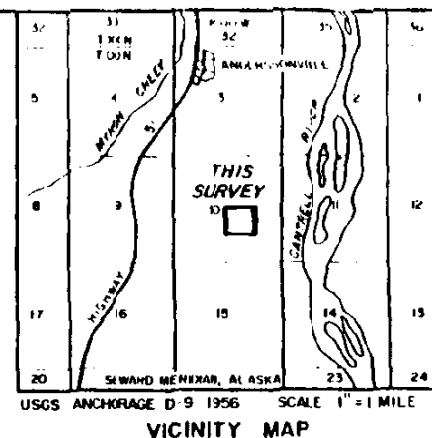
1320.60'

15 14

LEGEND

BASIS OF BEARING

(SEAL & SIGNATURE)



- 1 UNLESS OTHERWISE NOTED, ACCESSORIES FOR ALL BLM MONUMENTS ARE AS DESCRIBED IN THE ORIGINAL FIELD NOTE RECORDS
- 2 SURVEYED IN ACCORDANCE WITH THE BLM MANUAL OF SURVEY INSTRUCTIONS 1973 SECTIONS: 3-85 THROUGH 3-89
- 3 THIS IS A SURVEY OF THE PROPERTY DESCRIBED IN UNITED STATES PATENT No. 1234567 RECORDED IN THE ANCHORAGE RECORDING DISTRICT IN BOOK 000 AT PAGE 500 ON JUNE 31, 1945. THIS DOES NOT CONSTITUTE A SUBDIVISION AS DEFINED BY A.S. 40.15.190(2)

3LM MONUMENT RECOVERED
5 1/4" ALUMINUM CAP ON 2" x 50"
ALUMINUM PIPE SET 2" ABOVE
GROUND THIS SURVEY

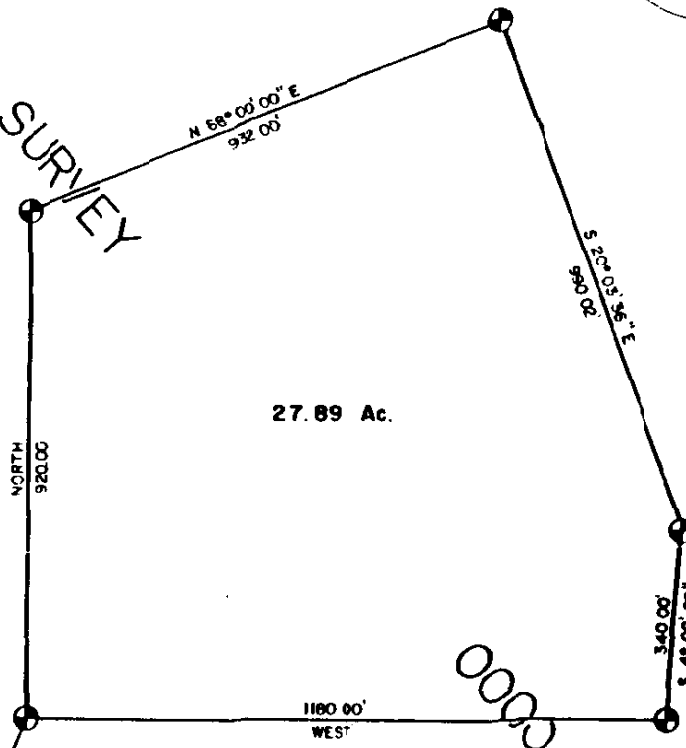
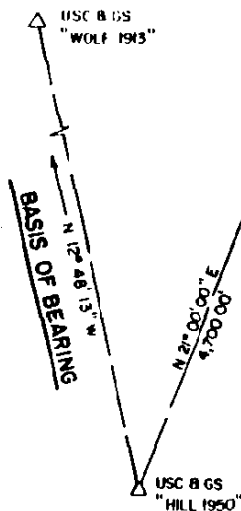
| | |
|---|---|
| DATE OF SURVEY Beginning _____ Ending _____ | NAME AND ADDRESS (OR SURVEYOR ON FILE) |
| <h1 style="text-align: center;">RECORD OF SURVEY</h1> <p style="text-align: center;">OF NW 1/4 SE 1/4 SECTION 10 TOWNSHIP 00 NORTH, RANGE 00 WEST, SEWARD MERIDIAN, ALASKA ANCHORAGE RECORDING DISTRICT</p> | |
| DRAWN BY (INITIAL & NAME) | SCALE 1" = 500' |
| CHECKED BY (INITIAL) | FILE NO. |

SAMPLE RECORD

JANE Q SURVEYOR
REGISTRATION No 0000-S
DATE _____

(SEAL & SIGNATURE)

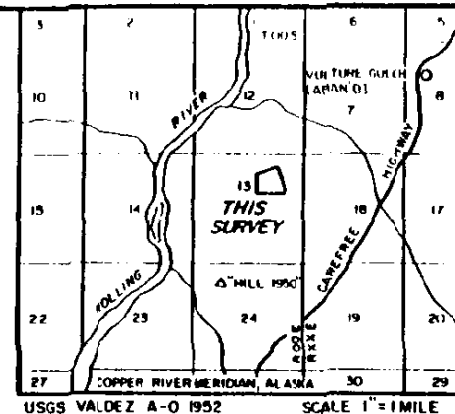
U.S. SURVEY



27.89 Ac.

LEGEND

- △ USC & GS TRIANGULATION STATION RECOVERED
- 2 1/2" BRASS CAP ON 1" x 30" GALV IRON PIPE SET THIS SURVEY



VICINITY MAP

NOTES

1. THIS IS A SURVEY OF PROPERTY AS DESCRIBED BY METES AND BOUNDS IN THE STATUTORY WARRANTY DEED RECORDED IN BOOK 00, AT PAGES 243 AND 244 ON JUNE 24, 1950 IN THE VALDEZ RECORDING DISTRICT

| | | | |
|--|--------------------|---|---------|
| DATE OF SURVEY Beginning _____ Ending _____ | | NAME AND ADDRESS (OF SURVEYOR OR FIRM) | |
| RECORD OF SURVEY | | | |
| WITHIN NE 1/4 UNSURVEYED SECTION 13 TOWNSHIP 00 SOUTH, RANGE 00 EAST, COPPER RIVER MERIDIAN, ALASKA VALDEZ RECORDING DISTRICT | | | |
| DRAWN BY (INITIAL & DATE) | SCALE 1" = 200' | CHECKED BY (INITIAL) | FILE NO |

21.12.010 Application.

A. The minor subdivision plat procedure shall apply to the following plats:

1. Plats that create no more than four additional tracts or lots;
2. Plats that create parcels that will become integral parts of the adjoining lots or rights-of-way;
3. A movement or creation of lot lines that does not result in an increase in the density or number of residential units within the area being subdivided or resubdivided;
4. A subdivision involving the vacation of a street or alley;
5. A subdivision created for a government agency acquisition of a street right-of-way.

B. Basic Criteria. The following general conditions are necessary for approval of a minor subdivision:

1. No dedications are needed;
2. Monuments exist sufficient to locate all proposed lots on the site, [as required by section 21.40.160](#);
3. The plat includes all contiguous land under common ownership;
4. Maintenance agreements as necessary.

C. Preapplication. Participation in preapplication procedures as described in the major subdivision plat requirements (Section [21.32.020](#)) is advised to address any questions regarding the minor subdivision application.

21.12.030 Final plat.

A. A final plat shall be prepared by a registered land surveyor and submitted for planning commission review following the board review of the concept plat. The plat shall comply with all the major subdivision final plat submission requirements in Section [21.32.160](#). The easements and improvements shall comply with all the applicable standards in Chapter [21.40](#). It must be submitted at least thirteen days prior to the next planning commission meeting. ~~The perimeter of the subdivision shall be flagged with readily-viewable marking at least ten days prior to the planning commission hearing. In addition, the planning office may require that interior subdivision lot corners shall be marked with two-inch square wooden hubs and flagging ten days prior to the planning commission hearing. Flagging may be required along the proposed plat's existing or proposed boundaries or features as required by the Platting Authority pursuant to section 21.40.160.~~ Notices and a public hearing shall be required and given as provided for Chapter [21.52](#).

21.32.040 Major subdivision—Preliminary plat submission requirements.

A. In the event the owner or developer does not elect to go through the concept plat review process and submit a complete application at that time, an application for subdivision plat approval shall precede the submission of a preliminary plat. If a previous application does not incorporate any request for any necessary platting variances and vacations, those requests shall accompany the applications. Applications shall be in a form approved by the city.

B. Preliminary plat applications shall be signed by all persons holding an interest in the property that is the subject of the application. If the applicant intends to develop the land covered by the preliminary plat in phases, the application for preliminary plat approval shall include a master phasing plan specifying the timing and sequence of development.

C. The preliminary plat shall include all contiguous land under the applicant's ownership even if under separate legal description. If only a portion of the applicant's land is intended for development under the

proposed subdivision, the remaining portion shall be given a tract designation and shall be part of the preliminary and final plat.

D. The applicant shall submit the application for preliminary plat approval, including the following items, within the time required by the city in order for staff review before the regular meeting of the planning commission at which the plat is to be considered. The city shall determine the completeness of the application and notify the applicant if additional information is necessary. The perimeter of the subdivision ~~shall~~may be flagged with readily viewable marking ~~at least ten days~~ prior to the planning commission hearing ~~when required pursuant to section 21.40.160~~. In addition, the planning office may require that interior subdivision lot corners shall be marked with two-inch square wooden hubs and flagging ten days prior to the planning commission hearing. The planning commission review and public hearing shall be scheduled for the earliest possible date depending upon the size and complexity of the proposal.

21.32.050 Preliminary plat review and approval.

The planning commission shall approve, deny, or approve with conditions the preliminary plat at a regularly scheduled meeting and the action shall be given within sixty days of the date of submission of a complete final plat. ~~The exterior of lot lines of the project shall be flagged ten days prior to the first planning commission hearing on the preliminary plat. Flagging of interior lot lines shall be installed at the same time if required by the municipality. Flagging may be required along the proposed plat's existing or proposed boundaries or features as required by the Platting Authority pursuant to section 21.40.160.~~ A delay in commission action may be requested in writing by the applicant, may result from the application being incomplete, or may result from evidence requiring further city consideration. If the plat approval is denied or the applicant is not satisfied with the conditions placed on the plat, the matter shall be reconsidered by the planning commission unless the applicant files an appeal directly to the assembly.

21.40.160 Monumentation and Flagging.

A. Generally.

1. ~~Required~~All subdivisions, boundary line adjustments, replats, and any plat that requires approval to shall comply with the required monumentation ~~Final plat monuments~~, and flagging as detailed in monumentation and flagging appear in other sections of this code, however, this section shall control.

~~A. Generally.~~

2. ~~Flagging requirements appear in the sections covering preliminary and final plat reviews in other chapters of the title. If considered appropriate to facilitate the review of the subdivision, temporary wooden hubs may be required to be installed by the municipality during the review process.~~

a. All secondary monuments shall be at least a 5/8 inch by 24 inch rebar and cap at all exterior and interior controlling corners, points, and angles. Monuments shall be capped and stamped with survey grade material and information. Where topography limits depth or type of monument, a reasonable survey grade monument of choice may be used if approved, and this includes setting monuments until reasonable refusal for depth.

b. Secondary monumentation shall be required at all exterior and interior angles, corners, points, and used where needed for curvature control for all subdivisions, replats, and/or reviews under this title.

i. Where there is an existing and sufficient monument that is accurate and durable, that monument may be used to fulfill this subsection.

ii. Primary monumentation may be required for certain plats. A primary monument will fulfill this subsection.

4. The following are the requirements for Primary Monumentation:

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- a. All major subdivisions, Planned Unit Developments, Cluster Subdivisions, small lot subdivisions of more than 6 lots, or any hybrid or combi subdivision of 6 lots or more shall provide at least two (2) recovered or new primary monuments along the boundary of the subdivision at points required by the Platting Authority or Planning Commission.
- b. All minor subdivisions, zero-lot lines, or hybrid or combi subdivision of 5 lots or less shall provide at least one (1) recovered or new primary monuments along the boundary of the subdivision at points required by the Platting Authority or Planning Commission.
- c. Primary monumentation for Boundary Line Adjustments, accretion plats, replats, vacation of easements or rights of ways, lot joiners, or lot splits may be required where existing primary monumentation is found insufficient by the Platting Authority or Planning Director.
- d. Existing primary monuments that are recovered, accurate, and durable may be used to fulfill this subsection.
- e. All primary monuments must be referenced to at least three bearing trees or objects. If bearing trees or objects are used, they must be located as nearly as possible at right angles and may not be farther than one hundred feet from the monument. A distance to trees or objects must be measured at waist height and in the case of trees measured to the center of the tree with distances reduced to horizontal equivalent. Bearing trees must be marked with a nonferrous metal tag of at least nine square inches in size which must be placed facing the monument. These tags must be clearly and permanently marked as to the corner nomenclature and distance.

~~(Ord. 03-1729 § 4 (part), 2003.)~~

- 6. Flagging requirements appear in other sections of this title, however, this section shall control. If considered appropriate to facilitate the review or consideration of a subdivision or other plat, flagging may be required to be installed by the municipality during the review process.



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 18-06 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 2/21/2018 In control: City and Borough Assembly

On agenda: 3/13/2018 Final action:

Title: Adjusting the FY18 Budget (Library Donation, O'Connell Lightering Facility Repair Project)

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and Memo Ord 2018-06.pdf](#)
[Ord 2018-06.pdf](#)
[September 2017 Approved Budget Adjustment 2017-31.pdf](#)
[Cost Study and Marketing Research Results and Recommendations.pdf](#)




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


POSSIBLE MOTION

I MOVE TO approve Ordinance 2018-06 on
first reading.

MEMORANDUM

To: Mayor Hunter and Assembly Members
Keith Brady, Municipal Administrator

From: Stan Eliason, Harbormaster 
Michael Harmon, P.E., Public Works Director 
Dan Tadic, P.E., Municipal Engineer 

Reviewed: Jay Sweeney, Chief Finance and Administrative Officer 

Date: March 6, 2018

Subject: **O'Connell Bridge Lightering Float Pile Replacement
Additional Appropriation**

Background

With lightering traffic at the O'Connell Bridge Lightering Float (OBLF) reduced due to cruise ships choosing to berth at the Old Sitka Dock, Harbor Staff have found OBLF to be a popular moorage location for yacht customers. However, the existing piles at the OBLF were installed too shallow to support yacht moorage as evidenced by several piles that were displaced during a 2017 storm event and confirmed by a subsequent engineering assessment.

On September 12, 2017 the Assembly approved an appropriation of \$280,000 from the Harbor Fund undesignated working capital to a new Capital Project, O'Connell Lightering Float Pile Replacement (Proj. No. 90850) on 2nd reading. This amount included \$10,000 to conduct marketing research for the facility.

Staff efforts to fast track the project (to take advantage of the presence of a marine contractor in Sitka and thus save on mobilization costs) were stalled when regulatory agency feedback indicated they would impose extreme conditions which would render the project difficult if not impossible to complete under a general permit.

Analysis

In the opinion of Staff, the only practical way to complete the project is to obtain an Incidental Harassment Authorization (IHA) permit under the Marine Mammal Protection Act. This permit can take 9-12 months to obtain at costs ranging from \$80,000-\$120,000 or more. This permit requires very specific information on Contractor means and methods. Rather than speculate on those details, Staff feels it prudent to make the permitting the responsibility of the Contractor as was done for the Gary Paxton Industrial Park Dock. In this scenario, the CBS would remain the permit applicant with all legwork and risk transferring to the Contractor.

The results of the marketing research study indicate that cost is of little concern to yacht customers and rates could be increased significantly over the current level. While there are additional facility improvements the yacht customers would like to see completed,

the author of the study went on to conclude that OBLF can cover its direct cost and make a reasonable contribution to the Harbor Fund as well.

Bid documents have been prepared and are in the process of being assembled. If additional funds are appropriated, Staff anticipates advertising for bids in late March with contract award likely in early May 2018. It is reasonable to anticipate project completion by May 31, 2019 on time to accommodate the 2019 yacht season.

Fiscal Note

The current cost estimate for the project to include the marketing study, design, permitting, construction, inspection, and management is \$570,000. With \$280,000 already appropriated, the additional funding required is \$290,000. This number includes a reasonable contingency. This work would be paid for out of the unrestricted balance of the Harbor Fund.

Please refer to the key points outlined in the Fiscal Note within the attached August 15, 2017 memo to the Assembly.

Recommendation

Approve Ordinance 2018-06 appropriating \$290,000 from the unrestricted balance of the Harbor Fund to Capital Project No. 90850, O'Connell Bridge Lightering Float Pile Replacement.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2018-06
AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA
ADJUSTING THE FY18 BUDGET (LIBRARY DONATION, O'CONNELL LIGHTERING
FACILITY REPAIR PROJECT)

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

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

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

3. **PURPOSE.** The purpose of this ordinance is to adjust the FY18 budgets for known changes.

4. **ENACTMENT.** The Assembly of the City and Borough of Sitka hereby adjusts the FY18 budget for known changes. In accordance with Section 11.10(a) of the Charter of the City and Borough of Sitka, Alaska, the budget for the fiscal period beginning July 1, 2017 and ending June 30, 2018 is hereby adjusted as follows:

| |
|---|
| |
| <u>FISCAL YEAR 2018 EXPENDITURE BUDGETS</u> |
| GENERAL FUND |
| |
| Library Department – Operations: To recognize a donation from the Sitka White Elephant Shop and increase appropriations in the amount of \$2,500 for books and publications. |
| |
| CAPITAL PROJECTS |
| Fund 750 – O'Connell Lightering Facility Repair Project #90850: To increase the appropriation for the O'Connell Lightering Facility Repair Project in the amount of \$290,000. |
| |

EXPLANATION

Necessary revisions in the FY 2018 budget were identified. These changes involve the increase of expenditure accounts and causes decreased cash flows to the fund balance of various funds. A short explanation of each budget revision is included.

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

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 27th Day of March, 2018.

ATTEST:

Matthew Hunter, Mayor

Sara Peterson, MMC
Municipal Clerk

1st reading 3/13/18
2nd reading 3/27/18



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

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

From: Jay Sweeney, Chief Finance and Administrative Officer

Cc: Michael Harmon, Public Works Director
Stan Eliason, Harbormaster

Date: August 15, 2017

Subject: Supplemental Budget Appropriation to Repair O'Connell Lightering Facility

Background

A recent inspection of the O'Connell Lightering Facility was completed after CBS staff observed several piling had shifted out of plumb after a storm event. Through that inspection, it was determined that the facility is not able to safely accommodate yachts and large vessels over 40 feet in length. The piling can be replaced and socketed into the rock to a greater depth to accommodate larger vessels; however, the cost of the repairs depends on whether a repair barge needs to be mobilized, and, whether such repairs are in the best economic interest of the Municipality. Administration is requesting a supplemental appropriation from the Harbor Fund to repair the facility even though not all pertinent information is available to conduct an economic analysis of the facility.

Analysis

1. CBS Harbor Staff observed several piling had shifted out of plumb after a storm event.
2. A subsequent inspection of the O'Connell Lightering Facility was completed which determined that the facility cannot safely moor yachts and larger commercial vessels.
3. The piling can be replaced and socketed into the rock to a greater depth to accommodate larger vessels; however, the cost is dependent on whether or not a repair barge must be mobilized. A repair barge will be mobilized this fall to construct the GPIP dock; if that barge is also used to repair the O'Connell facility, the cost of repair is estimated to be \$270,000. If a barge must be separately summoned at a different time, the cost of repair is estimated at \$384,000 (barge mobilization costs are estimated to be \$114,000).

4. Unless and until the O'Connell Lightering Facility is repaired, yachts and large vessels can't be safely moored at it. Some, but not all, of these vessels can be alternatively moored at Eliason Harbor instead.
5. O'Connell Lightering facility is extremely popular with yachts owners/captains due to its downtown location and exclusive accommodations. The facility had generated \$38,408.40 in revenue in summer 2017 up until it was determined that the facility could not safely accommodate yachts. 30 days of reservations were cancelled which would have generated an additional \$29,754.00 for the Harbor Fund.
6. The O'Connell Lightering facility is still functional and usable, however, by lighters and smaller vessels.
7. The costs of future repair and renovation of the O'Connell Lightering Facility have not been built into the Harbor long-term fiscal plan.
8. Not all of the facts are available to complete an economic analysis of the potential repair of the facility. Facts not readily available are potential moorage available if the facility is repaired and improved; and, net moorage revenue lost if the facility is not repaired. This information is necessary to determine if there is a net present value of future cash moorage cash flows versus repair costs; a net present value would be important to economically justify repairs.

Fiscal Note

1. As the costs of future repair and renovation of the O'Connell Lightering Facility have not been built into the Harbor long-term fiscal plan, no portion of the fund balance in the Harbor Fund can be considered to have been accumulated for the repair of the facility. The Assembly could, however, direct that some portion of the Harbor Fund balance be restricted for repair of the facility, or, direct that repairs be made utilizing the existing Harbor Fund balance that will be replenished over time by moorage fees from the facility.
2. Existing moorage fees for the O'Connell Lightering facility have been factored into the Harbor fiscal plan as a revenue stream to finance other future construction and repair costs. These existing moorage fees include \$991.80 per day for the moorage of large yachts and other commercial vessels. A representative from another yacht mooring facility in the Pacific Northwest suggested that we should be charging a minimum of \$3,000.00 per day up to \$5,000.00 for such an exclusive facility.
3. It is feasible that the \$991.80 per day moorage charge for yachts and other large vessels at the O'Connell Lightering Facility could be increased, possibly up to \$5,000 per day as stated previously, provided that exclusive access and other amenities such as water, security, and improved wireless communication are provided. Exactly how much the daily moorage could be raised up to, and the related elasticity of demand for each additional dollar of daily moorage is unknown and can't be determined without marketing research. Luxury items, at some point, tend to have demand curves which are more inelastic (sensitive to price increases) than necessities. The shape of the demand curve for exclusive moorage in Sitka, Alaska is unknown at this time but could be reasonably determined with research.
4. If daily moorage charges are increased, as some point yacht and large vessel owner will begin to demand greater exclusivity and amenities. These could conceivably include (in addition to the amenities listed above) having harbor officials complete all registration

paperwork at the O'Connell facility instead of at the harbor office, and, perhaps restricted access via key or security code to the lightering dock. Having exclusive moorage with direct access to downtown is a great selling point in and of itself; however, the higher the daily moorage fee is raised, the greater the demand will be for exclusivity and amenities.

5. Complicating research regarding price elasticity for exclusive moorage at the O'Connell Lightering Facility is the fact that some alternative less-exclusive moorage does exist at Eliason Harbor. At what price point yacht and large vessel owners are economically induced to moor at Eliason Harbor as opposed to paying higher exclusive moorage rates at the O'Connell facility is unknown but determinable with research. At today's rates, O'Connell is a preferred location as opposed to other locations within the Harbor system.
6. Once demand at different price points can be reasonably estimated, an economic analysis could be prepared to determine if the net present value of all related cash streams is positive (i.e., the project pencils out). The present value (i.e., discounted value of future cash flows measured today) of additional cash flows from increased moorage would need to exceed the cost of repairs for the project to economically "pencil out".
7. The time required to gather additional facts and conduct an economic analysis is longer than the time period available to make the decision regarding whether or not to authorize repairs now, taking advantage of lower overall repair costs by not having to mobilize an additional repair barge.
8. The decision to repair now, or wait until more information is known and repair later, will have to be made using assumptions and estimates and will, therefore, involve a degree of risk. There is a possibility that repairs will be made, moorage is increased, and the project pencils out. There is also risk that the opposite happens.

Recommendation

Administration recommends that the Assembly approve the following:

- A. A supplemental appropriation from the unrestricted balance of the Harbor Fund in the amount of \$270,000 to repair the pilings at the O'Connell Lightering Facility;
- B. A supplemental appropriation from the unrestricted balance of the Harbor Fund in the amount of \$10,000 to conduct marketing research as to possible increased daily moorage fees for the O'Connell Lightering facility and their associated market demands.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2017-31
AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA
ADJUSTING THE FY18 BUDGET

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

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

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

3. **PURPOSE.** The purpose of this ordinance is to adjust the FY18 budgets for known changes.

4. **ENACTMENT.** The Assembly of the City and Borough of Sitka hereby adjusts the FY18 budget for known changes. In accordance with Section 11.10(a) of the Charter of the City and Borough of Sitka, Alaska, the budget for the fiscal period beginning July 1, 2017 and ending June 30, 2018 is hereby adjusted as follows:

| |
|---|
| |
| <u>FISCAL YEAR 2018 EXPENDITURE BUDGETS</u> |
| <u>CAPITAL PROJECTS</u> |
| |
| Fund 750 – O’Connell Lightering Facility Repair Project: Administration is requesting a supplemental appropriation in the amount of \$280,000 in which \$270,000 will be to repair the pilings at the O’Connell Lightering Facility and \$10,000 will be to conduct marketing research for possible increased daily moorage fees for the O’Connell Lightering Facility and their associated market demands. These funds will come from the unrestricted balance of the Harbor Fund. |
| |

EXPLANATION

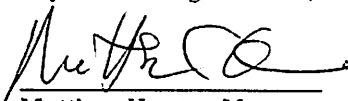
Necessary revisions in the FY 2018 budget were identified. These changes involve the increase of expenditure accounts and causes decreased cash flows to the fund balance of various funds. A short explanation of each budget revision is included.

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

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 12th Day of September, 2017.

ATTEST:


Sara Peterson, CMC
Municipal Clerk


Matthew Hunter, Mayor

1st reading 8/22/17

2nd reading 9/12/17

F ORD 17-31 Adjusting the FY18 Budget (*O'Connell Lightering Facility Repair Project*)

Harbormaster, Stan Eliason, stated an unexpected wind event had damaged the O'Connell Lightering Facility. It had been determined the Facility was unable to safely accommodate yachts and large vessels over 40 feet in length. He believed the Facility, once repaired, had significant revenue potential citing it was a popular docking site for yachts. Deputy Harbormaster, Chuck Hackett, stated current charges were approximately \$1,000 per night. Outside sources had suggested the Facility should charge more, possibly between \$3,000 and \$5,000 a day. With a portion of the budget appropriation, Eliason and Hackett planned to conduct marketing research to determine demand and moorage fees. Eliason added the Facility would pay for itself and be a revenue stream for the Harbor Department. Dan Tadic, Municipal Engineer, relayed the repair barge planned to be used for construction of the Gary Paxton Industrial Park dock this fall could be used to repair the Lightering Facility, saving the City money.

Knox feared, if a decision was delayed, repair costs would increase and potential revenue would be lost. Eisenbeisz and Potrzuski expressed a desire for further analysis and marketing.

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

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

Absent: 2 - Guevin, and Hunter

Additional New Business Items**G 17-146 Approve a lease amendment between the City and Borough of Sitka and SECON, Inc. for Granite Creek Industrial Site #7**

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

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

Absent: 2 - Guevin, and Hunter

H 17-145 Approve a request from Sitka Community Hospital in the amount of \$60,171 for additional paving of the clinic parking lot and pedestrian walkway

Steven Hartford, Director of Operations at Sitka Community Hospital (SCH), summarized there were remaining funds in the FY17 capital account. SCH hoped to use the money for repair and resurfacing of the existing clinic pedestrian access (between the Clinic and the ER entrance of the Hospital) and parking area. The paving work was needed to eliminate hazardous safety conditions for patients, customers and employees. SCH planned to piggyback on the City's paving project of the Emergency Room (ER) entrance driveway.

Knox wondered what phase the project was in as it appeared the project had started and where it fell within the capital plan. Hartford explained demo work had been done while the equipment and crew were available for the ER driveway project. SCH Chief Executive Officer, Rob Allen, added that any capital improvement projects over \$25,000

Recreational Trails Program for repairs to the Sea Lion Cove Trail

This item was APPROVED ON THE CONSENT AGENDA.

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- C** 17-154 Appoint Ken Creamer to an unexpired term on the Port and Harbors Commission
- Knox thanked former Port and Harbor Commission member Ken Creamer for reapplying.
- A motion was made by Knox that this Item be APPROVED. The motion PASSED by the following vote.**
- Yes:** 6 - Swanson, Eisenbeisz, Potrzuski, Hunter, Knox, and Bean
- Absent:** 1 - Guevin

XI. UNFINISHED BUSINESS:

- D** ORD 17-29S Adjusting the FY18 Budget (*Sitka Airport Terminal Improvements Project*)
- A motion was made by Potrzuski that this Ordinance be APPROVED on SECOND AND FINAL READING. The motion PASSED by the following vote.**
- Yes:** 4 - Eisenbeisz, Potrzuski, Hunter, and Knox
- No:** 2 - Swanson, and Bean
- Absent:** 1 - Guevin

- E** ORD 17-30 Adjusting the FY17/FY18 Budgets (*Solid Waste Fund, Harbor Fund, Management Information Systems Fund, Public Works - Recreation Department*)
- Potrzuski and Bean explained there had been a budgeting error. With regards to the Harbor Fund, Hunter noted there had been a shift in solid waste collection costs from citizens to the Municipality. Bean reminded the cost of transporting garbage off the island was approximately \$2 million each year. To reduce off island transportation costs, he suggested exploring the idea of a modern incinerator at the Gary Paxton Industrial Park site.
- A motion was made by Potrzuski that this Ordinance be APPROVED on SECOND AND FINAL READING. The motion PASSED by the following vote.**
- Yes:** 6 - Swanson, Eisenbeisz, Potrzuski, Hunter, Knox, and Bean
- Absent:** 1 - Guevin

- F** ORD 17-31 Adjusting the FY18 Budget (*O'Connell Lightering Facility Repair Project*)

Harbormaster, Stan Eliason, stated he was researching yacht rates to help determine what the market could bear. Eliason stated the dock was mobilized May through September. He estimated approximately 90 bookings were possible at a minimum of \$1,000 each booking.

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

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

Absent: 1 - Guevin

XII. NEW BUSINESS:

- G** 17-155 Approve a 20-year purchase agreement between the City and Borough of Sitka and Eckert Fine Beverages for the export of bulk water
- Richard Wein wondered how the branding and Sitka would be protected. Helen Craig reminded of the importance of keeping the industries separated at the Industrial Park - e.g. marijuana, bulk water.

In answer to a question regarding a contract provision to protect Sitka from a drought, Garry White, Director of the Gary Paxton Industrial Park, reminded the Municipal Administrator could temporarily suspend raw water deliveries. While a contract term of 20 years was typical, White noted there were required benchmarks of Eckert Fine Beverages.

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

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

Absent: 1 - Guevin

- H** 17-156 Approve a 20-year purchase agreement between the City and Borough of Sitka and Arctic Blue Waters Inc. for the export of bulk water
- Richard Wein spoke to the branding and protection of Sitka. Helen Craig thanked the Assembly for their work and keeping water in the dam.
- Eisenbeisz expressed caution. He noted the City had been dealing with this company for quite some time and there hadn't been water shipments. Gary Paxton Industrial Park Director, Garry White, reminded bulk water was a tough business. He spoke to the tighter requirements of the contract. Fred Paley of Arctic Blue Waters, stated he had been in the business for over 20 years. He added the company may have been premature when they approached the City in 1995 for a bulk water license. At that time their focus was on China. Paley noted the company had a business partner in Fairbanks and the funding behind them to aggressively market bulk water.
- In response to questions of risk to the City, Garry White stated he was confident the contract protected the City. Brian Hanson, Municipal Attorney, reiterated the goal of the contract was to reduce risk. He and White discouraged the Assembly from adding provisions related to branding. White added when water was exported, the City would take their own samples for testing.
- A motion was made by Knox that this Item be APPROVED. The motion PASSED by the following vote.**
- Yes:** 5 - Swanson, Potrzuski, Hunter, Knox, and Bean
- No:** 1 - Eisenbeisz

DRAFT

CITY AND BOROUGH AND SITKA, ALASKA

**Cost Study and Marketing Research Results and
Recommendations For
O'Connell Bridge Lightering Float**

Executive Summary

We are pleased to present the results of our marketing research and cost study results performed on behalf of the City and Borough of Sitka, Alaska for the O'Connell Bridge Lightering Float operated by the Harbor Enterprise Fund.

Background:

The City and Borough of Sitka (CBS) operates and maintains the O'Connell Bridge Lightering Float where cruise ship operators can embark and disembark their passengers and crew that desire to visit Sitka, Alaska when their vessels arrive in port. The O'Connell Bridge facility is also used to berth high end yachts while their passengers and crew also visit and enjoy Sitka, Alaska.

We understand that the O'Connell float was recently damaged in a storm, and further, that CBS is experiencing cost overruns due to unanticipated and expensive environmental permitting costs, as well as expensive placement costs to replace failed piling given bedrock conditions at the facility. We also understand the CBS Assembly's concern that rates at this facility should be set to cover its current and anticipated long run direct cost as well as make a reasonable contribution to the joint and common costs of the Harbor operations at Sitka, Alaska. Therefore, the purpose of this report is two-fold. First, to perform marketing research to identify the services yacht owners and operator's desire from this facility and the price they would be willing to pay for these services. Second, develop a cost study using the results obtained from the marketing research to evaluate if the facility can profitably provide the desired services.

In our kickoff meeting CBS stakeholders confirmed the two-fold purpose of this engagement. Therefore, our work plan to meet the required scope of services was to begin our marketing research by assembling a focus group session designed to identify the desired services yacht owners and operator's desire and the price for these services. The marketing research study is attached as an exhibit to this report, and further, we will summarize the results of that study in this report and how we used the marketing data in our cost study to determine the profitability of this facility over a ten year forecast period.

As will be more fully discussed in the body of this report our marketing research and the cost models indicate the following:

1. Yacht customers are not price sensitive and as long as the services requested are available and offered in a bundled offering that rates can be increased significantly over the current rate level.
2. The O'Connell facility if designed to provide the requesting services can cover its direct cost and make a reasonable contribution to the Harbors direct and common costs.

Marketing Research Methods and Results:

In this section of our report we will only summarize the findings and recommendations of the focus group and how we used the marketing data in our overall cost study model. As noted above the full marketing research report is attached as an exhibit to this report.

The primary purpose of the marketing research was to gain a better understanding of the services demanded by customers that berth their yachts at the O'Connell Bridge Float facility and the price they would be willing to pay for these services. Our marketing research sub-consultant (Craciun Research Group) selected individuals to participate in a telephonic focus group consisting of yacht captains and individuals who make arrangements for yacht clients who use the O'Connell Bridge Float facility.

Craciun Research prepared a Discussion Guide that summarizes what was to be discussed during the focus group session and is attached to their report. The following topics were covered during the session:

1. Attitude about O'Connell Bridge Float Facility and Sitka Harbor
2. Attitude about Sitka
3. Ideal customers
4. Key services and amenities expected from yacht docking facilities
5. Ideal experience for yacht users
6. Make or break price points

During the focus group session we learned that all participants knew about the O'Connell Bridge Float dock and their use varied from regular to rare use of the facility. Participants noted that the facility was very accessible but that accessibility caused security concerns that might be solved with security gates installed with access codes. Further, participants had complaints about wake issue experienced during their visit to the facility.

Participants said they prefer Sitka over other neighboring communities such as Juneau and Ketchikan as these cities seemed to be overrun by cruise ships, but they also commented that more attention could be paid to organized tour options for their passengers and crew.

Key services that were identified during the session included:

1. Privacy and security for yacht users and owners with security gates with access codes
2. Reliable power, with connections on both ends of the dock
3. Reliable WI-Fi connectivity
4. Water connection
5. Scheduled garbage pick-up or dumpster facilities
6. Accessible dock carts

7. Slip reservations

After discussing the service expectations in the yachting experience, the question that arises is at what price do we offer these services, amenities and experiences, and who pays for it? What came out of the discussion was a somewhat surprising assertion that price just really didn't matter and wasn't a part of the everyday conversions for this population. The pricing came down to being able to make a reservation for a slip and providing that reservation and all the related costs and fees for related experiences, services and amenities in a bundled price on a single bill.

Cost Study Analysis Results:

As part of this engagement we proposed to develop a cost model using a Microsoft Excel based application that determines on a 10 year forward-looking basis the revenue requirement/cost of service for the O'Connell Bridge Float facility. This cost model will provide an effective management tool both now and in the future that addresses the following topics:

1. A determination on whether the O'Connell Bridge Float facility, at proposed rates would cover its revenue requirement and percent change in rates needed to achieve the revenue requirement each year over the forecast period.
2. A determination of the contribution margin for this class of service offered by the Harbor.
3. Rate structures grounded in current best cost-of-service and recovery practices that also adequately address the balance of perspectives and needs of the harbor and customers service.

The base line cost study began with the 2018 budgeted costs to operate the entire Harbor enterprise operation. We then developed three scenarios using the cost model as more fully described below.

In each of the three cost model scenarios there are three fundamental factors that are always accounted for in determining the revenue requirement/cost of service for the O'Connell Bridge Float facility. These include:

- a. Rates for the facility will be set so that year-end operating reserves meet best practices of a minimum of 60 and maximum of 90 days of cash operating expenses each year over the forecast period.
- b. Rates for the facility will be set so that year-end capital reserves meet best practices of a minimum of 2% of plant in service over the forecast period.
- c. Rates for the facility will be set to cover 100% of the depreciation expense for the O'Connell float, restroom and float pile replacement.

A. Cost Model Scenario One: In scenario one we assumed that the revenue associated with the O'Connell Bridge facility would remain approximately close to the level recorded on the Harbor's 2017 Statement of Revenue Expenses and

Change in Net Position, or approximately \$34,000. We then use the model to determine the required level of expenses for 2018 in order to maintain operating and capital reserves as recommended above and cover 100% of the depreciation expense of the O'Connell Facility.

As shown in Table 1 below for 2018 \$34,000 in revenue can support an operating expense of \$30,347 and still provide the needed operating and capital reserves that we said above are needed to achieve best practices in setting reserve levels. We then provided this information to the Harbormaster for his assessment of the reasonableness of the expense level to operate the O'Connell Bridge Float facility. The Harbormaster believed he could operate the float at this embedded expense level.

Table 1 also shows that for the remaining forecast years (2019 – 2028) the cost model assumes that operating expenses will increase 2% per year. In order to maintain a positive cash flow and reserves at recommended levels rates must be increased by 1% each year beginning in 2019 through 2023 and then increase to 1.5% from 2024 through 2028. In other words the rate would change from its current \$5.51 per foot per day to \$6.24 at the end of 2028.

SUMMARY OF RESULTS:

Other relevant points to note in this scenario is that the dock piling replacement currently booked at \$560,000 will be paid by the Harbor using its equity and not debt. A review of the unrestricted net position of the Harbor indicates that it is well reserved to cover this cost. Finally, in our opinion and assuming these conservative assumptions for revenues and expenses are achieved the adjustments to rates are well within the zone of what our marketing research indicates is possible for this service.

Table 1: Scenario One – Maintain Revenue Levels & Determine Operating Expense Requirements to Achieve Revenue Requirement.

City and Borough of Sitka
Harbor Luxury Yacht Services
Summary



| | FY Ending | | | | | | | | | | |
|------------------------------|------------|------|------|------|------|------|------|------|------|------|------|
| Capital Funding | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
| Total Capital Projects | \$ 560,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Grants & Developer Donations | - | - | - | - | - | - | - | - | - | - | - |
| Principal Forgiveness | - | - | - | - | - | - | - | - | - | - | - |
| Use of Capital Fund Balance | 560,000 | - | - | - | - | - | - | - | - | - | - |
| ADEC & Other Loans | - | - | - | - | - | - | - | - | - | - | - |
| Total Funding Sources | \$ 560,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

| Revenue Requirements | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|---------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|
| Revenues | | | | | | | | | | | |
| Rate Revenues Under Existing Rates | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 |
| Non-Rate Revenues | - | - | - | - | - | - | - | - | - | - | - |
| Non Operating Revenues | - | - | - | - | - | - | - | - | - | - | - |
| Total Revenues | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 |
| Expenses | | | | | | | | | | | |
| Cash Operating Expenses | \$ 28,000 | \$ 28,588 | \$ 29,188 | \$ 29,801 | \$ 30,427 | \$ 31,066 | \$ 31,718 | \$ 32,385 | \$ 33,065 | \$ 33,759 | \$ 34,468 |
| Existing Debt Service | - | - | - | - | - | - | - | - | - | - | - |
| New Debt Service | - | - | - | - | - | - | - | - | - | - | - |
| Rate-Funded CIP | - | - | - | - | - | - | - | - | - | - | - |
| Rate Funded System Reinvestment | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 |
| Additions to Operating Reserve | - | - | - | - | - | - | - | - | - | - | - |
| Total Expenses | \$ 30,347 | \$ 30,935 | \$ 31,535 | \$ 32,148 | \$ 32,774 | \$ 33,413 | \$ 34,065 | \$ 34,731 | \$ 35,411 | \$ 36,106 | \$ 36,815 |
| Maximum Net (Cash or Coverage) | \$ 3,653 | \$ 3,065 | \$ 2,465 | \$ 1,852 | \$ 1,226 | \$ 587 | \$ (65) | \$ (731) | \$ (1,411) | \$ (2,106) | \$ (2,815) |
| Annual Rate Adjustment | 0.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% |
| Cumulative Rate Increase | 0.00% | 1.00% | 2.01% | 3.03% | 4.06% | 5.10% | 6.68% | 8.28% | 9.90% | 11.55% | 13.22% |
| O'Connell Bridge Rate Per Ft. Per Day | \$5.51 | \$5.57 | \$5.62 | \$5.68 | \$5.73 | \$5.79 | \$5.88 | \$5.97 | \$6.06 | \$6.15 | \$6.24 |
| Rate Revenues After Rate Increase | \$ 34,000 | \$ 34,340 | \$ 34,683 | \$ 35,030 | \$ 35,381 | \$ 35,734 | \$ 36,270 | \$ 36,814 | \$ 37,367 | \$ 37,927 | \$ 38,496 |
| Net Cash Flow After Rate Increase | 3,653 | 3,405 | 3,148 | 2,882 | 2,607 | 2,322 | 2,205 | 2,083 | 1,955 | 1,821 | 1,681 |
| Coverage After Rate Increases | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |

| Fund Balances - Projected Y-E | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|---------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Projected Operating Reserves | \$ 4,653 | \$ 7,049 | \$ 7,197 | \$ 7,348 | \$ 7,503 | \$ 7,660 | \$ 7,821 | \$ 7,985 | \$ 8,153 | \$ 8,324 | \$ 8,499 |
| Projected Capital Reserves | 2,347 | 5,703 | 11,050 | 16,128 | 20,927 | 25,437 | 29,829 | 34,094 | 38,228 | 42,225 | 46,079 |
| Projected Debt Service Reserves | - | - | - | - | - | - | - | - | - | - | - |
| Total | \$ 7,000 | \$ 12,752 | \$ 18,247 | \$ 23,476 | \$ 28,429 | \$ 33,098 | \$ 37,649 | \$ 42,079 | \$ 46,381 | \$ 50,549 | \$ 54,578 |
| Operating Reserve Minimum | \$ 4,603 | \$ 4,699 | \$ 4,798 | \$ 4,899 | \$ 5,002 | \$ 5,107 | \$ 5,214 | \$ 5,323 | \$ 5,435 | \$ 5,549 | \$ 5,666 |
| Capital Reserve Minimum | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 |
| Combined Minimum Target Balance | \$ 42,983 | \$ 43,079 | \$ 43,178 | \$ 43,279 | \$ 43,382 | \$ 43,487 | \$ 43,594 | \$ 43,703 | \$ 43,815 | \$ 43,929 | \$ 44,046 |

B. Cost Model Scenario Two: In this scenario we attempted to determine an expense level for 2018 required to operate the O'Connell Bridge Float facility and then used the model to determine the amount of revenues and adjustments in rates needed to achieve the revenue requirement. To estimate 2018 operating expenses of the O'Connell Bridge Float facility we used what is referred to as an Expense over Investment factor sometimes also referred to as an "E/I ratio". This cost estimating technique assumes that there is a relationship between a firms operating expenses and recorded plant in service. Using actual 2016 operating expenses and plant in service of the Harbor as report in the CBS Comprehensive Annual Financial Report (CAFR) we determined this factor to be 6.48%. Using this factor multiplied by the total

plant in service for the O'Connell facility (existing float facility, restroom and dock pile replacement at 2018 WIP amount) results in an "E/I Ratio" of \$142,351.

We then provided the proxy expense estimate to the Harbormaster and he believed that he would not consume this amount of his 2018 budget to operate the facility as it is current provisioned. Therefore, this amount is most likely excessive but is used in our cost study to determine the increase in rates needed to meet operating and capital reserve requirements and pay the depreciation expense on 100% of the O'Connell facility including depreciation associated with the dock pile replacement.

As shown in the Table 2 below rates would have to be increased 100% in 2018 and 95% in 2019 in order to maintain reserve levels and cover operating expenses including depreciation expense resulting in existing rates increasing from \$5.51 per foot per day to \$11.02 and \$21.49 in 2018 and 2019 respectively. However, rate increases significantly decrease ranging from 1.75% to 2% from 2020 through 2028. By 2028 the rate assuming increases used in the model would be \$25.31. Again, we believe the "E/I Ratio" method is estimating expense levels in excess of what is required. However, in order to provide key services demanded by focus group participants such as electric and water may require additional investment and over time this investment pay increase the operating expenses of this facility. However, discussions by the focus group participants indicate that not having to run generators and access to potable water saves them in future maintenance cost on generators, fuel costs and time.

SUMMARY RESULTS:

We believe that the proxy expense level is most likely too excessive, and therefore, the percent increase in rates too high. However, given the marketing information we obtained through the focus group session we believe that rate increases at these levels may not have an impact on demand for customers using the facility for berthing their yachts.

Table 2: Scenario Two - Expense Over Investment (E/I) Ratio Analysis

City and Borough of Sitka
Harbor Luxury Yacht Services
Summary



| | FY Ending | | | | | | | | | | |
|------------------------------|------------|------|------|------|------|------|------|------|------|------|------|
| Capital Funding | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
| Total Capital Projects | \$ 560,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Grants & Developer Donations | - | - | - | - | - | - | - | - | - | - | - |
| Principal Forgiveness | - | - | - | - | - | - | - | - | - | - | - |
| Use of Capital Fund Balance | 560,000 | - | - | - | - | - | - | - | - | - | - |
| ADEC & Other Loans | - | - | - | - | - | - | - | - | - | - | - |
| Total Funding Sources | \$ 560,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

| Revenue Requirements | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|---------------------------------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Revenues | | | | | | | | | | | |
| Rate Revenues Under Existing Rates | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 |
| Non-Rate Revenues | - | - | - | - | - | - | - | - | - | - | - |
| Non Operating Revenues | - | - | - | - | - | - | - | - | - | - | - |
| Total Revenues | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 |
| Expenses | | | | | | | | | | | |
| Cash Operating Expenses | \$ 124,351 | \$ 126,882 | \$ 129,464 | \$ 132,099 | \$ 134,788 | \$ 137,531 | \$ 140,330 | \$ 143,186 | \$ 146,100 | \$ 149,074 | \$ 152,108 |
| Existing Debt Service | - | - | - | - | - | - | - | - | - | - | - |
| New Debt Service | - | - | - | - | - | - | - | - | - | - | - |
| Rate-Funded CIP | - | - | - | - | - | - | - | - | - | - | - |
| Rate Funded System Reinvestment | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 |
| Additions to Operating Reserve | - | - | - | - | - | - | - | - | - | - | - |
| Total Expenses | \$ 126,698 | \$ 129,229 | \$ 131,811 | \$ 134,446 | \$ 137,134 | \$ 139,878 | \$ 142,677 | \$ 145,533 | \$ 148,447 | \$ 151,421 | \$ 154,455 |
| Maximum Net (Cash or Coverage) | \$ (92,698) | \$ (95,229) | \$ (97,811) | \$ (100,446) | \$ (103,134) | \$ (105,878) | \$ (108,677) | \$ (111,533) | \$ (114,447) | \$ (117,421) | \$ (120,455) |
| Annual Rate Adjustment | 100.00% | 95.00% | 1.75% | 1.75% | 1.75% | 1.75% | 1.75% | 1.75% | 2.00% | 2.00% | 2.00% |
| Cumulative Rate Increase | 100.00% | 290.00% | 296.83% | 303.77% | 310.84% | 318.03% | 325.34% | 332.78% | 341.44% | 350.27% | 359.27% |
| O'Connell Bridge Rate Per Ft. Per Day | \$11.02 | \$21.49 | \$21.87 | \$22.25 | \$22.64 | \$23.03 | \$23.44 | \$23.85 | \$24.32 | \$24.81 | \$25.31 |
| Rate Revenues After Rate Increase | \$ 68,000 | \$ 132,600 | \$ 134,921 | \$ 137,282 | \$ 139,684 | \$ 142,129 | \$ 144,616 | \$ 147,147 | \$ 150,089 | \$ 153,091 | \$ 156,153 |
| Net Cash Flow After Rate Increase | (58,698) | 3,371 | 3,110 | 2,836 | 2,550 | 2,251 | 1,939 | 1,614 | 1,642 | 1,671 | 1,698 |
| Coverage After Rate Increases | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |

| Fund Balances - Projected Y-E | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|---------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Projected Operating Reserves | \$ 30,662 | \$ 31,286 | \$ 31,923 | \$ 32,572 | \$ 33,235 | \$ 33,912 | \$ 34,602 | \$ 35,306 | \$ 36,025 | \$ 36,758 | \$ 37,506 |
| Projected Capital Reserves | 2,987 | 8,081 | 12,900 | 17,433 | 21,667 | 25,588 | 29,184 | 32,440 | 35,710 | 38,994 | 42,291 |
| Project Debt Reserves | - | - | - | - | - | - | - | - | - | - | - |
| Total | \$ 33,649 | \$ 39,367 | \$ 44,823 | \$ 50,006 | \$ 54,902 | \$ 59,500 | \$ 63,785 | \$ 67,746 | \$ 71,735 | \$ 75,752 | \$ 79,797 |
| Operating Reserve Minimum | \$ 20,441 | \$ 20,857 | \$ 21,282 | \$ 21,715 | \$ 22,157 | \$ 22,608 | \$ 23,068 | \$ 23,537 | \$ 24,017 | \$ 24,505 | \$ 25,004 |
| Capital Reserve Minimum | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 |
| Combined Minimum Target Balance | \$ 58,821 | \$ 59,237 | \$ 59,662 | \$ 60,095 | \$ 60,537 | \$ 60,988 | \$ 61,448 | \$ 61,917 | \$ 62,397 | \$ 62,885 | \$ 63,384 |

C. Cost Model Scenario Three: This scenario is very similar to scenario one above with the exception that we assume we burden the O'Connell Bridge Float facility to pay for dock pile replacement using debt rather than equity.

As shown in the Table 3 below the added debt service cost on top of the operating expenses set in scenario one above results in a need to adjust rates 50% in 2018 and again in 2019 but thereafter rate adjustment of only 1% each year are required in order to achieve operating and capital reserve requirements and cover the depreciation expense. In other words, rates would have to increase from the existing rate of \$5.51 per foot per day to \$8.27 in 2018 and by 2028 the rate would be \$13.56 per foot per day.

SUMMARY RESULTS:

This scenario is probably the most predictable as to operating expense levels

given discussions with CBS Harbor staff. Furthermore, we believe our marketing research would indicate that demand for this service is not impacted at the proposed rate adjustments.

Table 3: Scenario Three - Maintain Revenue Levels & Determine Operating Expense Requirements to Achieve Revenue Requirement but Pay Fund Improvements with Debt

City and Borough of Sitka
Harbor Luxury Yacht Services
Summary



| | FY Ending | | | | | | | | | | |
|---------------------------------------|-----------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Capital Funding | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
| Total Capital Projects | \$560,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Grants & Developer Donations | - | - | - | - | - | - | - | - | - | - | - |
| Principal Forgiveness | - | - | - | - | - | - | - | - | - | - | - |
| Use of Capital Fund Balance | 2,347 | - | - | - | - | - | - | - | - | - | - |
| ADEC & Other Loans | 557,653 | - | - | - | - | - | - | - | - | - | - |
| Total Funding Sources | \$560,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Revenue Requirements | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
| Revenues | | | | | | | | | | | |
| Rate Revenues Under Existing Rates | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 |
| Non-Rate Revenues | - | - | - | - | - | - | - | - | - | - | - |
| Non Operating Revenues | - | - | - | - | - | - | - | - | - | - | - |
| Total Revenues | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 |
| Expenses | | | | | | | | | | | |
| Cash Operating Expenses | \$ 28,000 | \$ 28,588 | \$ 29,188 | \$ 29,801 | \$ 30,427 | \$ 31,066 | \$ 31,718 | \$ 32,385 | \$ 33,065 | \$ 33,759 | \$ 34,468 |
| Existing Debt Service | - | - | - | - | - | - | - | - | - | - | - |
| New Debt Service | - | 44,748 | 44,748 | 44,748 | 44,748 | 44,748 | 44,748 | 44,748 | 44,748 | 44,748 | 44,748 |
| Rate-Funded CIP | - | - | - | - | - | - | - | - | - | - | - |
| Rate Funded System Reinvestment | 2,347 | 2,533 | 2,533 | 2,533 | 2,533 | 2,533 | 2,533 | 2,533 | 2,533 | 2,533 | 2,533 |
| Additions to Operating Reserve | - | - | - | - | - | - | - | - | - | - | - |
| Total Expenses | \$ 30,347 | \$ 75,869 | \$ 76,469 | \$ 77,082 | \$ 77,708 | \$ 78,347 | \$ 78,999 | \$ 79,665 | \$ 80,346 | \$ 81,040 | \$ 81,749 |
| Maximum Net (Cash or Coverage) | \$ 3,653 | \$(41,869) | \$(42,469) | \$(43,082) | \$(43,708) | \$(44,347) | \$(44,999) | \$(45,665) | \$(46,346) | \$(47,040) | \$(47,749) |
| Annual Rate Adjustment | 50.00% | 50.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% |
| Cumulative Rate Increase | 50.00% | 125.00% | 127.25% | 129.52% | 131.82% | 134.14% | 136.48% | 138.84% | 141.23% | 143.64% | 146.08% |
| O'Connell Bridge Rate Per Ft. Per Day | \$8.27 | \$12.40 | \$12.52 | \$12.65 | \$12.77 | \$12.90 | \$13.03 | \$13.16 | \$13.29 | \$13.42 | \$13.56 |
| Rate Revenues After Rate Increase | \$ 51,000 | \$ 76,500 | \$ 77,265 | \$ 78,038 | \$ 78,818 | \$ 79,606 | \$ 80,402 | \$ 81,206 | \$ 82,018 | \$ 82,839 | \$ 83,667 |
| Net Cash Flow After Rate Increase | 20,653 | 631 | 796 | 955 | 1,110 | 1,259 | 1,403 | 1,541 | 1,673 | 1,799 | 1,918 |
| Coverage After Rate Increases | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Fund Balances - Projected Y-E | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
| Projected Operating Reserves | \$ 6,904 | \$ 7,049 | \$ 7,197 | \$ 7,348 | \$ 7,503 | \$ 7,660 | \$ 7,821 | \$ 7,985 | \$ 8,153 | \$ 8,324 | \$ 8,499 |
| Projected Capital Reserve | 14,749 | 17,769 | 20,950 | 24,287 | 27,776 | 31,411 | 35,187 | 39,097 | 43,135 | 47,296 | 51,573 |
| Projected Debt Reserve | - | - | - | - | - | - | - | - | - | - | - |
| Total | \$ 21,653 | \$ 24,818 | \$ 28,147 | \$ 31,636 | \$ 35,279 | \$ 39,072 | \$ 43,008 | \$ 47,082 | \$ 51,288 | \$ 55,620 | \$ 60,072 |
| Minimum Operating Reserve | \$ 4,603 | \$ 4,699 | \$ 4,798 | \$ 4,899 | \$ 5,002 | \$ 5,107 | \$ 5,214 | \$ 5,323 | \$ 5,435 | \$ 5,549 | \$ 5,666 |
| Minimum Capital Reserve | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 |
| Combined Minimum Target Balance | \$ 42,983 | \$ 43,079 | \$ 43,178 | \$ 43,279 | \$ 43,382 | \$ 43,487 | \$ 43,594 | \$ 43,703 | \$ 43,815 | \$ 43,929 | \$ 44,046 |

Conclusion

Our marketing research leads us to conclude that yacht customers are not price sensitive for berthing services. Instead, they are sensitive to location and services as described in this report using a billing method that bundles all services into a single rate. We have taken this marketing information and develop a cost model and ran three separate scenarios through it in an attempt to determine if the O'Connell Bridge Float facility can cover its direct cost and make a reasonable contribution to the joint and common cost of the Harbor Enterprise fund of CBS. We believe that there is a reasonably high probability that the facility can be operated profitability.

Exhibit A – Market Research Study



CITY AND BOROUGH AND SITKA, ALASKA

**Cost Study and Marketing Research Results and
Recommendations For**

O'Connell Bridge Lightering Float

**By Parrish Blessing and Associates
1415 P Street
Anchorage, Alaska 99501**

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Executive Summary

We are pleased to present the results of our marketing research and cost study results performed on behalf of the City and Borough of Sitka, Alaska for the O'Connell Bridge Lightering Float operated by the Harbor Enterprise Fund.

Background:

The City and Borough of Sitka (CBS) operates and maintains the O'Connell Bridge Lightering Float where cruise ship operators can embark and disembark their passengers and crew that desire to visit Sitka, Alaska when their vessels arrive in port. The O'Connell Bridge facility is also used to berth high end yachts while their passengers and crew also visit and enjoy Sitka, Alaska.

We understand that the O'Connell float was recently damaged in a storm, and further, that CBS is experiencing cost overruns due to unanticipated and expensive environmental permitting costs, as well as expensive placement costs to replace failed piling given bedrock conditions at the facility. We also understand the CBS Assembly's concern that rates at this facility should be set to cover its current and anticipated long run direct cost as well as make a reasonable contribution to the joint and common costs of the Harbor operations at Sitka, Alaska. Therefore, the purpose of this report is two-fold. First, to perform marketing research to identify the services yacht owners and operator's desire from this facility and the price they would be willing to pay for these services. Second, develop a cost study using the results obtained from the marketing research to evaluation if the facility can profitability provide the desired services.

In our kickoff meeting CBS stakeholders confirmed the two-fold purpose of this engagement. Therefore, our work plan to meet the required scope of services was to begin our marketing research by assembling a focus group session designed to identify the desired services yacht owners and operator's desire and the price for these services. The marketing research study is attached as an exhibit to this report, and further, we will summarize the results of that study in this report and how we used the marketing data in our cost study to determine the profitability of this facility over a ten year forecast period.

As will be more fully discussed in the body of this report our marketing research and the cost models indicate the following:

1. Yacht customers are not price sensitive and as long as the services requested are available and offered in a bundled offering that rates can be increased significantly over the current rate level.
2. The O'Connell facility if designed to provide the requesting services can cover its direct cost and make a reasonable contribution to the Harbors direct and common costs.

Marketing Research Methods and Results:

In this section of our report we will only summarize the findings and recommendations of the focus group and how we used the marketing data in our overall cost study model. As noted above the full marketing research report is attached as an exhibit to this report.

The primary purpose of the marketing research was to gain a better understanding of the services demanded by customers that berth their yachts at the O'Connell Bridge Float facility and the price they would be willing to pay for these services. Our marketing research sub-consultant (Craciun Research Group) selected individuals to participate in a telephonic focus group consisting of yacht captains and individuals who make arrangements for yacht clients who use the O'Connell Bridge Float facility.

Craciun Research prepared a Discussion Guide that summarizes what was to be discussed during the focus group session and is attached to their report. The following topics were covered during the session:

1. Attitude about O'Connell Bridge Float Facility and Sitka Harbor
2. Attitude about Sitka
3. Ideal customers
4. Key services and amenities expected from yacht docking facilities
5. Ideal experience for yacht users
6. Make or break price points

During the focus group session we learned that all participants knew about the O'Connell Bridge Float dock and their use varied from regular to rare use of the facility. Participants noted that the facility was very accessible but that accessibility caused security concerns that might be solved with security gates installed with access codes. Further, participants had complaints about wake issue experienced during their visit to the facility.

Participants said they prefer Sitka over other neighboring communities such as Juneau and Ketchikan as these cities seemed to be overrun by cruise ships, but they also commented that more attention could be paid to organized tour options for their passengers and crew.

Key services that were identified during the session included:

1. Privacy and security for yacht users and owners with security gates with access codes
2. Reliable power, with connections on both ends of the dock
3. Reliable WI-Fi connectivity
4. Water connection
5. Scheduled garbage pick-up or dumpster facilities
6. Accessible dock carts

7. Slip reservations

After discussing the service expectations in the yachting experience, the question that arises is at what price do we offer these services, amenities and experiences, and who pays for it? What came out of the discussion was a somewhat surprising assertion that price just really didn't matter and wasn't a part of the everyday conversions for this population. The pricing came down to being able to make a reservation for a slip and providing that reservation and all the related costs and fees for related experiences, services and amenities in a bundled price on a single bill.

Cost Study Analysis Results:

As part of this engagement we proposed to develop a cost model using a Microsoft Excel based application that determines on a 10 year forward-looking basis the revenue requirement/cost of service for the O'Connell Bridge Float facility. This cost model will provide an effective management tool both now and in the future that addresses the following topics:

1. A determination on whether the O'Connell Bridge Float facility, at proposed rates would cover its revenue requirement and percent change in rates needed to achieve the revenue requirement each year over the forecast period.
2. A determination of the contribution margin for this class of service offered by the Harbor.
3. Rate structures grounded in current best cost-of-service and recovery practices that also adequately address the balance of perspectives and needs of the harbor and customers service.

The base line cost study began with the 2018 budgeted costs to operate the entire Harbor enterprise operation. We then developed three scenarios using the cost model as more fully described below.

In each of the three cost model scenarios there are three fundamental factors that are always accounted for in determining the revenue requirement/cost of service for the O'Connell Bridge Float facility. These include:

- a. Rates for the facility will be set so that year-end operating reserves meet best practices of a minimum of 60 and maximum of 90 days of cash operating expenses each year over the forecast period.
- b. Rates for the facility will be set so that year-end capital reserves meet best practices of a minimum of 2% of plant in service over the forecast period.
- c. Rates for the facility will be set to cover 100% of the depreciation expense for the O'Connell float, restroom and float pile replacement.

A. Cost Model Scenario One: In scenario one we assumed that the revenue associated with the O'Connell Bridge facility would remain approximately close to the level recorded on the Harbor's 2017 Statement of Revenue Expenses and

Change in Net Position, or approximately \$34,000. We then use the model to determine the required level of expenses for 2018 in order to maintain operating and capital reserves as recommended above and cover 100% of the depreciation expense of the O'Connell Facility.

As shown in Table 1 below for 2018 \$34,000 in revenue can support an operating expense of \$30,347 and still provide the needed operating and capital reserves that we said above are needed to achieve best practices in setting reserve levels. We then provided this information to the Harbormaster for his assessment of the reasonableness of the expense level to operate the O'Connell Bridge Float facility. The Harbormaster believed he could operate the float at this embedded expense level.

Table 1 also shows that for the remaining forecast years (2019 – 2028) the cost model assumes that operating expenses will increase 2% per year. In order to maintain a positive cash flow and reserves at recommended levels rates must be increased by 1% each year beginning in 2019 through 2023 and then increase to 1.5% from 2024 through 2028. In other words the rate would change from its current \$5.51 per foot per day to \$6.24 at the end of 2028.

SUMMARY OF RESULTS:

Other relevant points to note in this scenario is that the dock piling replacement currently booked at \$560,000 will be paid by the Harbor using its equity and not debt. A review of the unrestricted net position of the Harbor indicates that it is well reserved to cover this cost. Finally, in our opinion and assuming these conservative assumptions for revenues and expenses are achieved the adjustments to rates are well within the zone of what our marketing research indicates is possible for this service.

Table 1: Scenario One – Maintain Revenue Levels & Determine Operating Expense Requirements to Achieve Revenue Requirement.

City and Borough of Sitka
Harbor Luxury Yacht Services
Summary



| | FY Ending | | | | | | | | | | |
|--|------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|
| Capital Funding | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
| Total Capital Projects | \$ 560,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Grants & Developer Donations | - | - | - | - | - | - | - | - | - | - | - |
| Principal Forgiveness | - | - | - | - | - | - | - | - | - | - | - |
| Use of Capital Fund Balance | 560,000 | - | - | - | - | - | - | - | - | - | - |
| ADEC & Other Loans | - | - | - | - | - | - | - | - | - | - | - |
| Total Funding Sources | \$ 560,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Revenue Requirements | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
| Revenues | | | | | | | | | | | |
| Rate Revenues Under Existing Rates | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 |
| Non-Rate Revenues | - | - | - | - | - | - | - | - | - | - | - |
| Non Operating Revenues | - | - | - | - | - | - | - | - | - | - | - |
| Total Revenues | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 |
| Expenses | | | | | | | | | | | |
| Cash Operating Expenses | \$ 28,000 | \$ 28,588 | \$ 29,188 | \$ 29,801 | \$ 30,427 | \$ 31,066 | \$ 31,718 | \$ 32,385 | \$ 33,065 | \$ 33,759 | \$ 34,468 |
| Existing Debt Service | - | - | - | - | - | - | - | - | - | - | - |
| New Debt Service | - | - | - | - | - | - | - | - | - | - | - |
| Rate-Funded CIP | - | - | - | - | - | - | - | - | - | - | - |
| Rate Funded System Reinvestment | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 |
| Additions to Operating Reserve | - | - | - | - | - | - | - | - | - | - | - |
| Total Expenses | \$ 30,347 | \$ 30,935 | \$ 31,535 | \$ 32,148 | \$ 32,774 | \$ 33,413 | \$ 34,065 | \$ 34,731 | \$ 35,411 | \$ 36,106 | \$ 36,815 |
| Maximum Net (Cash or Coverage) | \$ 3,653 | \$ 3,065 | \$ 2,465 | \$ 1,852 | \$ 1,226 | \$ 587 | \$ (65) | \$ (731) | \$ (1,411) | \$ (2,106) | \$ (2,815) |
| Annual Rate Adjustment | 0.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% |
| Cumulative Rate Increase | 0.00% | 1.00% | 2.01% | 3.03% | 4.06% | 5.10% | 6.68% | 8.28% | 9.90% | 11.55% | 13.22% |
| O'Connell Bridge Rate Per Ft. Per Day | \$5.51 | \$5.57 | \$5.62 | \$5.68 | \$5.73 | \$5.79 | \$5.88 | \$5.97 | \$6.06 | \$6.15 | \$6.24 |
| Rate Revenues After Rate Increase | \$ 34,000 | \$ 34,340 | \$ 34,683 | \$ 35,030 | \$ 35,381 | \$ 35,734 | \$ 36,270 | \$ 36,814 | \$ 37,367 | \$ 37,927 | \$ 38,496 |
| Net Cash Flow After Rate Increase | 3,653 | 3,405 | 3,148 | 2,882 | 2,607 | 2,322 | 2,205 | 2,083 | 1,955 | 1,821 | 1,681 |
| Coverage After Rate Increases | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Fund Balances - Projected Y-E | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
| Projected Operating Reserves | \$ 4,653 | \$ 7,049 | \$ 7,197 | \$ 7,348 | \$ 7,503 | \$ 7,660 | \$ 7,821 | \$ 7,985 | \$ 8,153 | \$ 8,324 | \$ 8,499 |
| Projected Capital Reserves | 2,347 | 5,703 | 11,050 | 16,128 | 20,927 | 25,437 | 29,829 | 34,094 | 38,228 | 42,225 | 46,079 |
| Projected Debt Service Reserves | - | - | - | - | - | - | - | - | - | - | - |
| Total | \$ 7,000 | \$ 12,752 | \$ 18,247 | \$ 23,476 | \$ 28,429 | \$ 33,098 | \$ 37,649 | \$ 42,079 | \$ 46,381 | \$ 50,549 | \$ 54,578 |
| Operating Reserve Minimum | \$ 4,603 | \$ 4,699 | \$ 4,798 | \$ 4,899 | \$ 5,002 | \$ 5,107 | \$ 5,214 | \$ 5,323 | \$ 5,435 | \$ 5,549 | \$ 5,666 |
| Capital Reserve Minimum | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 |
| Combined Minimum Target Balance | \$ 42,983 | \$ 43,079 | \$ 43,178 | \$ 43,279 | \$ 43,382 | \$ 43,487 | \$ 43,594 | \$ 43,703 | \$ 43,815 | \$ 43,929 | \$ 44,046 |

B. Cost Model Scenario Two: In this scenario we attempted to determine an expense level for 2018 required to operate the O'Connell Bridge Float facility and then used the model to determine the amount of revenues and adjustments in rates needed to achieve the revenue requirement. To estimate 2018 operating expenses of the O'Connell Bridge Float facility we used what is referred to as an Expense over Investment factor sometimes also referred to as an "E/I ratio". This cost estimating technique assumes that there is a relationship between a firms operating expenses and recorded plant in service. Using actual 2016 operating expenses and plant in service of the Harbor as report in the CBS Comprehensive Annual Financial Report (CAFR) we determined this factor to be 6.48%. Using this factor multiplied by the total

plant in service for the O'Connell facility (existing float facility, restroom and dock pile replacement at 2018 WIP amount) results in an "E/I Ratio" of \$142,351.

We then provided the proxy expense estimate to the Harbormaster and he believed that he would not consume this amount of his 2018 budget to operate the facility as it is current provisioned. Therefore, this amount is most likely excessive but is used in our cost study to determine the increase in rates needed to meet operating and capital reserve requirements and pay the depreciation expense on 100% of the O'Connell facility including depreciation associated with the dock pile replacement.

As shown in the Table 2 below rates would have to be increased 100% in 2018 and 95% in 2019 in order to maintain reserve levels and cover operating expenses including depreciation expense resulting in existing rates increasing from \$5.51 per foot per day to \$11.02 and \$21.49 in 2018 and 2019 respectively. However, rate increases significantly decrease ranging from 1.75% to 2% from 2020 through 2028. By 2028 the rate assuming increases used in the model would be \$25.31. Again, we believe the "E/I Ratio" method is estimating expense levels in excess of what is required. However, in order to provide key services demanded by focus group participants such as electric and water may require additional investment and over time this investment may increase the operating expenses of this facility. However, discussions by the focus group participants indicate that not having to run generators and access to potable water saves them in future maintenance cost on generators, fuel costs and time.

SUMMARY RESULTS:

We believe that the proxy expense level is most likely too excessive, and therefore, the percent increase in rates too high. However, given the marketing information we obtained through the focus group session we believe that rate increases at these levels may not have an impact on demand for customers using the facility for berthing their yachts.

Table 2: Scenario Two - Expense Over Investment (E/I) Ratio Analysis

City and Borough of Sitka
Harbor Luxury Yacht Services
Summary



| | FY Ending | | | | | | | | | | |
|------------------------------|------------|------|------|------|------|------|------|------|------|------|------|
| Capital Funding | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
| Total Capital Projects | \$ 560,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Grants & Developer Donations | - | - | - | - | - | - | - | - | - | - | - |
| Principal Forgiveness | - | - | - | - | - | - | - | - | - | - | - |
| Use of Capital Fund Balance | 560,000 | - | - | - | - | - | - | - | - | - | - |
| ADEC & Other Loans | - | - | - | - | - | - | - | - | - | - | - |
| Total Funding Sources | \$ 560,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

| Revenue Requirements | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|---------------------------------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Revenues | | | | | | | | | | | |
| Rate Revenues Under Existing Rates | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 |
| Non-Rate Revenues | - | - | - | - | - | - | - | - | - | - | - |
| Non Operating Revenues | - | - | - | - | - | - | - | - | - | - | - |
| Total Revenues | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 |
| Expenses | | | | | | | | | | | |
| Cash Operating Expenses | \$ 124,351 | \$ 126,882 | \$ 129,464 | \$ 132,099 | \$ 134,788 | \$ 137,531 | \$ 140,330 | \$ 143,186 | \$ 146,100 | \$ 149,074 | \$ 152,108 |
| Existing Debt Service | - | - | - | - | - | - | - | - | - | - | - |
| New Debt Service | - | - | - | - | - | - | - | - | - | - | - |
| Rate-Funded CIP | - | - | - | - | - | - | - | - | - | - | - |
| Rate Funded System Reinvestment | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 | 2,347 |
| Additions to Operating Reserve | - | - | - | - | - | - | - | - | - | - | - |
| Total Expenses | \$ 126,698 | \$ 129,229 | \$ 131,811 | \$ 134,446 | \$ 137,134 | \$ 139,878 | \$ 142,677 | \$ 145,533 | \$ 148,447 | \$ 151,421 | \$ 154,455 |
| Maximum Net (Cash or Coverage) | \$ (92,698) | \$ (95,229) | \$ (97,811) | \$ (100,446) | \$ (103,134) | \$ (105,878) | \$ (108,677) | \$ (111,533) | \$ (114,447) | \$ (117,421) | \$ (120,455) |
| Annual Rate Adjustment | 100.00% | 95.00% | 1.75% | 1.75% | 1.75% | 1.75% | 1.75% | 1.75% | 2.00% | 2.00% | 2.00% |
| Cumulative Rate Increase | 100.00% | 290.00% | 296.83% | 303.77% | 310.84% | 318.03% | 325.34% | 332.78% | 341.44% | 350.27% | 359.27% |
| O'Connell Bridge Rate Per Ft. Per Day | \$11.02 | \$21.49 | \$21.87 | \$22.25 | \$22.64 | \$23.03 | \$23.44 | \$23.85 | \$24.32 | \$24.81 | \$25.31 |
| Rate Revenues After Rate Increase | \$ 68,000 | \$ 132,600 | \$ 134,921 | \$ 137,282 | \$ 139,684 | \$ 142,129 | \$ 144,616 | \$ 147,147 | \$ 150,089 | \$ 153,091 | \$ 156,153 |
| Net Cash Flow After Rate Increase | (58,698) | 3,371 | 3,110 | 2,836 | 2,550 | 2,251 | 1,939 | 1,614 | 1,642 | 1,671 | 1,698 |
| Coverage After Rate Increases | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |

| Fund Balances - Projected Y-E | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|---------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Projected Operating Reserves | \$ 30,662 | \$ 31,286 | \$ 31,923 | \$ 32,572 | \$ 33,235 | \$ 33,912 | \$ 34,602 | \$ 35,306 | \$ 36,025 | \$ 36,758 | \$ 37,506 |
| Projected Capital Reserves | 2,987 | 8,081 | 12,900 | 17,433 | 21,667 | 25,588 | 29,184 | 32,440 | 35,710 | 38,994 | 42,291 |
| Project Debt Reserves | - | - | - | - | - | - | - | - | - | - | - |
| Total | \$ 33,649 | \$ 39,367 | \$ 44,823 | \$ 50,006 | \$ 54,902 | \$ 59,500 | \$ 63,785 | \$ 67,746 | \$ 71,735 | \$ 75,752 | \$ 79,797 |
| Operating Reserve Minimum | \$ 20,441 | \$ 20,857 | \$ 21,282 | \$ 21,715 | \$ 22,157 | \$ 22,608 | \$ 23,068 | \$ 23,537 | \$ 24,017 | \$ 24,505 | \$ 25,004 |
| Capital Reserve Minimum | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 |
| Combined Minimum Target Balance | \$ 58,821 | \$ 59,237 | \$ 59,662 | \$ 60,095 | \$ 60,537 | \$ 60,988 | \$ 61,448 | \$ 61,917 | \$ 62,397 | \$ 62,885 | \$ 63,384 |

C. Cost Model Scenario Three: This scenario is very similar to scenario one above with the exception that we assume we burden the O'Connell Bridge Float facility to pay for dock pile replacement using debt rather than equity.

As shown in the Table 3 below the added debt service cost on top of the operating expenses set in scenario one above results in a need to adjust rates 50% in 2018 and again in 2019 but thereafter rate adjustment of only 1% each year are required in order to achieve operating and capital reserve requirements and cover the depreciation expense. In other words, rates would have to increase from the existing rate of \$5.51 per foot per day to \$8.27 in 2018 and by 2028 the rate would be \$13.56 per foot per day.

SUMMARY RESULTS:

This scenario is probably the most predictable as to operating expense levels

given discussions with CBS Harbor staff. Furthermore, we believe our marketing research would indicate that demand for this service is not impacted at the proposed rate adjustments.

Table 3: Scenario Three - Maintain Revenue Levels & Determine Operating Expense Requirements to Achieve Revenue Requirement but Pay Fund Improvements with Debt

**City and Borough of Sitka
Harbor Luxury Yacht Services
Summary**



| | FY Ending | | | | | | | | | | |
|------------------------------|-----------|------|------|------|------|------|------|------|------|------|------|
| Capital Funding | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
| Total Capital Projects | \$560,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Grants & Developer Donations | - | - | - | - | - | - | - | - | - | - | - |
| Principal Forgiveness | - | - | - | - | - | - | - | - | - | - | - |
| Use of Capital Fund Balance | 2,347 | - | - | - | - | - | - | - | - | - | - |
| ADEC & Other Loans | 557,653 | - | - | - | - | - | - | - | - | - | - |
| Total Funding Sources | \$560,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

| Revenue Requirements | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|---------------------------------------|-----------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Revenues | | | | | | | | | | | |
| Rate Revenues Under Existing Rates | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 |
| Non-Rate Revenues | - | - | - | - | - | - | - | - | - | - | - |
| Non Operating Revenues | - | - | - | - | - | - | - | - | - | - | - |
| Total Revenues | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 | \$ 34,000 |
| Expenses | | | | | | | | | | | |
| Cash Operating Expenses | \$ 28,000 | \$ 28,588 | \$ 29,188 | \$ 29,801 | \$ 30,427 | \$ 31,066 | \$ 31,718 | \$ 32,385 | \$ 33,065 | \$ 33,759 | \$ 34,468 |
| Existing Debt Service | - | - | - | - | - | - | - | - | - | - | - |
| New Debt Service | - | 44,748 | 44,748 | 44,748 | 44,748 | 44,748 | 44,748 | 44,748 | 44,748 | 44,748 | 44,748 |
| Rate-Funded CIP | - | - | - | - | - | - | - | - | - | - | - |
| Rate Funded System Reinvestment | 2,347 | 2,533 | 2,533 | 2,533 | 2,533 | 2,533 | 2,533 | 2,533 | 2,533 | 2,533 | 2,533 |
| Additions to Operating Reserve | - | - | - | - | - | - | - | - | - | - | - |
| Total Expenses | \$ 30,347 | \$ 75,869 | \$ 76,469 | \$ 77,082 | \$ 77,708 | \$ 78,347 | \$ 78,999 | \$ 79,665 | \$ 80,346 | \$ 81,040 | \$ 81,749 |
| Maximum Net (Cash or Coverage) | \$ 3,653 | \$(41,869) | \$(42,469) | \$(43,082) | \$(43,708) | \$(44,347) | \$(44,999) | \$(45,665) | \$(46,346) | \$(47,040) | \$(47,749) |
| Annual Rate Adjustment | 50.00% | 50.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% |
| Cumulative Rate Increase | 50.00% | 125.00% | 127.25% | 129.52% | 131.82% | 134.14% | 136.48% | 138.84% | 141.23% | 143.64% | 146.08% |
| O'Connell Bridge Rate Per Ft. Per Day | \$8.27 | \$12.40 | \$12.52 | \$12.65 | \$12.77 | \$12.90 | \$13.03 | \$13.16 | \$13.29 | \$13.42 | \$13.56 |
| Rate Revenues After Rate Increase | \$ 51,000 | \$ 76,500 | \$ 77,265 | \$ 78,038 | \$ 78,818 | \$ 79,606 | \$ 80,402 | \$ 81,206 | \$ 82,018 | \$ 82,839 | \$ 83,667 |
| Net Cash Flow After Rate Increase | 20,653 | 631 | 796 | 955 | 1,110 | 1,259 | 1,403 | 1,541 | 1,673 | 1,799 | 1,918 |
| Coverage After Rate Increases | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |

| Fund Balances - Projected Y-E | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|---------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Projected Operating Reserves | \$ 6,904 | \$ 7,049 | \$ 7,197 | \$ 7,348 | \$ 7,503 | \$ 7,660 | \$ 7,821 | \$ 7,985 | \$ 8,153 | \$ 8,324 | \$ 8,499 |
| Projected Capital Reserve | 14,749 | 17,769 | 20,950 | 24,287 | 27,776 | 31,411 | 35,187 | 39,097 | 43,135 | 47,296 | 51,573 |
| Projected Debt Reserve | - | - | - | - | - | - | - | - | - | - | - |
| Total | \$ 21,653 | \$ 24,818 | \$ 28,147 | \$ 31,636 | \$ 35,279 | \$ 39,072 | \$ 43,008 | \$ 47,082 | \$ 51,288 | \$ 55,620 | \$ 60,072 |
| Minimum Operating Reserve | \$ 4,603 | \$ 4,699 | \$ 4,798 | \$ 4,899 | \$ 5,002 | \$ 5,107 | \$ 5,214 | \$ 5,323 | \$ 5,435 | \$ 5,549 | \$ 5,666 |
| Minimum Capital Reserve | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 | 38,380 |
| Combined Minimum Target Balance | \$ 42,983 | \$ 43,079 | \$ 43,178 | \$ 43,279 | \$ 43,382 | \$ 43,487 | \$ 43,594 | \$ 43,703 | \$ 43,815 | \$ 43,929 | \$ 44,046 |

Conclusion

Our marketing research leads us to conclude that yacht customers are not price sensitive for berthing services. Instead, they are sensitive to location and services as described in this report using a billing method that bundles all services into a single rate. We have taken this marketing information and develop a cost model and ran three separate scenarios through it in an attempt to determine if the O'Connell Bridge Float facility can cover its direct cost and make a reasonable contribution to the joint and common cost of the Harbor Enterprise fund of CBS. We believe that there is a reasonably high probability that the facility can be operated profitability.

Exhibit A – Market Research Study

CRACIUN RESEARCH GROUP

City and Borough of Sitka



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Executive Summary

William (Bill) Wilks, Principal-Managing Partner for Alaska Utility Operations with Parrish, Blessing and Associates, contracted with Craciun Research Group (Craciun) on behalf of the City and Borough of Sitka (Sitka), to gain a better understanding on how to make Sitka the best docking Port in Southeast Alaska. Sitka is currently repairing and renovating the O'Connell Bridge Float facility to better accommodate yachts that dock in Sitka Harbor. As part of this effort, Sitka is seeking to understand the services and facility amenities yacht users of the O'Connell Bridge facility would prefer or require, and the related price points. Mr. Wilks requested the assistance of Jean Craciun, Owner and CEO of Craciun Research Group, to moderate a telephonic focus group to better explore these services from the perspective of O'Connell Bridge facility users.

Individuals selected to participate in the telephonic focus group were yacht captains and individuals who make arrangements for yacht clients who use the O'Connell Bridge facility. Only one focus group of homogenous individuals was held. Six individuals were invited and agreed to participate. Due to extenuating circumstances, such as being out of cell-phone range, two additional individuals were subsequently unable to participate. A third person that assists yacht captains with arrangements for yacht clients was able to attend only half of the focus group session.

DISCUSSION WITH YACHT CAPTAINS and OTHERS

Attitude About O'Connell Bridge Facility and Sitka Harbor

- All knew about the O'Connell dock; use varies from regular to rarely used
- Wake issues affect larger yachts on the docks
- It's very accessible, but that accessibility causes security concerns

Attitude About Sitka

- Yacht clients like Sitka; it is the one harbor town in Alaska they enjoy mooring at
- Not as over-run with cruise ships as Juneau and Ketchikan
- First impressions are good, but more attention could be paid to the details
- Organized tour options not as good as it used to be

Key Services and Amenities Expected from Yacht Docking Facilities

- Security and limited access; keep the public from wandering around the yachts
- Adequate lighting on docks and ramps
- Privacy & security for yacht users and owners
- Designated parking for yachts
- Reliable power, with connections on both ends of the dock

- Reliable Wi-Fi connectivity
- Water connection
- Scheduled garbage pick-up or dumpster facilities
- Accessible dock carts
- Control the wake

Ideal Experience for Yacht Users

- Anonymity; they want to blend in with the crowd or have a private experience
- Yacht crew and owner amenities attract them to the destination
- Up-to-date local information readily available; fishing reports etc.
- Last-minute planning or changes easily accommodated
- Concierge service would exceed expectations and be a bonus
- Slip reservations
- Wi-Fi accessibility, with an “all-user” log-in
- Exclusivity is important so institute access cards

FINAL ADVICE FOR SITKA FROM FOCUS GROUP PARTICIPANTS

- Provide increased security with controlled access
- Fix the wake problem so that the larger boats can comfortably and safely dock at the O’Connell Bridge facility
- Amenities such as Wi-Fi connectivity, power connectivity and water connectivity at the dock makes it easier for the yachts to stay berthed for longer periods of time; the port should provide these, but yacht users would be willing to pay for them as part of their moorage fees
- Provide perks for the crew and owners, such as parking and complimentary or temporary gym memberships while they are in port
- Put mechanisms in place to help ensure the privacy and anonymity of yacht guests
- Provide information packets to captains immediately upon mooring that include features such as dock access (i.e., a access key card); local services and where to find them; up-to-date fishing, charter tours and adventure tours information; availability of private boats, private jets and similar amenities; local sights and how to get there; current reservations made on behalf of the guest for dinner, shows or similar
- Provide one Wi-Fi log-in for one price (as part of the yacht services package) for the captain, crew and guest(s)
- To the extent possible, have one moorage bill that includes all services, not multiple bills for different services

Background & Research Methods

Background

The primary purpose of the study by Craciun Research was to gain a better understanding of how the City and Borough of Sitka (Sitka) can make its harbor, specifically the O'Connell Bridge Float facility, the best docking Port in Southeast Alaska. Sitka is currently repairing and renovating the O'Connell Bridge Float facility to better accommodate yachts that dock in Sitka Harbor. As part of this effort, Sitka is seeking to understand the services and facility amenities yacht users of the O'Connell Bridge facility would prefer or require, and the related price points.

In order to provide the City and Borough of Sitka with comprehensive feedback on the types of services and amenities important to yacht captains and users who would berth at the O'Connell Bridge Facility, a comprehensive qualitative research design was recommended by Craciun Research Group that included one telephonic focus group with yacht captains and those who arrange yacht user services. Jean Craciun, Sociologist, collaborated with Bill Wilks (Principal-Managing Partner for Alaska Utility Operations with Parrish, Blessing and Associates) acting on behalf of the City and Borough of Sitka, on the focus group discussion guide to ensure a successful project.

Participants for the group were recruited first by Mr. Wilks (with assistance by Fred Reeder, owner of Yacht Services of Alaska), then supported by Craciun to confirm, screen and invite each group member. The focus group was held telephonically on February 5, 2018.

Ms. Craciun moderated the focus group; she holds a Master's degree in Sociology from Cleveland State University and has completed course work on a doctoral degree in Human Resources Education from Boston University. She currently serves on a national board that establishes standards for Qualitative Research Consultants Association (QRCA).

Qualitative Research Background

Focus group research by design provides quality controls on data collection in that participants tend to provide checks and balances on each other, which weed out false or extreme views. The group dynamics typically contribute to focusing on the most important topics and issues being discussed. Trained qualitative analysts can assess the extent to which there is a relatively consistent, shared view of the discussion topics among the participants. ¹

¹ Patton, Michael Quinn, How to Use Qualitative Methods in Evaluation, Sage Publications, November 1987

The focus group interview is an information gathering process that seeks to discover the perceptions, feelings, and experiences of the selected participants about a particular topic. Focus Groups help to determine the ways that participants structure their world around the particular topic. The focus group participants respond to the questions in their own words and trained observers can learn much from the group interview.

The unit of analysis for this type of research is “the group” and not the individual. From the focus group interview we learn how people view the particular topic or experience, hear their terminology and capture the complexities of the individual experiences in a group interview environment.²

A focus group study is a carefully planned series of discussions designed to obtain perceptions on a defined area of interest in a permissive, non-threatening environment. A trained professional moderator conducts each group, usually with six to eight people. The discussions are relaxed, and often participants enjoy sharing their ideas and perceptions. And [Ideally] you don’t do just one focus group. The group discussion is conducted multiple times with carefully selected participants so the researcher can identify trends and patterns.³

Notes to Readers

The participants’ verbatim comments are indented rather than set off in quotation marks. Brackets set off the analyst’s explanations of some of the participants’ comments. Themes are analyzed and developed to facilitate in-depth understanding of the participants’ perspectives on the issues being studied.

² Gredler, Margaret E., Program Evaluation, Prentice Hall, September 1995.

³ Krueger, Richard A., Casey, Mary Anne, Focus Groups 3rd Edition - A Practical Guide for Applied Research, Sage Publication, Inc. 2000

Research Findings

Jean Craciun, moderator for the focus group led the discussion among the participants, who were all yacht captains or a provider of yacht user services. The intent of the discussion was to better understand how the City and Borough of Sitka (Sitka) could make its harbor, specifically the O'Connell Bridge Float facility, a better place to moor a yacht in Southeast Alaska. In other words, what services and facility amenities do yacht users expect from a top-notch facility, what would be essential versus "nice to have", and what price would users be willing to pay for them. The following is a narrative of the discussion that ensued with verbatim comments by group members.

ATTITUDE ABOUT O'CONNELL BRIDGE FACILITY AND SITKA HARBOR

Before exploring the kind of amenities and services Sitka Harbor should provide at its facilities, it was important to ascertain what the overall existing attitude is about the O'Connell Bridge Facility and Sitka Harbor.

All yacht captains were somewhat familiar with Sitka Harbor and the O'Connell Bridge Float facility. One of the captains uses it regularly, one hasn't used it in 4 years, and one has rarely used it but has been by the dock and has heard about it from other captains who use it regularly. All of them felt that the harbor and port facilities were well received within the yachting industry.

I have been very well received with people of Sitka as far as using the port facilities and that's been true for many years.

While the O'Connell Bridge facility is well received, there are concerns about how much wake is generated and how it affects larger yachts on the docks.

Concerning the O'Connell Dock, when I was there last summer, there was considerable amount of wake causing a lot of flexing on the mooring lines and also the pilings with the larger yachts on the dock. Pilings are beginning to work loose.

Similar. I've seen the wake issues there, I've heard about it from other captains who have been put out there, bring that up as a concern.

All of the participants commented that the dock was public and therefore very accessible to everyone. Because of its downtown location, anyone can wander around the yachts; this seems especially true during cruise season. This easy access is a cause for concern about security.

From a captain's point of view, the O'Connell dock is very accessible to people in general... mainly because it is right downtown and there are a lot of people that come in on cruise ships and various things. Would be better to make some provisions to exclude them from actually coming down to the dock and creating issues.

ATTITUDE ABOUT SITKA

The port and harbors for Sitka are just part of the existing yacht facilities spread throughout Southeastern Alaska, and Alaska in whole. If Sitka wants to be the best, there needs to be a baseline to measure itself against. So the discussion briefly looked at how Sitka is perceived as a place to visit and moor a yacht.

The captains believe that Sitka is the one harbor town in Alaska that their clients enjoy mooring. There are things to do, it's rich with history, it's walkable and there is less cruise ship passenger traffic than cities such as Juneau or Ketchikan. In fact, when asked what should change if Sitka wanted to ramp up the experience to be the best port in Alaska, there was consensus that it was already a top-notch port.

At the moment, I tend to think that it is [in response to question about what would make Sitka the best]. And it's mainly because of the history of the town, and it's relatively a good civic community, plus the activities that go on throughout the summer months.

For my clients, guests over the years, it's always been the one town they've enjoyed... going to a dock. In a lot of other towns, we try not to, it's more they're pickup towns, where they fly in and you're off the dock in a matter of minutes, an hour. We've always found the town [Sitka] has been very walkable, nice, a different feeling. I get a lot from guests that it's not as over-run with cruise ships as Juneau and Ketchikan. Even though the cruise ships are there, it's not in your face.

The captains feel that first impressions make a difference. They explained that when you walk around a town you want to feel like its residents care about your presence there. Sitka makes a good first impression, but the area around the harbor could be cleaner and the handling of waste could be more progressive (recycle).

The only thing I could think of is the street cleaning, especially around the harbors. Could be a little more progressive in that there tends to be spills with garbage, and oil clean-up, oil changes and stuff like that. If that could be a little more detailed, it would make a better impression.

Garbage is always an issue... but of course Sitka doesn't do a very consistent recycling thing so there does tend to be a fair amount of garbage produced by the yachts.

The captains and the individuals who make arrangements for yacht guests are most often the ones finding and booking tours for their clients. The participants feel that organizing tours for their clients, especially private ones, is more difficult in Sitka than it used to be, particularly with the demise of Sitka Tours.

Since Sitka tours ceased to exist, it hasn't been quite as good for organizing tours around Sitka... Alaska Coach Tours I think is doing a pretty good job, but it's not as good as it used to be when Sitka Tours was running. So maybe there can be some work with Alaska Coach Tours or the Tribal Tours and try to make something a little more effective there.

IDEAL CUSTOMERS

In order to understand what services and amenities Sitka should provide users of its yacht mooring facilities, it was important to know from their perspective who is the ideal customer. The yacht captains were unanimous in that ideal customers are private and long-term.

I've always worked for private families. So you generally get to know their specific needs. Now they bring guests here and there. I've always had the same [clients], for the most part... at least a few of the people are the same people all the time.

I work for a private individual, we don't charter, so the issue of a lot of people requiring different things hasn't come up.

KEY SERVICES AND AMENITIES EXPECTED FROM YACHT DOCKING FACILITIES

One of the goals of Sitka is to make the O'Connell Bridge Float facility the best in Southeast Alaska, if not all of Alaska. To make it so, each of the participants were asked to provide input on what they considered to be essential services and amenities a premium yacht dock would offer. They were also asked to give advice on the accommodations, services and benefits Sitka would be expected to provide, and be responsible for (or in control of), if it wants to offer the "best port and harbor in Alaska" experience. All participants were in agreement on what many of these should be, as noted below.

Security and Privacy are Essential

All of the captains expressed concerns over security of the dock and the vessels moored there. With the dock being downtown it is easily accessible, so people are always wandering around the yachts. Any top-notch facility has security; the O'Connell Bridge dock should as well. Everyone would like access to be more restricted, especially at night. Some of the features discussed include having a gated entry and exit, with key card access.

The O'Connell dock is very accessible to people in general. The larger yachts, some security is a good idea. To have a access card key system or something for the access to that dock.

As a captain, you're just looking for a safe secure place to berth the owner's assets. So wake free, something secure that you don't have to worry about uninvited people on the boat or too close in proximity.

A lockable gate, at least at nighttime and stuff. Really helpful, something you have to have a gate access card, key card to get in and out at least at nighttime. I understand some of these are public places, townspeople will fight back, want to have access to the docks during the day. But at nighttime, they should know you have a locked gate.

Adequate lighting is also an essential amenity the captains felt should be included on any dock, not just for security purposes, but for safe walking on the docks and ramps of the facility.

Adequate lighting on the dock and the ramps (even though all laughed that it was summer in Alaska it does get dusk). Its not all that much of a problem because people tend to be there in the summer months. It is necessary to make sure access on and off the vessels that there's adequate lighting on the dock.

Privacy for yacht users and owners is critical to the experience, especially in a place that is so easily accessible to the public as the O'Connell Bridge facility. Privacy and security go hand-in hand so minimizing access to the general public can go a long way in keeping yacht users and owners from running into potential problems and feeling safer as they go about their business in town.

Going to dock in Alaska, security, as much privacy as possible, cause most of the facilities are public facilities in Alaska. So it is nice to have an area where we can tie up, give the crew the ability to stretch their legs ashore and give the guests the same as well. And feel they won't be singled out as guest owners out of the group.

Just one thing I kind of look for, if I had a comparison, is one more private facility for the owner's guests on the boat to have a little bit more privacy and security too. You're not looking out there trying to enjoy a drink or scenery and there's cruise ship tourists or who knows walking 10 feet off the side of the boat or aft, asking interesting questions.

The privacy aspect of it, especially if there are going to be guests aboard the boat. Just making it so that's not as accessible, try to keep the fishbowl aspect out of it as much as possible.

The crew of the yacht is an important part of the service provided. They also spend a considerable amount of time with the vessel, so the captains felt it was important to provide a safe designated parking facility for yacht and personnel and to take care of boat chores.

Having... designated parking facilities for the yacht's and for personnel.

A place to park where you can easily unload your groceries or unload guests to the boat.

Reliable power is a must

All of the participants agreed that docks should have a reliable source of power that the yachts can plug into. The amount and type of power varied, depending on the size of the vessel that would moor at the dock.

A power supply should be provided as standard. And I would think from the point of view of having a maximum of a 200-foot vessel on the dock, which would be a little bit longer than the dock itself. I think the minimum power requirements would be 200 amps, 3-phase at about 230 volts.

As far as good reliable power, that's one thing we're always looking for. Anything 480, 3-phase, maybe a connection on either end of the dock depending which way the boat is, allows more places, as far as being captains. Owners like to know that the boats have good proper shore power when tied up somewhere for a period of time.

Reliable power for sure. Then if you are using a larger vessel, if you had like a single phase, a lot of us will take like a 50 or 100-amp single-phase service, then you can actually put 2 smaller boats there in the event that you didn't have a larger boat taking that dock space.

If you could provide them power... it's usually 3-phase for them. If you can provide that, you're gonna be the best in the state, if you could provide those items. Even if it's a public slip other than a private like the O'Connell Bridge could be. If you could provide those services, so they could take their generators down and if they had to work on them, that would be huge.

Reliable Wi-Fi connectivity is essential

Yacht captains, their crew and guests often need to download something on their computer, especially after being at sea for several days without a reliable, or any, internet connection, so reliable strong Wi-Fi connectivity is essential. Some discussion ensued as to whether or not this should be something Sitka provides as part of the use of the dock, or is just knowing where to get reliable Wi-Fi access enough.

We haven't brought up yet strong reliable Wi-Fi, if someone can figure that out on the dock. Either having that or having an area in the harbor master's office, somewhere where people can bring their computers in and download stuff. An area where you can have reliable Wi-Fi.

I would agree too. You go into an RV park, and they provide Wi-Fi, that's just part of it. You can do an access code or you can do a charge on it. I've seen that in many places. Where they also give you a code – a one- time code for the day to give you access.

Everywhere I've been, that is usually a marina responsibility [reliable Wi-Fi connectivity]

There is very good Wi-Fi at the library. That is just steps away from the O'Connell facility.

Take care of the basics

When specifically asked what other services the port should provide, and what it should be responsible for, the responses boiled down to basic services, including water and garbage.

Obviously, the development of the dock, needs to have at least 2 water connections on the dock.

Yeah, for either pickup of garbage if it's a known thing when you call in that you can arrange for someone to come down, or having a dumpster facility nearby with a couple dock carts. Dock carts available for use as well.

Reliable sewer, power, clean docks, water and garbage, any kind of information that can be at time of reservation or when the dock master – whoever meets to grab the line can hand off to the boat.

The only thing I think the city is in control of or should be in control of, the basic services, our water, security, patrol of the facility. Again, I have to mention the wake because it's very well controlled west of the bridge but not too much east of the bridge. Garbage service has been adequate in the past.

I think it should have water, and it should have an access to garbage. Security, the locking gates. I know we have that at the O'Connell Bridge dock.

IDEAL EXPERIENCE FOR YACHT USERS

In addition to amenities and services provided by Sitka and its citizens, there are expectations on the part of yacht guests and owners who use facilities such as the O'Connell Bridge facility. Guests want certain experiences and it is up to the yacht captains and those who make guest arrangements to ensure it happens, with the support of Sitka when appropriate.

Anonymity Please!

Yacht users want and expect anonymity. It doesn't matter if they choose to blend in with the crowd or to have a private experience, they don't want their presence announced or known to the general public (i.e., the residents, service providers, etc.). They don't want people to know they arrived on that big yacht docked at the harbor.

I think some of the anonymity would be a little more... some of the guests have been high-profile, people recognize them. And just making sure that all port officials, everybody, knows if they see people they recognize, just not to spread the rumor around or who they may have seen, until after the vessel leaves... It definitely, it keeps us in these small towns longer if they can fly under the radar longer.

The guests... as soon as they get off the boat, they don't want to be necessarily associated with the boat. That's very important to them a lot of time, so they can just blend into the town and do like what everybody else does.

Happy Crew and Happy Owners Means Repeat Visits

Yacht crews and owners like to spend time in ports that look after their needs. This means that the more amenities a port offers the crew and vessel owners, the more likely they will repeatedly return to that port or at least make recommendations that their clients visit it. In other words, the crews and owners influence decisions about the destination based on how the port treats them.

I think the one thing we haven't touched on... is the crew aspect of the towns. A lot of times that drives the destination. Owners have boats go to certain areas, as well there is the other aspect of when you're looking to put the boat up for 3 or 4 weeks somewhere, 2 weeks somewhere. And for the crew, I've noticed a lot of towns, in different places, are going to, as far as having different gyms.

Gyms are a huge thing for yachts, to be able to work out, go somewhere. But having with different gyms in town, hey would you allow one week passes instead of doing an annual membership? Can we get, can the crew come in for three days to this one, three days to? ... Obviously they'll pay for going to it. But having those things in a packet when you come in, saying hey, here's a little discount to go do this tour. Why don't you guys do this? But working out in gyms, Pilates, yoga classes, those are huge things and it is amazing what a little half hour, hour for crews to go do stuff like that, and have a studio to go there, keeps their interest in a town.

Make Information Current and Easily Accessible

One of the biggest complaints from the yacht captains is the lack of consistent and complete local information they need so that they can give their clients the ultimate experience. They want information packaged in way that makes it easy for their clients to find the services or excursions they need or desire. For example, provide information on local services like dry cleaning or laundry services or where to access Wi-Fi; local sights such as national parks or hiking trails; and available charters or adventure tours. Where is the fishing!

One thing that could be made more available for the port aspect is to have information readily available for all the national parks, trails and all the things are readily available but the information is not readily available. So if it could have all the local trails information at the harbor master's office, that would be very useful.

I've been coming to Sitka quite often. Just getting general information, it used to be very easy to get ahold of a phone book and look things up. You don't get phone books anymore. So things like where the laundry is. Sometimes if people have to do a fast turnaround, they need help with laundry. All the services that supply trips. You got people doing adventure trips and things like that. There's no place like that where you where you can get information. There is some information provided at the harbor master's office, but if you could just put up some sort of bulletin board with information on all the various guided tours.

Often times, the captains have to make last-minute plans or changes for their clients. For example, fishing or weather conditions are always changing, so current, up-to-date information is important. Clients may have ideas of what they want to do when they depart from their home port but then change their mind when they arrive at a "destination" port like Sitka. Captains want the knowledge and flexibility to easily accommodate their client's requests. Right now, a lot of the information is gathered by walking the streets, so having some organized source of information would be helpful.

My experience has been my guests will come on for say, a week. If the fish were biting yesterday or the day before, they're going fishing tomorrow. So we're going out. So we either hire local knowledge to come with us or we charter a local boat for the experience... We usually look for references in advance, or I'll go fish where they're at in advance. Walk the dogs, see who brings back the most amount of fish, talk to guys and see how clean they keep their boats. Pick their brains a bit to see where they're biting and what the catch has been like. Get an idea if that'd be a guide I'd use for my guests.

If the city could canvass all the local people to find out how the fishing is going from week to week, that has some sort of record keeping that would be advantageous.

Even if there was a main notice to all the local fishing lodges, the boats there. That if they have a free boat available... have a board saying they have space or what not... A lot of my charters are last minute. The guests will get there, weather is crummy. Let's stay local. Let's stay a couple more nights at the dock. Can you find us a fishing boat tomorrow? A lot of time, crew they want to go fishing. So hey, if you have one or two spots, they don't need an exclusive boat, they might just want to jump on with another boat. Let the local charter guys know if they have individual availabilities or empty boats on certain days. To maybe go over to the yachts. Hey you guys, I have a boat available. Let us know. I find myself a lot of time scrambling... I have guests who say they don't want to fish, don't want to charter. But when they get there and want a charter boat the next morning, so it's a scramble to find a boat.

I would say that with the tours, not having Sitka Tours being there anymore, what I find a lot of times is... you work trying to find tours that are private, that aren't shared, everything from charter fishing boats to other things. When you call up and say I want a private vessel, really working with the tenants, knowing that the yachts a lot of times will want to either have a private car, or vessel when they do charter and not fill it, regardless if they have to pay the whole – obviously they pay for it all, but they might only send 4 people for an 8-person activity.

It might be advantageous to see if it would be possible to update fishing information. A lot of people in the Sitka area, find out exactly how the fishing is going. That would be an advantage.

When asked specifically about “concierge services” and whether or not the client is willing to pay for it, the captains indicated that they already do, in other ports. One of the participants indicated he provides some of the very services the captains were saying they wanted.

We kind of set up a whole itinerary for them. And then when they got to the different ports, say when they come into Sitka, I will have notified the harbor master, typically I try to do it a half a month or sometimes even two or three months in advance because docking is so tight, that when we know we got docking and secured, then we reserve it with the harbor master. Then once the yacht gets there, I have a whole packet of information on things involved in the community, many of them I've already sent them electronically so they know in advance what they're gonna need. Many of them have private jets that come in, then I arrange with local vendors or myself and my vans to take them over to their jet and their luggage. Tours, I arrange tours, I arrange reservations for restaurants in the evening.

The concierge service, you've got the visitor's bureau which has a lot of that information and their members pay to have them advertise them. If the City could provide a list of here's who you can see kind of thing... The cleanest, best services, they're gonna fill those spots up with those parameters.

Yes, I've paid for it in other places [in response to the question of whether or not concierge-type services would be something people are willing to pay for].

Slip reservations

All of the participants felt that slip reservations to moor the boat was an important benefit and they are willing to pay a higher price to have a guaranteed slip.

I know there's a price for reservation versus come in. That's value to have a higher price to guarantee a slip. I've paid it many a time up there to hold reservations. I think the price can bear that.

I think most of the captains want a place they can reserve in advance, so when they come in, they know they have a slip.

Being able to guarantee a slip is very important.

Wi-Fi accessibility

All of the participants agreed that Wi-Fi accessibility was important. They also agreed that while they think the port should provide reliable Wi-Fi, they felt that paying for the service was normal, and should be included in the moorage fees. Some of the captains also felt that ease of log-in should also be a consideration – they don't want multiple codes for each individual who needs Wi-Fi.

People aren't opposed to paying for Wi-Fi if it is good quality, high-speed Wi-Fi. If I can just break in for one second on the Wi-Fi. If you can bill it to the moorage, instead of having to pay in as you go.

That a lot of ship board servers push back at those pay sites. And they just have too many... We want to update some vessel information, vessel computers and different stuff. When you have to do an individual log in on every device and pay that way versus getting one access code from the marina. Just be able to access, don't want to necessarily hand out a code to every person where you could give one code. It's a daily amount, built into the moorage whatever it is. I put it on my server, then it out to the vessel service and the guest, crew access the Wi-Fi.

MAKE OR BREAK PRICE POINTS

After discussing the key expectations of everyone involved in the yachting experience, the question that arises is at what price do we offer these services, amenities and experiences, and who pays for it? The goal of the question was to determine whether or not there was a threshold that yacht service providers (the captains, crew and those who make arrangements for yacht guests) and/or their guests would deem something too expensive – what's the "pain point". What came out of the discussion was a somewhat surprising assertion that price just really didn't matter and wasn't a part of everyday conversations for this population.

I have no real input on pricing. It always comes back to what the market will bear. Many years ago I was advocating for higher prices for yachts, and that has already come about. I don't think I have anything to add on.

As far as pricing goes... it's kind of dictated by all the facilities and stuff around. If they want to go to a dock, we go. Don't remember having a conversation about price per se.

All that said, the pricing comes down to the reservation for a slip and providing that reservation and all the related costs and fees for related experiences, services and amenities. In other words, make it a bundle price.

I think for me, I would say having the reservations you're paying extra, whoever is paying ... I'm not sure where your guys' price break down is... I don't know why Juneau comes to mind. Juneau 85 cents without reservations, \$3 with reservations. Maybe that comes with a nice... when you tie up, whoever comes down to grab your lines brings a packet or bag with all the brochures and stuff. But then that's still doing your own groundwork. If there is anybody to pay for servicing, I would like to charter a fish boat and do all this... whether it gets billed to the slip moorage and then a percentage gets tacked on to that as a convenience fee – the concierge fees. Might come in, say I got 8 guests, we need 2 fish boats tomorrow mornings.

Can you arrange it? If you tack on an extra percentage to cover your costs, and then it gets billed to the moorage. All in one bill is a very nice thing. Keep the paper work down.

Appendix

SE Yacht Services

Focus Group Discussion Guide

Telephonic Session held 2/5

[TARGET SEGMENT: This one session is with yacht captains and individuals who make arrangements for reserved yachts use at the O'Connell Bridge Facility in Sitka Alaska. Agent Fred Reeder (YSOA) supported our efforts to reach the people with the necessary knowledge to participate. We are hoping to speak with 5-8 people and the session will last one hour telephonically.]

I. INTRODUCTION:

Today we are here to gain a better understanding regarding thoughts on how to make Sitka the best docking spot in Southeast Alaska. We will be talking today about services that matter to you specifically. We will also spend considerable time exploring your views on current moorage and other services you believe are necessary including the "rates/fees" for these services in float facilities in Alaska. It is important for the City and Borough of Sitka to hear from you on what to consider as they renovate and upgrade the O'Connell Float facility to meet the service requirements for yachts visiting Sitka, Alaska.

II. WARM-UP: Awareness of City and Borough - Port & Harbor Issues

Let's begin with the big picture. We really do not need any detail at this time, but rather to put into context the impact to the Sitka Community of the yachts at the Bridge Facility.

1. Generally, do you think the community is supportive of the Port and Harbor?
2. Does everyone know what happened and what the City and Borough is up to regarding repairs from damage of the O'Connell float facility?
3. Has anyone read, heard or seen anything regarding what services might result from these efforts. What is the word-on-the-street regarding the Port & Harbor?

[WATCH FOR: Any banter about problems in Alaska; issues related to the politics of the effort. Get them on and off the table and do not engage in discussion of off-topic issues.]

III. IN-DEPTH: Services Desired by Customers

1. Now let's move into a discussion on necessary services. Right now what is available and explain a little bit about how it happens when a client/customer. calls, specifically what are they requesting.

[WATCH FOR A DISCUSSION OF THOSE DESIRED BY GROUP MEMBERS.: CRITICAL REQUIREMENTS ARE WATER, ELECTRIC SERVICE AT 380 VOLT THREE PHASE SERVICE BECAUSE RUNNING SHIP GENERATORS ARE EXPENSIVE AND RESULT IN WEAR AND TEAR ON THEM;

WHEN ELECTRIC SERVICE IS BETTER. ALSO GARBAGE SERVICE IS NICE TO HAVE PEOPLE PICK IT UP SO THEY DON'T HAVE TO MAKE THE LONG TRIP TO THE LANDFILL. THEY ALSO LIKE TO HAVE EXCLUSIVE ACCESS SO NO ONE IS AT THE SHIP THAT IS NOT EITHER A CAPTAIN OR CLIENT/PASSENGER.]

2. Who are your ideal customers?

A. How many are out there, really?

- B. What are they looking for, exactly?
- C. Are the current rates charged about right or not what customers want to pay.
- D. Let's talk specifically about rates that accompany what services currently.

3. And now, what would take Sitka into that category of BEST PORT in Alaska?

[AS NEEDED FOR DISCUSSION: ask them to be realistic and get parameters from Bill or Fred?]

QUESTIONS FOR DISCUSSION PROBE FOR DETAILS:

1. What would make moorage more appealing?
2. Do customers understand the challenges you and the Port & Harbor have?

[PROBE THIS QUESTION: ASK CAPTAINS FOR A PREFERRED SERVICE LIST AND FEES. THEN ARE FEES MORE IMPORTANT THAN THE AVAILABILITY OF THE SERVICE. FOR EXAMPLE, PROVIDING 380 VOLT 3 PHASE ELECTRIC SERVICE IS EXPENSIVE TO PROVIDE FOR THE CITY BUT IF IT WAS AVAILABLE AT WHAT PRICE WOULD YOU SIMPLY USE YOUR SHIPS GENERATORS. THEN ASK IS EXCLUSIVITY IMPORTANT AND IF WE CAN YOU IDENTIFY SERVICES TO MEET THIS REQUIREMENT (I.E. ACCESS CARDS THAT GET ISSUED THAT ONLY WORK FOR THAT CARD AND NO ONE OTHER THAN HARBOR EMPLOYEE'S CAN ACCESS. QUESTION TO PROBE: DO THEY WANT EXCLUSIVE ACCESS TO TRANSPORTATION AND LODGING SO THEIR STAY IN SITKA IS NOT ON THE SHIP BUT ON LAND.

3. How about those *Super Yacht Owners* how far could the City and Borough take this in terms of accommodations, services, and benefits?
4. What is the word-on-the-street about missed opportunities?

USE EXAMPLES AS NEEDED: (BILL I need examples of extremes here that customers could get if they paid more; and what is realistic? For example, you mentioned in your notes exclusivity, WIFI, Harbor staff welcoming team etc.)

5. Let's hear some top of mind thoughts coming to you now about all of this?
6. If The City and Borough would go 1000% with this renovation what would that look like and at what rate to the customer?

[DISCUSSION ABOUT RATES: how thorough do you want to explore this and it is a little hard to do over the phone but we could throw out some rates?]

7. How much would you be willing to charge customers/clients? [PERHAPS A FOLLOW UP QUESTION TO THIS WOULD BE: "IF THE SERVICES WERE PROVIDED AT REASONABLE RATES WOULD YOU SIMPLY PASS THESE FEES THROUGH TO THE CLIENTS (PRIVATE YACHT OWNER OR COMPANIES THAT PROVIDE YACHT TOURING SERVICES) AND WOULD THIS HAVE ANY IMPACT ON THE YACHT BUSINESS.
8. And finally, if the City and Borough makes this Port and Harbor the best in Alaska. Tell me again what that looks like and how much they can charge in rates and for what services. Let's say as it compares to other places in Alaska.

IV. WRAP UP: What is realistic for the Community of Sitka

Finally, if you could give your best advice to the City and Borough about their next move; what would be best for the community and for the visitors to the Port and Harbor?



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 18-038 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 3/7/2018 In control: City and Borough Assembly

On agenda: 3/13/2018 Final action:

Title: Approve the Gary Paxton Industrial Park Port Tariff No. 1

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and Memo Tariff.pdf](#)
[GPIP Port Tariff.pdf](#)
[Interdepartmental Internal Service Agreement.pdf](#)

| Date | Ver. | Action By | Action | Result |
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POSSIBLE MOTION

I MOVE TO approve the Gary Paxton Industrial Park
Port Tariff No. 1 as recommended by the Gary
Paxton Industrial Park Board of Directors.



Tuesday, February 27th, 2018

MEMORANDUM

To: Keith Brady – CBS Administrator
From: Garry White, Director
Subject: Gary Paxton Industrial Park (GPIP) Port Tariff

Introduction

The Gary Paxton Industrial Park (GPIP) Board of Directors is recommending that the City and Borough of Sitka Assembly approved the attached Gary Paxton Industrial Park Port Tariff #1.

The GPIP Board met on February 20th and approved the following motion:

MOTION: M/S: Finkenbinder/ Horan moved to accept the tariff for the Port of Sitka with suggested amendments and present it to the Assembly for approval.

ACTION: Motion PASSED 3/0
Yes: 3-Finkenbinder, Horan, Wagner
No: 0

A Port Tariff is a document filed with the Federal Maritime Commission (FMC) that contains published charges, rules, and requirements of the port. The Port Tariff is an implied contract that allows for rapid arrangements without the need for complicated agreements for use of the facility.

GPIP Port Background

The development of a port facility to accommodate the maritime industry at the Gary Paxton Industrial Park (GPIP) is a top priority of the GPIP Board. The GPIP Port facility will include a deep water, multi-purpose dock, a water access ramp, as well as maritime uses of the tidelands and uplands of the GPIP.

GPIP Deep Water, Multi-purpose Dock Background

The GPIP deep water, multi-purpose dock is a multi-purpose, floating dock facility located at the GPIP to serve a range of industries, including but not limited to fishing and container/cargo shipping. The primary floating dock is a repurposed double hull steel barge, 250 feet long and 74 feet wide, and is accessible by a drive-down ramp with a width of 20 feet. The structure will

accommodate the handling of loaded containers, truck and trailers, and vehicles intended to support vessels with a maximum draft 40 feet.

A separate, new floating dock is attached to the primary dock to allow for 120 feet of transient moorage for smaller vessels. Some features of the facility include lighting, electrical power sources, and a fire suppression system. Fenders, life rings, and access ladders are installed to provide for safe operation. The facility will have a 50-year design life and meet or exceed industry standards relating to corrosion resistance with minimal long-term maintenance.

A portion of the existing deteriorated in-water structures have been removed as required to install the new facility. The final design and location does not unreasonably restrict opportunities for future upgrades that will enhance accommodation of larger vessels, bulk water distribution, or other new industry.

A Security Camera system will be installed at the site to monitor the facility. The Harbor Department and GPIIP Director will have access to review live and recorded footage of the facility.

The GPIIP Dock is substantially complete.

Access Ramp Background

The GPIIP Board and CBS Assembly approved a lease between Northline Seafoods and the CBS on the northern portion of Lot 9a for a 2-year term in the summer of 2017. Northline has construct an access ramp to accommodate the hauling of its barges for maintenance work. The GPIIP Board intends to further modify the access ramp install by Northline or construct a new ramp to accommodate other uses, such as vessel haul outs. The CBS Assembly has approved \$40,000 in funding for design, engineering, and permitting of the multi-use access ramp. Access ramp cost estimates and funding sources are currently being investigated.

Tideland and Upland Use Background

The GPIIP Board has identified lots 3, 6, 7, 8, 9a, 9b, 9c, & 15 to support the maritime industry at the GPIIP. Additionally, the tidelands seaward of the GPIIP are intended to be used to support the maritime industry as well.

GPIIP Port Tariff

The attached Gary Paxton Industrial Park Port Tariff #1 was drafted, with input by the GPIIP Director and GPIIP Board, by Parrish, Blessing, & Associates Inc. (PBA), a regulatory and economics consulting firm from Anchorage. PBA has experience if port tariff development having worked with the Port of Alaska (formerly port of Anchorage) on its port tariff development and financial management.

The GPIIP Port will be a “landlord” Port, which means that the GPIIP will charge users for real estate and dock use and are responsible for maintenance, management and upkeep. The GPIIP Port Tariff will cover all properties of the GPIIP uplands and tidelands.

The GPIIP Port Tariff covers general rules and regulations for use of the port. Additionally, the tariff covers the schedule of charges for use of the port, including docking, wharfage, etc...

In addition to PBA's work to establish the GPIIP Port Tariff, PBA will be assisting the GPIIP with filing the tariff with the FMC and will provide instructions on how to update tariff with the FMC in the future.

Port Management/Restrictions

The GPIIP Director has recommended the following port management operations and restrictions to the GPIIP Board.

GPIIP Dock Operations

- The CBS Harbor Department will assist the GPIIP Director with dock moorage to include scheduling, monitoring, billing, and collections for users that moor to the dock.
- The CBS Harbor Department will split dock moorage revenue 50/50 with the GPIIP Enterprise Fund.
- The GPIIP Director will monitor freight moving across the dock and will send billing information to CBS finance.
 - In the event that freight traffic increases to a volume outside of the ability of the GPIIP Director to maintain, it is recommended that a third party or another employee be hired.
 - In the event a third party is contracted to manage dock, it is recommended that the third party is responsible for billing of customers and submitting tariff fees to the CBS, with the ability for the CBS to audit the third party against shipping manifests.
- The CBS Harbor Department or a contracted third party will assist with O&M maintenance.

GPIIP Dock Restrictions

The GPIIP dock currently has restrictions in use due to current infrastructure limitations and funding.

Vessel Size

- The largest vessel size to be able to use the facility is restricted to a 400' x 100' barge with its own fender system.
- Additional infrastructure can be added to accommodate large vessels in the future if a demand arises and funding is identified.

Equipment

- Currently the GPIIP Dock does not have equipment available to assist off-loading of freight. Vessels wishing to off load freight will be required to provide their own equipment.
- The GPIIP Director recommends that if the demand for larger freight operations arises, that a lease be established with a third party terminal operator to manage continuous freight operations and acquire necessary equipment.

Port Security

- The USCG requires a Facility Security Plan (FSP) at ports that accept foreign-flagged vessel and various other reasons. The GPIIP Port currently does not have a FSP as the current anticipated use of the dock would does not require a FSP, other than bulk water vessels.
 - The CBS previous had a FSP for the GPIIP Port specific to bulk water tanker vessels. The FSP was terminated concurrent with the ABWI water purchase agreement termination and can be relatively quickly reestablished.
 - A FSP requires a Facility Security Officer and potentially security staff.
 - The Harbor Master and the GPIIP Director both have their FSO Certifications.
- In the event that the need arises, a FSP will be established for the GPIIP.

GPIIP Upland and Tideland Operations

The GPIIP Director will continue to assist the CBS with marketing, development, and management of the GPIIP upland and tideland property operations under the direction of the GPIIP Board of Directors.

Action

- CBS Assembly approval of the establishment of GPIIP Port Tariff #1.



Effective

GARY PAXTON INDUSTRIAL PARK PORT TARIFF

OPERATED BY THE CITY AND BOROUGH OF SITKA, ALASKA

FMC TARIFF NO. 1

NAMING RATES, CHARGES, RULES AND REGULATIONS

~For~

Wharfage Dockage and Storage

At

The Port of Sitka, Alaska

ISSUED BY:

PORT OF SITKA
SITKA, ALASKA

Published as

Gary Paxton Industrial Park Port Terminal Tariff FMC No. 1
By: Parrish Blessing and Associates, Inc.
1415 P Street
Anchorage, Alaska 99501

Keith Brady, Municipal Administrator
100 Lincoln Street
Sitka, Alaska 99835
Phone: (907)747-1808
Keith.brady@cityofsitka.com

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| EXPLANATION OF ABBREVIATIONS AND SYMBOLS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| <p align="center">ABBREVIATIONS APPEARING IN TARIFF</p> <table> <tr> <td>B.M.</td> <td>Board Measure</td> <td>Min.</td> <td>Minimum</td> </tr> <tr> <td>Bbl.</td> <td>Barrel</td> <td>Misc.</td> <td>Miscellaneous</td> </tr> <tr> <td>Bdl.</td> <td>Bundle</td> <td>M.T.</td> <td>Cubic Ton of 40 Cu. Ft.</td> </tr> <tr> <td>C.L.</td> <td>Carload</td> <td>No.</td> <td>Number</td> </tr> <tr> <td>Cs.</td> <td>Case</td> <td>N.O.S.</td> <td>Not Otherwise Specified herein</td> </tr> <tr> <td>Crt</td> <td>Crate</td> <td>Par.</td> <td>Paragraph</td> </tr> <tr> <td>Ctn</td> <td>Carton</td> <td>Pig.</td> <td>Package</td> </tr> <tr> <td>Cu.Ft.</td> <td>Cubic Foot or Feet</td> <td>Port</td> <td>Port of Sitka</td> </tr> <tr> <td>Dkg.</td> <td>Dockage</td> <td>S.U.</td> <td>Set-Up</td> </tr> <tr> <td>Ea.</td> <td>Each</td> <td>Sq.Ft.</td> <td>Square Foot or Feet</td> </tr> <tr> <td>F.F.</td> <td>Folded Flat</td> <td>Stg.</td> <td>Storage</td> </tr> <tr> <td>F.M.C.</td> <td>Federal Maritime Commission</td> <td>Term'l.</td> <td>Terminal</td> </tr> <tr> <td>Gals.</td> <td>Gallons</td> <td>Unldg.</td> <td>Unloading</td> </tr> <tr> <td>Hdlg.</td> <td>Handling</td> <td>US</td> <td>United States of America. Inc.</td> </tr> <tr> <td></td> <td>Incorporated</td> <td>USCG</td> <td>United States Coast Guard K.D.</td> </tr> <tr> <td></td> <td>Knocked Down</td> <td>W.T.</td> <td>Weight ton of 2000 pounds</td> </tr> <tr> <td>K.D.F.</td> <td>Knocked Down Flat</td> <td>W/M</td> <td>Weight ton of 2000 pounds</td> </tr> <tr> <td>Lb.</td> <td>Pound</td> <td></td> <td>or cubic ton of 40 cu. Ft.</td> </tr> <tr> <td>L.C.L.</td> <td>Less Than Carload</td> <td>W.R.</td> <td>Warehouse Receipt</td> </tr> <tr> <td>Ldg.</td> <td>Loading</td> <td>Wt.</td> <td>Weight</td> </tr> <tr> <td>Lgth.</td> <td>Length</td> <td>Yd.</td> <td>Yard</td> </tr> <tr> <td>M.B.M.</td> <td>1000 Ft. Board Measure</td> <td>Viz.</td> <td>Videlicet (examples, lists)</td> </tr> <tr> <td>Meas.</td> <td>Measurement</td> <td></td> <td></td> </tr> </table> | | | B.M. | Board Measure | Min. | Minimum | Bbl. | Barrel | Misc. | Miscellaneous | Bdl. | Bundle | M.T. | Cubic Ton of 40 Cu. Ft. | C.L. | Carload | No. | Number | Cs. | Case | N.O.S. | Not Otherwise Specified herein | Crt | Crate | Par. | Paragraph | Ctn | Carton | Pig. | Package | Cu.Ft. | Cubic Foot or Feet | Port | Port of Sitka | Dkg. | Dockage | S.U. | Set-Up | Ea. | Each | Sq.Ft. | Square Foot or Feet | F.F. | Folded Flat | Stg. | Storage | F.M.C. | Federal Maritime Commission | Term'l. | Terminal | Gals. | Gallons | Unldg. | Unloading | Hdlg. | Handling | US | United States of America. Inc. | | Incorporated | USCG | United States Coast Guard K.D. | | Knocked Down | W.T. | Weight ton of 2000 pounds | K.D.F. | Knocked Down Flat | W/M | Weight ton of 2000 pounds | Lb. | Pound | | or cubic ton of 40 cu. Ft. | L.C.L. | Less Than Carload | W.R. | Warehouse Receipt | Ldg. | Loading | Wt. | Weight | Lgth. | Length | Yd. | Yard | M.B.M. | 1000 Ft. Board Measure | Viz. | Videlicet (examples, lists) | Meas. | Measurement | | |
| B.M. | Board Measure | Min. | Minimum | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Bbl. | Barrel | Misc. | Miscellaneous | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Bdl. | Bundle | M.T. | Cubic Ton of 40 Cu. Ft. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| C.L. | Carload | No. | Number | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cs. | Case | N.O.S. | Not Otherwise Specified herein | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Crt | Crate | Par. | Paragraph | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Ctn | Carton | Pig. | Package | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cu.Ft. | Cubic Foot or Feet | Port | Port of Sitka | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dkg. | Dockage | S.U. | Set-Up | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Ea. | Each | Sq.Ft. | Square Foot or Feet | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| F.F. | Folded Flat | Stg. | Storage | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| F.M.C. | Federal Maritime Commission | Term'l. | Terminal | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Gals. | Gallons | Unldg. | Unloading | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Hdlg. | Handling | US | United States of America. Inc. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Incorporated | USCG | United States Coast Guard K.D. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Knocked Down | W.T. | Weight ton of 2000 pounds | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| K.D.F. | Knocked Down Flat | W/M | Weight ton of 2000 pounds | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Lb. | Pound | | or cubic ton of 40 cu. Ft. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| L.C.L. | Less Than Carload | W.R. | Warehouse Receipt | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Ldg. | Loading | Wt. | Weight | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Lgth. | Length | Yd. | Yard | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| M.B.M. | 1000 Ft. Board Measure | Viz. | Videlicet (examples, lists) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Meas. | Measurement | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p align="center">ISSUED BY: Keith Brady, Municipal Administrator, Sitka, Alaska</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| EXPLANATION OF ABBREVIATIONS AND SYMBOLS | | |
| <p style="text-align: center;">SYMBOLS APPEARING IN TARIFF</p> <p>The following symbols will be used for the purpose indicated only, and will not be used for any other purpose in this tariff.</p> <p>(A) New or Added Matter (+) Increase (-) Reduction (C) Change, neither increase nor reduction (R) Indicates that item or rule has been revised (**) Cancelled or eliminated</p> | | |
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| ISSUED BY: Keith Brady, Municipal Administrator, Sitka, Alaska | | |

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| SECTION 1 GENERAL RULES AND REGULATIONS | | |
| ITEM 100 <u>NOTICE TO PUBLIC</u> | | |
| <p>The Port of Sitka is a Non-Operating Port and is owned by the City and Borough of Sitka. This tariff is published and filed as required by Federal Maritime Commission law and is, therefore, notice to the public, shippers, consignees and carriers, that the rates, rules and charges apply to all traffic without specific notice, quotation or arrangement.</p> | | |
| ITEM 100 <u>APPLICATION OF TARIFF</u> | | |
| <p>(a) GENERAL APPLICATION OF TARIFF:</p> <p>Rates, charges, rules and regulations provided in this tariff will apply only to merchandise received at or shipped from the facilities or properties operated under the jurisdiction and control of the Port of Sitka, and specifically to City and Borough Terminals, appurtenant structures thereto and waterways under the management of the Port Director, City and Borough of Sitka. Vessel charges and assessments provided in this tariff are applicable to all vessels, self-propelled or other than self-propelled, when such vessels are provided with dockage services or other vessel services named in this tariff.</p> | | |
| <p>(b) TARIFF EFFECTIVE:</p> <p>The rates, charges, rules and regulations named in this tariff, additions, revisions, or supplements thereto shall apply on all freight received at facilities subject to this tariff on and after revisions, or supplements, thereto. Unless otherwise specified, all transit freight received at terminals and undelivered prior to effective dates of tariff, revisions, or supplements thereto, shall be charged the rates in effect on the date such freight was received until entire lot or shipment has been withdrawn.</p> <p>Except as otherwise provided in this section, the rates, rules and regulations published in other sections of this tariff apply to vessels, shippers, (and) consignees of Bulk Petroleum Products.</p> | | |
| <p>(Continued on next page)</p> | | |
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| <p align="center"><u>APPLICATION OF TARIFF (Continued)</u></p> <p>(c) ACCEPTANCE OF TARIFF:</p> <p>Use of wharves and facilities shall be deemed an acceptance of this tariff and the terms and conditions named therein.</p> <p>(d) RESERVATIONS OF AGREEMENT RIGHTS</p> <p>Right is reserved by the Port of Sitka to enter into agreement with carriers, shippers, consignees and/or their agents concerning rates and services, providing such agreements are consistent with existing local, state and national law governing the civil and business relations of all parties concerned.</p> | | |
| <p align="center">ISSUED BY: Keith Brady, Municipal Administrator, Sitka, Alaska</p> | | |

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| ITEM 105 <u>APPLICATION OF RATES</u> | | |
| <p>(a) Except as otherwise provided, rates apply per 2,000 lbs., or per 40 Cu.Ft. as rated by ocean carrier, or per M.B.M., or 42 gal. per bbl. of bulk petroleum products corrected to 60° Fahrenheit, or 376 lbs. per bbl. of bulk cement.</p> <p>(b) RATES ARE SPECIFIC:</p> <p>Rates provided for commodities herein are specific and may not be applied by analogy. If rates are not provided for specific commodities, rates to be applied are those established for "Freight N.O.S."</p> <p>(c) PREFERENTIAL USER AGREEMENTS (PUA)</p> <p>The Port of Sitka reserves the right to negotiate preferential user rates and terms (i.e. a reduced charge for dockage, wharfage, and real estate) with requesting users who agree to provide profitable long-term business arrangements with the Port, at rates, terms and conditions consistent with policies set by the Port and City and Borough of Sitka.</p> <p>NOTE: There is no requirement for PUAs to be standardized, beyond those requirements mandated in Municipal Code to be so. Rather, terms and conditions will be tailored to each individual applicant.</p> | | |
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| ITEM 115 <u>METHOD OF PAYMENT AND PENALTIES</u> | | |
| <p>(a) RESPONSIBILITY FOR CHARGES, PAYMENT TERMS:</p> <p>All charges for services rendered by the Port of Sitka or for the use of terminal facilities shall be billed in arrears and payable 30 days from invoice date arrears of such services or use, as follows:</p> <ol style="list-style-type: none"> 1. For all charges to the vessel, from its owners or agents before a vessel commences it's loading or discharging. 2. For all charges to the cargo, from a vessel owner, charterer, shipper or consignee before the cargo leaves the custody of the terminal. 3. For all charges on perishable goods or freight of doubtful value, or household goods. <p>(b) COMPLIANCE WITH CONDITIONS OF BERTH RESERVATION:</p> <p>Use of Port facilities and services shall comply with the Conditions of Berthing set forth in the Supplement to the Vessel Berthing Application as published by the Port.</p> <p>(c) PENALTY CHARGES ON DELINQUENT ACCOUNTS:</p> <p>All invoices will be declared delinquent thirty days after the date of the invoice and, as such, will be charged a penalty charge of \$25.00 per month for each additional thirty day period in which the invoice is past due or not fully paid, up to a maximum penalty of \$250.00. All extra expense, including legal expense, litigation cost, or costs of agents employed to affect collection shall also be assessed to, and payable to, such accounts.</p> | | |
| <p>ISSUED BY: Keith Brady, Municipal Administrator, Sitka, Alaska</p> | | |

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| ITEM 120 <u>LIABILITY FOR LOSS OR DAMAGE</u> | | |
| <p>(a) RESPONSIBILITY LIMITED:</p> <p>No persons other than employees or agents of the holder of an authorized Terminal Operator Permit shall be permitted to perform any services on the wharves or premises of the Port of Sitka, operated under the authority of the Port Commission of the Port of Sitka, except upon written authorization of the Port Director or their designee.</p> <p>The Port of Sitka will not be responsible for any loss, damage, injury or death, including but not limited to, loss, damage, injury or death caused by earthquakes, tidal waves, fire, frost, heating, dampness, leakage, the elements, evaporation, natural shrinkage, wastage or decay, animals, rats, mice, or other rodents, moths, weevils, or other insects, leakage or discharge from sprinkler fire systems, collapse of building or equipment, or by floats, logs or pilings required in breasting vessels way from wharf, nor will it be liable for any loss, damage, injury or death or delay arising from insufficient notification or from war, insurrection, shortage of labor, combinations, riots or strikes of any person in its employ or in service of others or from any consequences arising herefrom, except, the Port of Sitka shall not be relived from liability for its own negligence.</p> <p>(b) HOLD HARMLESS AND INDEMNITY:</p> <p>Except for that portion resulting from the negligence of the Port of Sitka, if any, owners, shippers, consignees, and carriers shall indemnify, defend, save and hold the City and Borough of Sitka, Port of Sitka harmless from and against all charges, losses, damages, liabilities, expenses, causes of action, suits, claims, demands, or judgments of any nature whatsoever that may be incurred or rise from or grow out of use of Port of Sitka facilities.</p> | | |
| <p>ISSUED BY: Keith Brady, Municipal Administrator, Sitka, Alaska</p> | | |

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| ITEM 125 <u>RIGHTS OF TERMINAL</u> | | |
| <p>(a) RIGHTS RESERVED:</p> <p>Right is reserved by the Port of Sitka to furnish all equipment, supplies and materials and to perform all services in connection with the operation of terminals under rates and conditions named herein.</p> <p>(b) RIGHT TO REFUSE FREIGHT:</p> <p>Right is reserved by the Port of Sitka, without responsibility for demurrage, loss or damage attaching, to refuse to accept, receive, or unload, or to permit any vessel to discharge at Terminals or appurtenant premises:</p> <ol style="list-style-type: none"> 1. Freight for which previous arrangements for space, receiving, unloading or handling have not been made by shipper, consignee or carrier. 2. Freight deemed extra offensive, perishable or hazardous. 3. Freight, the value of which may be determined as less than the probable terminal charges. 4. Freight, not packed in packages or containers suitable for standing the ordinary handling incident to its transportation. Such freight, however, may be repacked or reconditioned at the discretion of the Port of Sitka and all expense, loss or damage incident thereto shall be for the account of the shipper, consignee, owner, or carrier. <p>(c) RIGHT TO REMOVE, TRANSFER OR WAREHOUSE FREIGHT:</p> <p>Hazardous or offensive freight which by its nature is liable to damage other freight, may be immediately removed to other locations or receptacles with all expense and risk for loss or damage for the account of the owner, shipper, agent or consignee.</p> <p>(Continued on next page)</p> | | |
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| <p style="text-align: center;"><u>RIGHTS OF TERMINAL (Continued)</u></p> <p>Freight remaining after the sailing of a vessel may be piled or re-piled to make space, transferred to other locations or receptacles or removed to public or private warehouse with all expense and risk of loss or damage for account of the owner, shipper, consignee, agent, or carrier as responsibility may appear.</p> <p>This provision is subject to Item 120 (b)</p> <p>(d) RIGHT TO WITHHOLD DELIVER OF FREIGHT:</p> <p>Right is reserved by the Port of Sitka to withhold delivery of freight until all accrued terminal charges and/or advances against said freight have been paid in full. At the Port Director's discretion, any or all of such freight may be placed in public or private warehouse with all cost of removal and subsequent handling and storage for the account of the owner of the freight.</p> <p>(e) RIGHT TO SELL FOR UNPAID CHARGES:</p> <p>Freight on which unpaid terminal charges have accrued may be sold to satisfy such charges and costs, provided such sale has been publicly advertised. Freight of a perishable nature or of a nature liable to damage other freight may be sold at public or private sale without advertising, providing owner has been given proper notice to pay charges and to remove said freight and has neglected or failed to do so within a prescribed reasonable time.</p> <p>(f) EXPLOSIVES:</p> <p>The acceptance, handling or storage of explosives or excessively flammable material shall be subject to special arrangements with the Port Director and governed by rules and regulations of Federal, State and local authorities.</p> <p>(g) OWNERS RISK:</p> <p>All water craft if and when permitted by the Port Director or his authorized agent to be moored at wharves or alongside of vessels, are at owner's risk for loss or damage.</p> <p>This provision is subject to Item 120(b).</p> | | |
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| ITEM 130 <u>SHIPPERS' REQUESTS AND COMPLAINTS</u> | | |
| <p>Shipper requests and complaints may be made by any shipper by filing a written statement with the Port Director, Port of Sitka, 329 Harbor Drive, Suite 212, Sitka, Alaska 99835</p> | | |
| ITEM 131 <u>DEMURRAGE OR DELAYS</u> | | |
| <p>In furnishing the service of vessel berth scheduling, no responsibility for any demurrage or delays whatsoever, on freight, will be assumed by the Port of Sitka.</p> <p>This provision is subject to Item 120(b).</p> | | |
| ITEM 135 <u>DELAYS - NO WAIVER OF CHARGES</u> | | |
| <p>Delays which may be occasioned in loading, unloading, receiving or delivering freight as a result of equipment failure or breakdown or of combinations, riots or strikes of any persons or arising from any other cause not reasonably within the control of the Port of Sitka, will not excuse the owners, shippers, consignees or carriers of the freight from full wharf demurrage or other terminal charges or expenses which may be incurred under conditions stated herein.</p> <p>This provision is subject to Item 12(b).</p> | | |
| ITEM 140 <u>MANIFESTS REQUIRED OF VESSELS</u> | | |
| <p>Masters, owners, terminal operators, agents or operators of freight vessels are required to furnish the Port of Sitka with complete copies of vessels' manifests showing names of consignees or consignor and the weights or measurements of all freight loaded or discharged at the facilities of the Port of Sitka. Such manifests must be certified as correct by an authorized official of the company and must also designate the basis weight or measurement on which ocean freight was assessed. In lieu of manifests, freight bills containing all information as required above may be accepted.</p> | | |
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| ITEM 145 <u>CLASSIFICATION OF TRAFFIC</u> | | |
| <p>Coastwise Trade: All traffic between West Coast ports of the United States and Alaska. Inter-Coastal Trade: All traffic between ports of the United States, other than West Coast ports, and Alaska.</p> <p>Intra-Alaska Trade: Traffic between points in Alaska.</p> <p>Foreign Trade: All traffic between ports outside the United States of Alaska.</p> | | |
| ITEM 150 <u>BERTHING</u> | | |
| <p>The maximum vessel sizes that can berth at the face of the dock is a 30' beam by 150' long vessel with 440 US ton displacement and a berthing velocity normal to the dock of .71 knots with existing fender system.</p> <p>Vessels over 150' up to a 100' beam by 400' long with a displacement of 22,000 US tons can be accepted at the face of dock with an approved fender system.</p> | | |
| ITEM 150 <u>ENVIRONMENTAL PARAMETERS</u> | | |
| <p>Tidal Currents Tidal currents for the Port generally vary from 2-4 knots. Extreme tidal currents in excess of 5 knots have been reported. Tidal current information is published and available from NOAA.</p> <p>Temperature Temperatures at the Port generally range from 62 degrees Fahrenheit in the summer to 30 degrees Fahrenheit in the winter.</p> <p>(Continued on next page)</p> | | |
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| <p align="center"><u>ENVIRONMENTAL PARAMETERS (Continued)</u></p> <p align="center"><u>DEPTH OF WATER</u></p> <p>50' at the face of the dock. 30'-50' at the stern of the barge (left side facing out) Not sure how to designate the area. 20' at the interior small boat float.</p> <p><u>NOAA TIDE BENCHMARKS AT SITKA, ALASKA:</u></p> <p>ELEVATION DATUM FOR THE PROJECT IS 0.0 FT MEAN LOWER LOW WATER (MLLW)</p> <table> <tr> <td>• HIGHEST TIDE OBSERVED</td> <td>14.8 FT</td> </tr> <tr> <td>• MEAN HIGHER HIGH WATER</td> <td>9.9 FT</td> </tr> <tr> <td>• MEAN HIGH WATER</td> <td>9.2 FT</td> </tr> <tr> <td>• MEAN TIDE LEVEL</td> <td>5.3 FT</td> </tr> <tr> <td>• MEAN LOW WATER</td> <td>1.5 FT</td> </tr> <tr> <td>• MEAN LOWER LOW WATER</td> <td>0.0 FT</td> </tr> <tr> <td>• LOWEST TIDE OBSERVED</td> <td>-4.1</td> </tr> </table> <p align="center">(Continued on next page)</p> | | | • HIGHEST TIDE OBSERVED | 14.8 FT | • MEAN HIGHER HIGH WATER | 9.9 FT | • MEAN HIGH WATER | 9.2 FT | • MEAN TIDE LEVEL | 5.3 FT | • MEAN LOW WATER | 1.5 FT | • MEAN LOWER LOW WATER | 0.0 FT | • LOWEST TIDE OBSERVED | -4.1 |
| • HIGHEST TIDE OBSERVED | 14.8 FT | | | | | | | | | | | | | | | |
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| • LOWEST TIDE OBSERVED | -4.1 | | | | | | | | | | | | | | | |
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| <p align="center"><u>ENVIRONMENTAL PARAMETERS (Continued)</u></p> <p align="center"><u>WINTER USE OF THE PORT</u></p> <p>The Port is open year round. However, extreme temperatures provide a number of challenges during the winter months. Machinery including fuel systems, cooling systems, winches, anchors, ballast water systems, and other auxiliary systems must be winterized and maintained in a state for use in the extreme environment. Tug assistance aids in mitigating these conditions.</p> <p align="center">(Continued on next page)</p> | | |
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| <p align="center"> <u>ENVIRONMENTAL PARAMETERS (Continued)</u> <u>SAFETY CABINETS AND BOLLARD SPECIFICATIONS</u> </p> <p> DESIGN LOADS: * ASCE 7-05 MIN DESIGN LOADS * ASCE 61-14 SSMIC DESIGN OF PIERS AND WHARVES * UFC 4-159-03 DESIGN: MOORINGS </p> <p> DEAD LOAD WEIGHT OF ALL CONSTRUCTION MATERIALS </p> <table border="0"> <tr> <td>LIVE LOAD</td> <td>FLOATING DOCK</td> <td>400 PSF</td> </tr> <tr> <td></td> <td>TRANSFER BRIDGE</td> <td>125 PSF</td> </tr> <tr> <td></td> <td>SMALL CRAFT FLOAT</td> <td>50 PSF</td> </tr> <tr> <td></td> <td>SMALL CRAFT GANGWAY</td> <td>50 PSF</td> </tr> </table> <p> SNOW LOAD 50 PSF </p> <p> WIND LOAD ON STRUCTURES </p> <table border="0"> <tr> <td>WIND SPEED, V</td> <td>120 MPH 3-SEC GUST</td> </tr> <tr> <td>EXPOSURE CATEGORY</td> <td>D</td> </tr> <tr> <td>IMPORTANCE FACTOR, LW</td> <td>1</td> </tr> <tr> <td>TOPOGRAPHIC FACTOR, Kzt</td> <td>1</td> </tr> <tr> <td>DIRECTION FACTOR</td> <td>0.85</td> </tr> <tr> <td>GUST FACTOR, G</td> <td>0.85</td> </tr> </table> <p> SEISMIC ASCE 61-14 PERFORMANCE REQUIREMENTS = LOW DISGIN EARTHQUAKE PER ASCE 7.05 LIFE SAFETY PROTECTION SS = 0.834 g.S1=0.46g. Fa = 1.1, Fv= 2.4 SDS=0.611 g.SDI=0.742G SEISMIC DESIGN CATEGORY D SITE CLASS E </p> | | | LIVE LOAD | FLOATING DOCK | 400 PSF | | TRANSFER BRIDGE | 125 PSF | | SMALL CRAFT FLOAT | 50 PSF | | SMALL CRAFT GANGWAY | 50 PSF | WIND SPEED, V | 120 MPH 3-SEC GUST | EXPOSURE CATEGORY | D | IMPORTANCE FACTOR, LW | 1 | TOPOGRAPHIC FACTOR, Kzt | 1 | DIRECTION FACTOR | 0.85 | GUST FACTOR, G | 0.85 |
| LIVE LOAD | FLOATING DOCK | 400 PSF | | | | | | | | | | | | | | | | | | | | | | | | |
| | TRANSFER BRIDGE | 125 PSF | | | | | | | | | | | | | | | | | | | | | | | | |
| | SMALL CRAFT FLOAT | 50 PSF | | | | | | | | | | | | | | | | | | | | | | | | |
| | SMALL CRAFT GANGWAY | 50 PSF | | | | | | | | | | | | | | | | | | | | | | | | |
| WIND SPEED, V | 120 MPH 3-SEC GUST | | | | | | | | | | | | | | | | | | | | | | | | | |
| EXPOSURE CATEGORY | D | | | | | | | | | | | | | | | | | | | | | | | | | |
| IMPORTANCE FACTOR, LW | 1 | | | | | | | | | | | | | | | | | | | | | | | | | |
| TOPOGRAPHIC FACTOR, Kzt | 1 | | | | | | | | | | | | | | | | | | | | | | | | | |
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| ITEM 165 <u>RESPONSIBILITY FOR PROPERTY DAMAGE</u> | | |
| <p>Damaged Port property and facilities should be reported immediately to the Port Director. The initial reporting of damages should be communicated by the most expeditious means, followed in writing. Owners/operators damaging Port of Sitka property will be responsible for repairs. Should the repairs be undertaken by the Port of Sitka the owners/operators will be billed for repairs to damaged property at cost, including 15% overhead.</p> | | |
| ITEM 166 <u>FACILITY USE AGREEMENT</u> | | |
| <p>Private owners and business vendors/contractors desiring to use the GPIP facility to work on vessels owned by a third-party shall complete a facility use agreement with the port and pay appropriate fee before they begin work on vessel(s). The facility use agreement has specific provisions that address basic yard rules and regulations, boatyard user required best management practices, an agreement section addressing indemnify/hold harmless requirements and insurance requirements. The facility use agreement is available for review during normal business hours.</p> | | |
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| ITEM 170 <u>BULK PETROLEUM PRODUCTS</u> | | |
| <p>(a) APPLICATION OF TARIFF:</p> <p>Except as otherwise provided in this section, the rates, rules and regulations published in other sections of this tariff apply to vessels, shippers, and consignees of Bulk Petroleum Products.</p> <p>(b) CLEARING PETROLEUM LINES:</p> <p>Shippers, consignees or vessels and persons in charge thereof are responsible for providing means to assure the proper flow of products. Shippers, consignees or vessels and persons in charge thereof will be responsible for clearing all petroleum products, other liquid products, compounds, and residues from lines located on or adjacent to the Petroleum Terminal after vessel completes loading or discharging unless otherwise authorized by the Port Director. In the event the Port of Sitka performs any of the above named services, any applicable costs will be billed to shipper, consignee or vessel at cost plus 15% overhead.</p> <p>(c) REGULATIONS GOVERNING PETROLEUM PRODUCTS:</p> <p>The transfer of bulk petroleum products shall be governed by applicable federal, state and local laws, regulations, permits and ordinances/regulations including Port of Sitka Bulk Petroleum Transfer Procedures Manual rules.</p> <p>(d) HOUSEKEEPING:</p> <p>Flammable liquids leaked or spilled on wharves shall be cleaned up immediately. Vessel operators or their agents shall remove temporary lines immediately upon completion of receipt or discharge of flammable liquids. Spillage from disconnected lines shall be the responsibility of the petroleum terminal operator, vessel owner/operator and/or their agents. All spills should be reported to the Port Director and regulatory authorities immediately.</p> <p>(e) DEPARTURE AFTER LOADING OR DISCHARGING:</p> <p>Any vessel after having discharged or loaded any petroleum product must immediately haul away from dock, pier or wharf and depart, unless otherwise authorized by the Port Director.</p> | | |
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| ITEM 175 <u>DEFINITIONS - GENERAL</u> | | |
| <p>(a) "AFFREIGHTMENT": A contract of affreightment is one with a shipowner to hire his ship or part of it for the carriage of goods. Such a contract generally takes the form of a charter party or bill of lading.</p> <p>(b) "BEAM" means the greatest overall width of a vessel.</p> <p>(c) "BILL OF LADING" means a document by which the master of a ship acknowledges having received in good order and condition (or the reverse) certain specified goods consigned to him by some particular shipper, and binds himself to deliver them in similar condition - unless the perils of the sea, fire, or enemies prevent him - the consignees of the shipper at the point of destination on their paying him the stipulated freight.</p> <p>(d) "BULK CARGO" means cargo that is loaded and carried in bulk without mark or count in a loose unpackaged form, having homogeneous characteristics. Bulk cargo loaded into intermodal equipment, except LASH or Seabee barges, is subject to mark and count and is, therefore, subject to the requirements of this part.</p> <p>(e) "BUSINESS ENTITY" means a person, firm, association, organization, partnership, business trust, corporation, company, or any other business entity.</p> <p>(f) "CARLOADING OR UNLOADING" is the service performed to load cargo from wharf premises or other such terminal premises designated by the Port Director or his authorized representative to be used for such purposes, to or from railroad cars or trucks, trailers, semi-trailers from or to wharf premises or other terminal premises.</p> <p>(g) "COMMISSION" means the Federal Maritime Commission.</p> <p>(h) "CONSIGNEE" means the recipient of cargo from a shipper, individuals or business entities to whom a transported commodity is to be delivered.</p> <p style="text-align: center;">(Continued on next page)</p> | | |
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| <p style="text-align: center;"><u>DEFINITIONS – GENERAL (Continued)</u></p> <p>(i) freight-carrying unit designed to be transported by different modes of transportation and having construction, fittings, and fastenings able to withstand, without permanent distortion or additional exterior packaging or containment, the normal stresses that apply on continuous all-water and intermodal transportation. The term includes dry cargo, ventilated, insulated, refrigerated, flat rack, vehicle rack, liquid tank, and open-top containers without chassis, but does not include crates, boxes or pallets.</p> <p>(j) "DELINQUENT LIST" means the record of vessels, their owners or agents, or other users of the Port of Sitka who have failed to pay charges within sixty (60) days after date of invoice or who have not furnished proper cargo statements to the Port Director.</p> <p>(k) "DERELICT" means any watercraft moored or otherwise located within the Port which is forsaken, abandoned, deserted or whose owner fails to contact the Port Director within seven (7) days after written notice declaring the watercraft to be abandoned is attached to said watercraft.</p> <p>(l) "DIRECT LOADING OR UNLOADING" is the service accorded to cargo in transferring cargo by ship's tackle between ship and open top railroad cars, vehicles, pipeline, or water, raft, barge, lighter, or other waterborne vessels; or open top trucks, trailer beds or bodies, which are spotted within reach of ship's tackle or terminal's tackle.</p> <p>(m) "DOCKAGE" is the charge assessed to a vessel for docking at a wharf, dock, pier or other facility, or for mooring to a vessel so docked.</p> <p>(n) "DUNNAGE" means loose wood or other material used in a ship's hold for the protection of cargo and specified items approved by the Sitka Port Commission in Item 202.</p> <p>(o) "FLOATING DOCKS/FLOATS" means docks/floats equipped with or without gangways that are secured to the appurtenant to it for the use of small vessels.</p> <p>(p) "FOREIGN COMMERCE" means that commerce under the jurisdiction of the Foreign Commerce Act.</p> <p style="text-align: center;">(Continued on next page)</p> | | |
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| <p style="text-align: center;"><u>DEFINITIONS – GENERAL (Continued)</u></p> <p>(q) "FOREST PRODUCTS" means forest products including, but not limited to, lumber in bundles, rough timber, ties, poles, piling, laminated beams, bundled siding, bundled plywood, bundled core stock or veneers, bundled particle or fiber boards, bundled hardwood, wood pulp in unitized bales, paper and paper board in rolls or in pallet or skid-sized sheets, liquid or granular by-products derived from pulping and papermaking, and engineered wood products.</p> <p>(r) "GANGWAY" means a narrow, portable platform used as a passage by persons entering or leaving a vessel moored alongside a quay or pier.</p> <p>(s) "HANDLING" is the service accorded to cargo movement from end of ship's tackle or terminal's tackle to the first place of rest on the wharf or other terminal premises designated by the Port Director or his authorized representative to be used as the first place of rest, or from such first place of rest on the wharf or other such terminal premises to a place within reach of ship's tackle or terminal's tackle.</p> <p>(t) "HOLIDAYS": Whenever in this tariff reference is made to holidays the following days are included: New Year's Day, Martin Luther King Day, President's Day, Seward's Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, Day After Thanksgiving, Christmas Day, and every other day appointed by the President of the United States of America and/or the Governor of Alaska. In the event that one of the above mentioned holidays occurs on Saturday, the previous Friday will be considered a holiday for the purpose of this tariff. In the event that one of the above mentioned holidays occurs on Sunday, the following Monday will be considered a holiday for the purpose of this tariff.</p> <p>(u) "INDUSTRIAL PARK" means those parcels of real property adjacent to the Municipal Terminal which organizations with business interests at the Port may lease/rent from the Municipality.</p> <p>(v) "LADDER" means a metal, wooden or rope stairway.</p> <p>(w) "LOA" means the overall length of a watercraft measured from the most forward point at the Beam to the aftermost part of the stern of the watercraft, to include the motor.</p> <p style="text-align: center;">(Continued on next page)</p> | | |
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| <p style="text-align: center;"><u>DEFINITIONS – GENERAL (Continued)</u></p> <p>(x) "MANIFEST" means a detailed statement of a vessel's cargo, giving the bills of lading numbers, marks, number of packages, names of shipper, names of consignee, weight or total measurement of goods, rate of freight and where payable. Such a statement is sent by the owners or brokers at port of shipment to their agents at destination port.</p> <p>(y) "MOORING" means to secure a ship or vessel or any floating object in a particular place by weight, chain, rope, float, structure, or any appliance used for anchoring purposes by a watercraft which is not carried aboard a watercraft as part of it.</p> <p>(z) "MOTOR VEHICLE" means a wheeled vehicle whose primary purpose is ordinarily the non-commercial transportation of passengers, including an automobile, pickup truck, minivan, or sport utility vehicle.</p> <p>(aa) "CITY AND BOROUGH DOCK" means the concrete operating wharves and their associated facilities, such as cranes, transit shed and access trestles permanently affixed thereto.</p> <p>(bb) "CITY AND BOROUGH TERMINALS" means the Municipal Docks and all waterfront property as shown on page __ of this tariff, Transit Areas and their associated facilities, such as access roads, and the adjacent storage areas necessary to conduct normal day-to-day dock or cargo handling operations.</p> <p>(cc) "NON-OPERATING PORT" means a landlord port with all port facilities generally leased, rented or preferentially assigned with the lessee, rental permittee or assignee responsible for operating the facilities.</p> <p>(dd) "OPERATING PORTS" generally provide all port services except stevedoring with their own employees including, but not limited to, loading and unloading of rail cars and trucks and the operation of container terminals, grain elevators, and other bulk terminal operations.</p> <p>(ee) "LIMITED-OPERATING PORTS" lease facilities to others, but continue to operate one or more facilities with port employees. These operated facilities may be specialized terminals, such as grain elevators, bulk terminals, container terminals, etc.</p> <p style="text-align: center;">(Continued on next page)</p> | | |
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| <p style="text-align: center;"><u>DEFINITIONS – GENERAL (Continued)</u></p> <p>(ff) "OVERSTOWAGE" means faulty loading, as when cargo for the second port of discharge is stowed above cargo for the first port and therefore the latter cannot be discharged at its destination.</p> <p>(gg) "POINT OF REST": Point of Rest is defined as that area on the terminal facility which is assigned for the receipt of inbound cargo from the vessel and from which inbound cargo may be delivered to the consignee and that area which is assigned for the receipt of outbound cargo from shippers for vessel loading.</p> <p>Note: Issued pursuant to F.M.C., Docket 875, General Order 15.</p> <p>(hh) "PORT" means a place at which a common carrier originates or terminates (by transshipment or otherwise) its actual ocean carriage of cargo or passengers as to any particular transportation movement.</p> <p>(ii) "PORT DIRECTOR" means the Director of the Port of Sitka or the Port Director's designee.</p> <p>(jj) "PORT FACILITIES" means all docks, floats, berths, wharves, and other landing, launching, mooring, cargo or other facilities located within the Port of Sitka.</p> <p>(kk) "PORT OF SITKA" means the Port of Sitka Subdivision as defined by plat number ____, sheets, exclusive of those areas which are within the exclusive jurisdiction of either the state or the United States.</p> <p style="text-align: center;">(Continued on next page)</p> | | |
| <p style="text-align: center;">ISSUED BY: Keith Brady, Municipal Administrator, Sitka, Alaska</p> | | |

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| <p align="center"><u>DEFINITIONS – GENERAL (Continued)</u></p> <p>(ll) "TERMINAL OPERATOR" means a person or company engaged in the United States or a commonwealth, territory, or possession thereof, in the business of furnishing wharfage, dock, warehouse or other terminal facilities or services in connection with a common carrier, or in connection with a common carrier and a water carrier subject to Subchapter II of Chapter 135 of Title 49, United States Code. A marine terminal operator includes, but is not limited to, terminals owned or operated by states and their political subdivisions; railroads who perform port terminal services not covered by their line haul rates; common carriers who perform port terminal services; and agents thereof who operate port terminal facilities.</p> <p>(mm) "TERMINAL OPERATOR PERMIT" is a permit issued by the City and Borough of Sitka for an agency/entity to perform one or more of the following marine related services or operations at the Port of Sitka: petroleum transfer operations; general cargo operations; dry bulk cargo operations; outloading of cargo from first place of rest within Port transit areas; vessel servicing; fish handling operations; and, passenger operations.</p> <p>(nn)"TRANSSHIPMENT" means the transfer of goods from the vessel stipulated in the contract of affreightment to another vessel before the place of destination has been reached.</p> <p>(oo) "VESSEL" means ships or crafts of all types, including but not limited to the following: motor ships, steam ships, canal boats, tugs, barges, sailing vessels, motor boats, and every structure adapted to be navigated from place to place for the transportation of property and persons by any means.</p> <p>(pp)"VESSEL OWNER" means the actual or registered owner, charterer, master, agent, person in navigational control or person responsible for the operation of the vessel.</p> <p>(qq)"WATERCRAFT" means any vessel, including but not limited to houseboats, floatplanes, waterborne aircraft, floats, scows, rafts, pile drivers, or any other floating structure adopted to be navigated from place to place, used for recreational, commercial, or other purpose upon the waterways within the Port or moored at any place within the Port.</p> <p align="center">(Continued on next page)</p> | | |
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| <p>(rr) "WHARFAGE" is the charge assessed against any freight, cargo, goods placed in a transit shed or on a wharf, or passing through, over or under a wharf or Municipal terminal; or transferred between vessels, or loaded to or unloaded from a vessel at a wharf, regardless of whether or not a wharf is used. Wharfage is solely the charge for use of wharf and does not include handling, sorting, piling of freight or charges for any other services.</p> | | |
| <p>ISSUED BY: Keith Brady, Municipal Administrator, Sitka, Alaska</p> | | |

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| ITEM 200 <u>DOCKAGE</u> | | |
| <p>(a) DOCKAGE:</p> <p>Dockage is the charge assessed to a vessel for docking at a wharf, dock, pier or other facility, or for mooring to a vessel so docked.</p> <p>(b) DOCKAGE PERIOD - HOW CALCULATED:</p> <p>Dockage shall commence when a vessel's first line is made fast to a wharf, pier or other facility, or when a vessel is moored to another vessel so berthed and shall continue until such vessel is completely freed from and has vacated the berth. No deductions will be made for Sundays or holidays.</p> <p>(c) BASIS FOR COMPUTING CHARGES:</p> <p>Dockage charges will be assessed on the length-over-all of the vessel. Length-over-all shall be construed to mean the linear distance, expressed in feet, from the most forward point of the stem of the vessel to the aftermost part of the stern of the vessel, measured parallel to the baseline of the vessel.</p> <p>For dockage billing purposes, length-over-all of the vessel as published in "Lloyd's Register of Shipping" will be used. If no such figure appears in "Lloyd's Register", the Port reserves the right to: (1) obtain the length-over-all from the vessel's register, or (2) measure the vessel.</p> <p>(d) VESSEL DOCKED TO REPAIR, SHORE, OUTFIT OR FUMIGATE:</p> <p>Full dockage will be charged if and when a vessel is permitted to make repairs or alterations, shore for special freight, outfit, store or fumigate while docked at wharf.</p> <p>(Continued on next page)</p> | | |
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| <p style="text-align: center;"><u>DOCKAGE (Continued)</u></p> <p>(e) VESSELS REQUIRED TO OBTAIN ASSIGNMENTS/BERTHING RESERVATION:</p> <p>No vessel will be permitted to berth at a wharf or terminal facility of the without having first made written application for a berth assignment and without such an assignment having been granted. Berthing Applications are available from the Port of Sitka offices.</p> <p>Application of berth assignments must be made as far in advance of the arrival of vessel as possible and must specify arrival and departure dates and the nature and quantity of the freight to be loaded or discharged.</p> <p>(f) BERTHING POLICY/BERTHING RESERVATION:</p> <p>A Terminal Operator Permittee may secure reserved dock space under the following conditions:</p> <ol style="list-style-type: none"> (1) Provide the Port with a fully completed Berthing Application indicating berth and desired, scheduled dockside activities/services needed and timeframes/ date(s) requested. (2) Berthing Application and prepaid dockage must be received by the Port a minimum of 4 business days prior to anticipated vessel arrival. Applications will be processed on a first-come first-served basis. (3) Port will determine availability of berth, services, etc., and dates requested. Should berthing schedule conflicts be found between berthing applicants, the Port shall mediate a resolution which will attempt to minimize negative impacts on both (or all) parties? (4) Full dockage fees will be paid to the Port at the time of application for berthing reservation Prepaid dockage fees will be non-refundable unless a written cancellation is received by the Port a minimum of 24 hours prior to scheduled vessel arrival. <p style="text-align: center;">(Continued on next page)</p> | | |
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| <p style="text-align: center;"><u>DOCKAGE (Continued)</u></p> <p>(5) When space is available, vessels with approved reservations may have a 24-hour grace window on either side of scheduled call/stay provided no other reservations have been received.</p> <p>(6) Vessels that dock at berths without prior berthing application approvals do not have berthing privileges or priority and shall complete a berthing application immediately after docking.</p> <p>(g) VESSELS REQUIRED TO VACATE BERTHS:</p> <p>Vessels may occupy a berth, subject to charges named in Item 200, Section (j), providing such vessel shall vacate the berth upon demand by the Port Director or his authorized representative. Vessels refusing to vacate berth on demand may be moved by tug or otherwise, and any expenses or damages to vessel, other vessels or wharf structures during such removal shall be charged to the vessel so moved.</p> <p>(h) CHARGES ON VESSEL SHIFTING:</p> <p>When a vessel is shifted directly from one wharf (berth) to another wharf (berth) owned by the Port of Sitka, the total time at such berths will be considered together in computing the dockage charge.</p> <p>(i) CHARGES TO ASSISTING VESSELS:</p> <p>A single vessel, when actively engaged as a tug boat, assisting and made fast outboard of a vessel loading or discharging cargo, will be accorded free dockage. A tug boat leaving its tended vessel for any purpose shall waive its right to free dockage for the period of berthing it left its tended vessel until it secures back to its tended vessel.</p> | | |
| <p style="text-align: center;">ISSUED BY: Keith Brady, Municipal Administrator, Sitka, Alaska</p> | | |

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| <u>DOCKAGE (Continued)</u> | | | | | | |
| (j) DOCKAGE RATES WILL BE ASSESSED AS FOLLOWS EXCEPT AS OTHERWISE PROVIDED. | | | | | | |
| Vessel Length (feet) | DOCKAGE RATE In Dollars | | | | | |
| | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> |
| 0 – 50 feet – rate per foot | \$0.80 | \$0.84 | \$0.89 | \$0.94 | \$1.00 | \$1.06 |
| 51 – 149 feet – rate per foot | \$1.00 | \$1.06 | \$1.12 | \$1.19 | \$1.26 | \$1.34 |
| 150 - 199 | \$396 | \$420 | \$445 | \$472 | \$500 | \$530 |
| 200 - 299 | \$592 | \$628 | \$665 | \$705 | \$747 | \$792 |
| 300-399 | \$922 | \$998 | \$998 | \$998 | \$998 | \$998 |
| 400 | \$1,175 | \$1,272 | \$1,272 | \$1,272 | \$1,272 | \$1,272 |
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| <p>Note 1: Half days shall not be considered in computing dockage. Dockage is assessed as follows:</p> <ul style="list-style-type: none"> a. 24 hours or less shall be charged one full day's dockage. b. Over 12 hours, and not more than 24 hours, shall be charged one full day's dockage. <p>(k) MONTHLY DOCKAGE RATES:</p> <p>Vessels employed solely in the business of providing tug service to vessels calling at the Port may make application to the Port Director for monthly dockage rates.</p> <p>4</p> <p>Vessels accorded the monthly rate shall not be deemed to have been given any preferential berthing right and shall vacate any particular berth when ordered to do so by the Port Director.</p> <p>The monthly agreement may be revoked by the Port Director and terminated by the operator upon five days written notice.</p> <p style="text-align: center;">(Continued on next page)</p> | | |
| <p style="text-align: center;">ISSUED BY: Keith Brady, Municipal Administrator, Sitka, Alaska</p> | | |

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| ITEM 202 <u>DUNNAGE</u> (a) DEFINITION: The specified items approved by the Sitka Port Commission for which no wharfage charge will be assessed on outbound containers carrying the specific dunnage items, for which wharfage was assessed on the inbound movement. The qualifying dunnage materials that are used strictly for the purpose of securing and protecting cargo are listed below: Bags, Horticultural, Growing Bags, bulk container, empty Bales of Cardboard Baskets Bins, necessary for the transportation of groceries, foodstuffs and/or department store merchandise Blankets, furniture Boxes, fiberboard, paper or pulpboard, used, collapsed Bread Trays Cans, Aluminum, empty, used Containers, bulk flour Containers, bulk liquid (Porta-feeds), used for transporting chemicals or paint, in bulk, capacity not to exceed 500 gallons each Cylinders Cribbing Cribs Dunnage, rubber, inflatable Dunnage, wooden Hampers, garment Hangers, garment Kegs, not exceeding 55 gallon capacity Load locks Material, not a part of the pallet, platform, skid or shipping container, used to protect top of lading or to secure the load to the pallet, platform or shipping container Milk Baskets, Milk Crates Pads; i.e., packing, shipping, cotton or jute, old, used per Item 148700 of NMFC (Furniture Pads) Pallets <div style="text-align: center;">(Continued on next page)</div> | | |
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| <p style="text-align: center;"><u>DUNNAGE (Continued)</u></p> <p>Pallets, Platforms or Skids, with or without standing or collapsible sides or ends, with or without top, and includes plastic or rubber liners used in conjunction therewith</p> <p>Platforms, Partitions or Dividers Racks Racks, Shoe Reels Skids Spools Totes</p> <p>Note: the return provisions of dunnage will apply only when the returned articles have been assessed wharfage on inbound movement.</p> | | |
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ITEM 210 LOADING AND UNLOADING

| | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
|----------------------------------|-------------|-------------|-------------|-------------|-------------|
| Over 20 feet RATE (each per day) | \$6.15 | \$6.52 | \$6.91 | \$7.32 | \$7.76 |

- (a) **DIRECT LOADING AND UNLOADING:**
Direct loading or unloading is the service accorded to cargo in transferring cargo by ship's tackle or terminal's tackle between ship and open top railroad cars or water, raft, barge, lighter, or other waterborne vessels; or open top trucks, trailer beds or bodies, which are spotted within reach of ship's tackle or terminal's tackle. Cargo shall be subject to wharfage charges.

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| ITEM 212 <u>FREE TIME</u> <p>(a) DEFINITION: The specified period during which cargo may occupy space assigned to it on Terminal property, free of wharfage, demurrage or terminal storage charges, immediately prior to the loading, or subsequent to the discharge, of such cargo on or off the vessel.</p> <p>(b) COMPUTING FREE TIME: Free time starts the first 12:00 am after cargo is received or unloaded onto wharf from car or truck, or, in the case of cargo received from vessel, the first 12:00 am after completion of the vessel's discharge. On outbound traffic, the day or days vessel is loading are not included in the computation. On inbound traffic from vessel, delivery of which is made after the allotted free time period, the day freight is loaded out or delivered to truck or car is to be included in the computation as a storage day.</p> <p>When freight is transshipped between deep sea vessels and involves application of both a long and short time period, the longer period shall be allowed, but not the aggregate of any two free time periods.</p> <p>(c) FREE TIME PERIOD: Free time of three (3) days will be allowed on all inbound traffic. Free time of three (3) days will be allowed on all outbound cargo. Subject to the discretion of the Port Director.</p> | | |
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| ITEM 215 <u>TERMINAL OPERATOR PERMIT</u> | | |
| <p>(a) TERMINAL OPERATOR PERMITS: The services set forth in Item 215, Section (b) shall be provided by independent agents at the Port of Sitka under Terminal Operator Permits issued by the Sitka Port Commission. These permits are available to any qualified agent desiring to provide terminal services at the Port of Sitka and required by the Port of Sitka.</p> <p>A current list of the Terminal Operator Permit Holders operation at the Port of Sitka is on file at the Port of Sitka and available upon request.</p> | | |
| ITEM 220 <u>MINIMUM CHARGES</u> | | |
| <p>Except as otherwise provided herein, where named services are performed, the minimum charge for any single shipment shall be:</p> <p style="text-align: center;">Wharfage: \$75.00</p> <p style="text-align: center;">(Continued on next page)</p> | | |
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| ITEM 222 <u>PORT LABOR</u> | | | | | | | | | | | |
| <p>(a) SUBJECT TO CHANGE: The rates named in this tariff, revisions or supplements thereto, are based upon ordinary traffic and labor conditions. If and when these conditions change because of demand of labor for increased wages, strikes, congestions or other causes not reasonably within the control of the Port of Sitka, resulting in an increased cost of service, the rates are subject to change without notice.</p> <p>(b) OVERTIME: Overtime work performed on Saturdays, Sundays, or Holidays or after 5:00 P.M., or before 8:00 A.M., Mondays through Fridays, or during meal periods as shown below:</p> <table border="0" style="margin-left: 100px;"> <tr> <td>06:00 A.M.</td> <td>to</td> <td>07:00 A.M.</td> </tr> <tr> <td>12:00 Noon</td> <td>to</td> <td>01:00 P.M.</td> </tr> <tr> <td>06:00 P.M.</td> <td>to</td> <td>07:00 P.M.</td> </tr> </table> <p>(c) STANDBY TIME: Except as otherwise provided, when the Port of Sitka is required to order labor for a specific service, and through no fault or inability of the Port of Sitka, the work or service is not commenced, causing standby time to accrue, or when work or service after commencement is delayed through no fault of the Port of Sitka for periods of fifteen consecutive minutes or more, current man-hour rates or agent's actual labor rates, plus 15% will be assessed against the part for whom labor was ordered. In computing cost of man-hour time, less than 15 minutes will be considered no delay, but time of 15 minutes or more will be considered delay time and charges computed from cessation of work until resumption of work will be assessed in units of 15 minutes, except that no charge will be made for the final 15 minutes if work commences within the first seven minutes of such period.</p> <p>(d) MINIMUM LABOR HOURS: When the Port of Sitka is required to furnish labor for a specific service and such service is completed before the expiration of the minimum time allowed under current labor working agreements and awards, the labor charges accruing after the specific service is completed and until the end of the minimum time allowed will be assessed at current man-hour rates plus 15% overhead.</p> | | | 06:00 A.M. | to | 07:00 A.M. | 12:00 Noon | to | 01:00 P.M. | 06:00 P.M. | to | 07:00 P.M. |
| 06:00 A.M. | to | 07:00 A.M. | | | | | | | | | |
| 12:00 Noon | to | 01:00 P.M. | | | | | | | | | |
| 06:00 P.M. | to | 07:00 P.M. | | | | | | | | | |
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| <p style="text-align: center;"><u>PORT LABOR (Continued)</u></p> <p>(e) RATES APPLY WHEN NOT OTHERWISE PROVIDED: When services are performed by the Port of Sitka, its employees or agents, for which no specific rates are set forth in this tariff, or when reference is made to this item, charges for such services shall be at current man-hour rates, or agent's actual labor rates, plus 15% overhead, and the charge for any equipment used as set forth in Item 205. Charge for materials furnished in connection with said services will be assessed at actual cost to the Port of Sitka, plus 15%.</p> <p>(f) LINE HANDLING: The Port of Sitka does not perform the services of line handling. Such service is arranged by and is for the account of the agents of the vessel or stevedore company handling the vessel.</p> <p>(g) LONGSHORE MAN-HOUR RATES: Man-hour rates for longshore work are available from holders of valid stevedore companies.</p> | | |
| <p style="text-align: center;">ISSUED BY: Keith Brady, Municipal Administrator, Sitka, Alaska</p> | | |

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| ITEM 250 <u>WHARFAGE</u> | | |
| <p>(a) Wharfage is the charge assessed against any freight, cargo, goods placed in a transit shed or on a wharf, or passing through, over or under a wharf or Municipal Terminal; or transferred between vessels, or loaded to or unloaded from a vessel at a wharf, regardless of whether or not a wharf is used. Wharfage is solely the charge for use of wharf and does not include handling, sorting, piling of freight or charges for any other</p> <p>(b) APPLICATION: Wharfage rates named in this tariff will be charged for all merchandise received over the Municipal Docks or Municipal Terminal of the Port of Sitka and will be in addition to all other charges made under provisions of this tariff, EXCEPT:</p> <p>No wharfage shall be charged to ship's gear, such as strongbacks, lines, hatch covers, walking boards, etc., placed on wharf during unloading operations. Fuel handled over wharf will not be considered as ship's stores and will be subject to wharfage and other charges that may be incurred.</p> <p>(c) OVERSIDE: Full wharfage named herein will be charged to merchandise discharged or loaded overside of vessel directly to or from another vessel or to the water when vessel is berthed at wharf.</p> <p>(d) OVERSTOWED CARGO: Overstowed cargo destined for discharging at another port will be exempt of wharfage charges, provided such cargo is immediately re-loaded to departure of the same vessel.</p> <p>(e) MINIMUM CHARGE: See Item 220.</p> <p>(f) SCHEDULE OF RATES: Except as otherwise specifically provided, rates are in cents per ton of 2000 lbs.</p> <p>(g) TRANSSHIPPED CARGO: Transshipped cargo shall be taken as a single through movement and shall be included only one time for purposes of determining the wharfage rate.</p> <p>(h) SECURITY SURCHARGE: Notwithstanding any other schedule of charges, the Port of Sitka shall assess a security surcharge of \$0.58 per ton for all commodities crossing the Port of Sitka.</p> | | |
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| COMMODITY | | WHARFAGE RATE In Dollars | | | | | | |
|-----------|----------------|-----------------------------|-------------|-------------|-------------|-------------|-------------|---------|
| | | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | |
| ITEM 251 | Aggregates | Per ton | \$1.17 | \$1.24 | \$1.31 | \$1.39 | \$1.48 | \$1.57 |
| ITEM 252 | Freight, N.O.S | Per ton | \$7.03 | \$7.45 | \$7.90 | \$8.37 | \$8.88 | \$9.41 |
| ITEM 253 | Fish | Per ton | \$14.50 | \$15.37 | \$16.29 | \$17.27 | \$18.31 | \$19.41 |
| ITEM 254 | 30 AMP | Per day | \$8.00 | \$8.48 | \$8.98 | \$9.52 | \$10..09 | \$1070 |
| ITEM 254 | 100 AMP | Per every 4 hours | \$20.00 | \$21.20 | \$22.47 | \$23.82 | \$25.25 | \$26.76 |

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SECTION 2 DEFINITIONS AND SCHEDULE OF CHARGES

| COMMODITY | WHARFAGE RATE In Dollars | | | | | |
|--|-----------------------------|-------------|-------------|-------------|-------------|-------------|
| | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> |
| VANS OR CONTAINERS | | | | | | |
| Freight; rigid, non-disposable, dry cargo, insulated, refrigerated, flat rack, liquid tank, or open top container, with or without wheels or chassis attached, minimum dimensions 8 ft. wide and 20 ft. long, viz: containing merchandise, except containing powder, gun or blasting, or other articles as described in Item 264, under seal. (Subject to Notes 1 and 2) | \$3.51 | \$3.72 | \$3.94 | \$4.18 | \$4.43 | \$4.70 |
| Empties returning, each (Subject to Note 1) | \$1.17 | \$1.24 | \$1.31 | \$1.39 | \$1.48 | \$1.57 |
| NOTE 1: May include unit for refrigeration or heating of merchandise. | | | | | | |
| NOTE 2: Charge applies to net weight of contents of vans or containers, inbound or outbound. | | | | | | |
| VEHICLES and other articles, empty self-propelled or non-self-propelled, viz: | | | | | | |
| Automobiles, including pickups with or without camper bodies attached, chassis, | \$1.17 | \$1.24 | \$1.31 | \$1.39 | \$1.48 | \$1.57 |
| Trailers, house or vacation; homes or buildings, mobile or modular, S.U. | \$9.36 | \$9.92 | \$10.52 | \$11.15 | \$11.82 | \$12.53 |
| Heavy Equipment including cranes, sanders, sweepers, graders, loaders, fork lifts, | \$12.87 | \$13.64 | \$14.46 | \$15.33 | \$16.25 | \$17.22 |

ISSUED BY: Keith Brady, Municipal Administrator, Sitka, Alaska

| | | | | | | |
|---|-----------------------------|-------------|-------------|-------------|-------------|-------------|
| PORT OF SITKA TERMINAL TARIFF, FMC NO. 1 | Orig./Rev. | | Page | | | |
| | Original | | 45 | | | |
| | Cancels | | Page | | | |
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| | Effective Date | | | | | |
| | Correction No. | | | | | |
| SECTION 2 DEFINITIONS AND SCHEDULE OF CHARGES | | | | | | |
| COMMODITY | WHARFAGE RATE In Dollars | | | | | |
| | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> |
| Pursuant to the establishment of the Office of Homeland Security in 2001 and Maritime Transportation Security Act of 2002, the Port of Sitka will assess a security fee in order to defray expenses associated with mandated security measures. | | | | | | |
| Heavy Equipment including cranes, sanders, sweepers, graders, loaders, fork lifts, | \$12.87 | \$13.64 | \$14.46 | \$15.33 | \$16.25 | \$17.22 |
| PORT FACILITY SECURITY FEES petroleum products. See Item 170. | \$0.68 | \$0.72 | \$0.76 | \$0.81 | \$0.86 | \$0.91 |
| CARGO VESSELS | | | | | | |
| Notwithstanding any other schedule of charges, the Port of Sitka shall assess a security surcharge on <u>per ton</u> for all commodities crossing the Port of Sitka facilities. (Subject to Note 1) | | | | | | |
| NON-CARGO VESSELS | | | | | | |
| Notwithstanding any other schedule of charges, the Port of Sitka shall assess a security fee on the gross tons of all vessels calling at the Port facilities. | \$0.12 | \$0.13 | \$0.13 | \$0.14 | \$0.15 | \$0.16 |
| PASSENGER | | | | | | |
| Notwithstanding any other schedule of charges, the Port of Sitka shall assess a security fee on per passenger embarking or disembarking at the Port facilities. | \$1.17 | \$1.24 | \$1.31 | \$1.39 | \$1.48 | \$1.57 |
| Note 1: The Upper Cook Inlet Area Maritime Stakeholders that currently contribute to Security are exempt from the above security fees. | | | | | | |
| ISSUED BY: Keith Brady, Municipal Administrator, Sitka, Alaska | | | | | | |



City and Borough of Sitka

100 Lincoln Street Sitka, Alaska 99835

Coast Guard City, USA

Interdepartmental Internal Service Agreement Between

Gary Paxton Industrial Park, Harbor Department, and Finance Department For Billing Accounting For GPIP Dock Transient Moorage and Tariff Charges

It is agreed among the undersigned Departments that responsibilities regarding various aspects of billing and accounting for transient moorage and tariff charges stemming from usage of the GPIP dock shall be as follows.

In addition, fees, if any, levied between the undersigned Departments for services provided in conjunction with services performed under this agreement shall be as follows.

Responsibilities

Gary Paxton Industrial Park (GPIP)

The GPIP shall be responsible for determining all tariff charges, other than transient moorage, stemming from usage of the GPIP dock. This shall include determination of all billable dock activity, and determination of applicable charges to be billed.

The GPIP shall be responsible for providing the Finance Department, on a weekly basis, an advice of billing for each separate determination of billable tariff charges which shall (1) contains complete billing information for the billable party; (2) complete identification of all tariff charges to be billed by price times quantity, referencing tariff line numbers; (3) identification of party generating charges (date(s), name, address, license number, etc.) and (4) any special billing terms other than standard Net 30 terms.

Harbor Department

The Harbor Department shall be responsible for determining all transient moorage charges stemming from usage of the GPIP dock. This shall involve examining security camera footage of the dock, determining vessel numbers and owners, and generating physical transient moorage invoices, if necessary.

The Harbor Department shall be responsible for the entry of all transient moorage charges stemming from use into the GPIP dock into the Marina software system.

The Harbor Department shall be responsible for providing the Finance Department, on a monthly basis, all reports from the Marina software system necessary for the accounting for transient moorage charges at the GPIP dock.

Finance Department

The Finance Department shall be responsible for accounting for all transient moorage charges generated through usage for the GPIIP dock, and, accounting for all collections of such charges from GPIIP dock customers.

The Finance Department shall be responsible for preparing invoices from each advice of billing for each separate determination of billable tariff charges, and, for the mailing of such invoices to billable parties as identified on each advice of billing. The Finance Department shall also be responsible for accounting for all billable tariff charges generated through usage for the GPIIP dock, and, accounting for all collections of such charges from GPIIP dock customers.

The Finance Department shall be responsible for all collections actions taken in attempts to collect past due billed charges generated through usage of the GPIIP dock. The Finance Department shall also be responsible for accounting for all bad debt expenses related to usage for the GPIIP dock, and, accounting for all recoveries of bad debt from GPIIP dock customers.

Fees Earned and Paid

All parties agree that the Harbor Department shall earn a fee equal to 50% of all transient moorage at the GPIIP dock, in return for its responsibilities under this agreement. This fee shall be paid by the GPIIP and shall be received by the Harbor Department.

All parties agree that billing, accounting, and collections services performed by the Finance Department shall be a portion of the overall management fee for general governmental services charged by the General Fund to enterprise funds.

All parties agree that any collection fees paid to 3rd party collection agencies in conjunction with attempted collection of bad debts shall be paid by the GPIIP.

Specific Accounting Treatments

All parties agree that all revenue earned through transient moorage at the GPIIP dock, and through tariff charges, shall be accounted as revenue of the GPIIP.

The Finance Department shall be responsible for accounting for fee revenue earned by the Harbor Department, and, for fee expenses charged to the GPIIP, which will be recorded on a monthly basis.

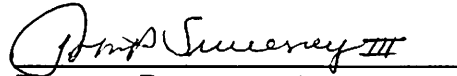
All parties agree that any bad debts related to transient moorage at the GPIIP dock, and through tariff charges, shall be accounted as an expense of the GPIIP. Any recoveries of bad debt shall subsequently be accounted for as revenue of the GPIIP. All fees payable to the Harbor Department under this agreement shall be considered earned at the time

services are provided by Harbor personnel and shall not be reduced if billed charges prove to be uncollectable.

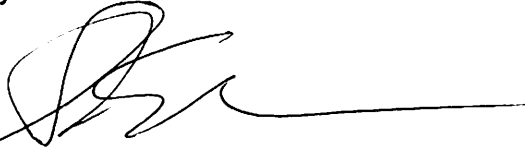
Signed this 7th day of March, 2018



Gary Paxton Industrial Park



Finance Department



Harbor Department

Approved:



Municipal Administrator



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 18-039 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 3/7/2018 In control: City and Borough Assembly

On agenda: 3/13/2018 Final action:

Title: Approve a one year purchase agreement between the City and Borough of Sitka and Green Gold Distributors for raw water in bulk export

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and Memo Green Gold Distributors.pdf](#)
[Green Gold Distributors.pdf](#)
[Green Gold Purchase Agreement.pdf](#)

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

POSSIBLE MOTION

I MOVE TO approve a one year purchase agreement between the City and Borough of Sitka and Green Gold Distributors for raw water in bulk for export as recommended by the Gary Paxton Industrial Park Board and authorize the Municipal Administrator to execute this document.



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

Tuesday, March 06, 2018

MEMORANDUM

To: Gary Paxton Industrial Park (GPIP) Board of Directors
From: Garry White, Director
Subject: Green Gold Distributors Water Purchase Request

Introduction

The Gary Paxton Industrial Park (GPIP) Board of Directors is recommending that the CBS enter into a water purchase agreement with Green Gold Distributors Ltd (Green Gold) for the export of bulk water. The GPIP Board recommends approval of the following terms:

Term

- 1-Year term with one 5-year extensions with consent of both parties

Water Volume

- 3,069 Acre-feet (~1 billion gallons) annually
 - Green Gold must purchase and export a total of 50 million gallons of water within a 6-month period or Sitka can terminate agreement.
 - After 6 months, the agreement defines Stages of water volume export to retain water allocation amounts. (Section 3.2)
 - Green Gold gains more allocations by exporting more water and can lose allocation amounts by failing to export specified amounts.

Water Pricing

- The price for water has been set at \$3,258.51/Acre-feet or \$0.01/US gallon.
- Green Gold is required to make a non-refundable fee of \$5,000 that can be used as water credits.
- Green Gold will receive 50,000 gallons of water free of charge for wash-down, washout, or other non-export applications per each loading event. After the first 50,000 gallons per loading event, the price is \$.005/gallon.

Other Terms

- Ensures municipal water uses retain first right and priority to the water. (Section 4a)
- The agreement allows for hydroelectric dam and water system maintenance. (Section 4c)
- Defines requirements for ballast water discharges and water loading.

- Allows option for Green Gold to install a water based water-loading station per CBS approval. (Section 10)

Background

Green Gold Distributors LTD (Green Gold) is requesting to establish a water purchase agreement with the CBS to export raw water in bulk.

Green Gold is an importer/exporter company located in South Africa. The recent drought in South Africa has created a huge need for water in Cape Town.

Please see the attached proposal and addendum #1 from Green Gold.

Bulk Water Export Background

The City and Borough of Sitka (CBS) has permits to export 29,235 Acre-feet (~9.5 billion gallons) of raw water annually.

The CBS has entered into multiple water purchase agreements with multiple entities for bulk export since 1996.

Currently the CBS has water purchase agreement with Arctic Blue Waters Alaska Inc. for 6,138 Acre-feet (~2 billion gallons annually) of water and Eckert Fine Beverages for 100 million gallons of water annually.

The CBS currently has ~23,097 Acre-feet or ~7.4 billion gallons of water annually available for export. If the Assembly approves Green Gold's request, the CBS will still have over 20,027 Acre-feet or ~6.4 billion gallons of raw allocation annually available to enter into other contracts.

| <u>Permit</u> | <u>Acre Feet</u> | <u>Gallons</u> |
|-------------------------------------|-------------------------|-----------------------|
| LAS 19669 | 14,000 | 4,561,914,000 |
| <u>ADL 43826</u> | <u>15,235</u> | <u>4,964,339,985</u> |
| Total Available | 29,235 | 9,526,253,985 |
| <u>Eckert Agreement</u> | <u>0.31</u> | <u>100,000,000</u> |
| <u>ABWAI Agreement</u> | <u>6,138</u> | <u>2,000,073,438</u> |
| <u>Proposed GreenGold Agreement</u> | <u>3,069</u> | <u>1,000,036,719</u> |
| Available for other BW Contracts | 20,027.69 | 6,426,143,828 |

Additional Information

- Green Gold has stated that it wishes to establish a tideland-loading facility similar to the one installed in the CBS tidelands by Alaska Bulk Water Inc.
 - Recommended that tideland-loading system be addressed via a separate permit or amendment to agreement at a later date.

Action

- Assembly approval of the water purchase agreement between the CBS and Green Gold Distributors LTD.

A blue water droplet is shown falling into a pool of water, creating a series of concentric ripples. The droplet is positioned above the text, and the ripples spread out across the bottom of the image.

Greengold Distributors (Pty) Ltd

Executive Summary

Greengold Distributors (Pty) Ltd was founded in 2001 as a trust but was registered in 2015 as a private company due to our tax requirements changing.

Originally, we had only focused on exporting fresh produce, but over the years, changes in the fresh produce industry has necessitated us to adapt and diversify our business.

As part of this diversification, we have taken on such “impossible” projects such as importing cement and eggs into South Africa and have succeeded in being the first people to gain import permits for both.

We’re seeing the importation of bulk water as our next target, as there is a huge need in the Western Cape at the moment, due to the worst drought in four centuries.

Although we are aware that there are big challenges involved in the trade of bulk water that no one has managed to overcome before, we believe that the situation in South Africa all but lays the path for us to be the first to achieve this as well.

We have about 20 years’ experience with bringing together various parts of a value chain in order to make things happen, and we will be tailoring our offering of bulk water to suit our experiences in other products and commodities. And we will do this in a way that will decrease our initial capital outlays to an absolute minimum, which will allow us to grow our markets for bulk water in the long run.

At its heart, we believe the solution to the biggest issues that have hampered the bulk water industry to date will be to source the water in Sitka, where the infrastructure to load is in place, and to deliver the water to the Cape Town Metropolitan Municipality, which has the facilities to store and process large shipments of water.

Other than that, we also plan to approach corporate and private clients for smaller shipments that can be stored in flexibag containers until the water has been utilized.

As we speak, we already have permission to import the water into South Africa. Our next step is to finalize the rights to load the water from the City and Borough of Sitka, before we can finalize the trade deals with our clients.

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General Company Information

Greengold Distributors (Pty) Ltd was founded in 2001 as a trust and registered as a private company in 2015. Originally, we focused on exporting fresh produce, but due to the way in which the fresh produce industry is developing, we have decided to expand our business model to include various food-related products.

This included exporting vegetables to Europe and Russia and wine to Australia, New Zealand, and the Seychelles, but also in our being the first company in South African history to gain an import permit for table eggs in 2017, to supply a shortage that had been caused by the Avian flu crisis in the Western Cape.

It was in fact this challenge that got us thinking about the other crisis we were seeing on the horizon, namely the severe drought in the Western Cape.

Since it is becoming apparent that we are good at providing solutions to wide-ranging issues by looking at a bigger picture, we've decided to align our mission statement as follows:

Our Mission

To aid in food and water security by establishing trade routes for essential goods that haven't existed before.

Our Vision

Greengold Distributors and their shareholders see themselves as changing, and maybe even saving the world a little bit, first by supplying shortages in our immediate area, but then branching out into the wider world.

Our Goals for the Water Business

Our first concern when it comes to water will be to lighten the shortage in the Cape Town area with bulk water delivery, but beyond that, we know there are more, smaller towns in the Western Cape that need water as well—especially farming communities, where about 22,000 jobs are being threatened by the drought. In looking at this, we have to think a little bit further, as there would be no immediate easy solution, like bringing in a ship and pump the water into the system, as there is in Cape Town.

Main Features in the Water Industry

Our research activities have revealed that the water industry as a whole and the bulk water industry in particular seem to be stuck in the infant stages, mainly due to the fact that until recently, few buyers have seen the point to making such purchases.

Although it is a much-needed commodity, the cost of importing water is generally seen as being too high. Our analysis of the value chain has revealed that it is not the price of the water that is the challenge, but the freight costs required to get it to wherever it is needed.

However, we are firm believers that when it comes to a choice between the price of the water and the taps running dry, a higher price will always win. We're already seeing this in Cape Town, where millions of dollars have been spent on inefficient desalination plants that aren't even a long-term solution and that will produce water that isn't potable and probably won't be able to be processed to the point where it can be drunk.

As such, we believe that we have stable clients in the Cape Town municipality and the Western Cape government at large, as well as private businesses in the Western Cape region.

Company Strengths and Core Competencies

Our biggest strength is the shareholders' track record in seeing the bigger picture and making many moving parts in a value chain come together to provide the solution. We excel at leveraging our network of contacts and providers to make things happen.

A few examples of this:

In 1997, Anna-marie Gericke started a fresh produce production-, packing-, and export business from scratch in the Eastern Free State, South Africa. This business rapidly grew to the point where we outsourced planting programs to 17 farmers in total. We mainly sent the product to Europe and the UK. In time, with the cooperation of the government, we developed a program for upcoming farmers that lasted until 2007, when we relocated the Western Cape.

After the death of Anna-marie's father, she inherited part of a building construction company. When she realized there would be a shortage of cement during the building of infrastructure for the 2010 Soccer World Cup, she pushed her company to be the first one ever to get an import license for cement into South Africa.

Most recently, the Avian flu crisis struck the Western Cape in 2017, resulting in the culling of millions of laying chickens and an ensuing shortage of eggs that saw the food security of the poor threatened. We decided to import table eggs, but everyone we dealt with said it would take us years—if ever—to get an import permit, as it has never been done before. It took us four months. We also structured our deals so that the local egg packing plants where the Avian flu had stopped egg production would be our clients, to help prevent major job losses in the industry.

As such, we can truly say we have a decades-long track record of making the impossible happen, and we're seeing the bulk water industry as our next challenge to conquer.

The Opportunity

At the moment, there are huge gaps in two markets here due to the drought.

The first opportunity we see is in helping the Cape Town municipality supply water to its citizens. Average water usage in the Cape Town Metropolitan Area is 500ML (132 MG) per day. Due to the drought, they are trying to encourage citizens to cut down consumption to 450 ML (119 MG) per day by using only 50 liters (13.2 gallons) per person per day.

Day Zero is currently set to arrive on 16 April. On this day, all non-essential water consumption will be shut down. In other words, schools and hospitals will still receive water, but private businesses and individuals will not, and people will have to queue for a 25-liter (6.6-gallon) daily allocation from communal points secured by the South African Police Service and the South African National Defense Force.

It is in this fact where our secondary market lies. Concurrently with offering water to the municipalities for usage in their distribution system, we will also have corporate clients that require water in their general production and even just for their workers, as we foresee that industries across the board will come to a standstill, as their employees would have to queue for hours. To give you an idea of the scope of this problem: there are 200 points planned for an estimated population of 3.74 million people.

Therefore, we envisage supplying bulk water using a two-pronged approach. First, we will supply tankers-full directly to the city, which will be pumped directly into the city's storage facilities for use in their distribution system, and we can supplement this by providing corporate client needs and even certain individuals with 20" containers with flexitanks. These tanks could also be a much-needed solution to the tourist industry, which is one of Cape Town's main income streams. We plan to intensify our marketing to the city's many hotels, as well as major events such as Cape Town's annual cycle tours, marathons, and festivals.

We think opportunity for this is big and, together with our logistics company, we are also currently looking at direct delivery to clients.

Industry Analysis

There are two main barriers to entry to the bulk water industry. The main one would be the capital outlays to acquire the infrastructure required for loading and storing bulk water shipments.

We believe that we can sidestep this issue for the most part by sourcing water from the City and Borough of Sitka, which already has the infrastructure needed to load, and selling to the City of Cape Town as a start, as they already have the storage and processing capacity required.

Additionally, there would be further benefits to this arrangement, as Sitka has ample supplies of water and we would not be bleeding another country of a commodity they don't have enough of themselves. We already have all relevant permissions from our Department of Water Affairs to allow us to bring in the water.

The second barrier to entry would be the resistance to importing water as shown by potential clients in the past. However, the drought here is bound to change this outlook, at least in South Africa, and we believe others would follow once successful trade has occurred here.

Strategy

In the short term, we will be using a two-pronged approach of importing bulk water by tanker and by container, both for Cape Town's municipal government and corporate and private clients.

Our logistical company will be heavily involved in both this methods. For tankers, we are looking at the PANAMAX class vessels for medium range, mainly because it would suit both loading out from the cove in Sitka to begin with, as well as the offloading in Cape Town Harbor.

We had thought about the 250,000-ton tankers because of the freight per liter being more affordable but, in the end, we think it would be better to do smaller vessels more often, as one has to keep in mind the offloading in Cape Town.

For the 20” containers, we are looking at the flexitank “bladder” inside a standard container, for the product to be delivered directly to the client in Cape Town. These containers will contain 24,000 liters (6,340 gallons) of water. The containers will be distributed directly to corporate and private clients. In all possibility, this will be our first product loaded because of the loading situation in Sitka as well as the easy management involved. We can almost immediately get the equipment to Sitka, and the freight situation is a lot easier than getting the tankers out there, which will take time to do.

However, because of racketeering now taking place in the Western Cape due to the water shortage, marketing on our side will only commence for the containers once we have everything signed and in place with CBS. We do not want people to doubt our ability deliver, nor do we wish for fly-by-night operators to harm our business.

In the longer term, we will work toward expanding our range of delivery, and also look into bottled water as another form of expansion. We have no doubt that, once we have done this successfully into Cape Town, the whole world will look differently at the import of water. We believe the biggest problem as to why Sitka has been unable to do this with great success, despite the infrastructure that is in place, is due to the fact that it’s always daunting for any person or corporate body to take on something this big. One needs the will to take the possibilities from a nice idea to reality. However, once it has been done the first time, others will follow.

Business Model

Because the nature of the business is such that storage is a big factor, we plan to utilize the already existing storage facilities in the Cape Town municipal system as much as possible for the bulk water. Where this can’t be done, we plan to use the flexibag containers themselves as storage where possible.

To further take the strain of needing infrastructure off our business, we would establish as many deals as possible on a CIF basis as far as possible, so as to cut down our costs and management on arrival.

Furthermore, we will use a logistical company to get the product in Cape Town, so that all technical sides of the loading, shipping, and offloading are taken care of professionally and with all the health and safety precautions in place. We are far away from Sitka and, although we would be there for the first loadings, we also need to keep an eye on the business on the South African side.

Management and Organization

Currently, our team in the office consists of Anna-marie Gericke, who is the CEO of the business, Misha Gericke as the COO, Jacques Gericke, who is the company Secretary and also involved with the marketing.

All other functions of the company, such as logistics and documentation are outsourced to our logistical company.

Greengold Distributors (Pty) Ltd is registered in South Africa.

Registration number: 2015/228599/07
Income tax number: 9183939199
VAT number: 4370275933
Customs registration number: 21774832
Registered address: Sherwood Farm,
P.O Box 402
Western Cape
South Africa
7160

Curriculum Vitae of Anna-Marie Gericke

Core Accomplishments

- Initiated, together with the Free State Department of Agriculture, training programs for previously disadvantaged farmers.
- Gained exporting contracts from companies worldwide and had contracts with between seventeen and forty farmers plant to service these export contracts between 1997 and 2007.
- Started and managed a communal packhouse on GlobalGAP standards for these products. This facility had 120 seasonal workers and 23 permanent workers.
- To diversify and create a less seasonal income, her company became the first ever to get an import license for cement into South Africa in 2004
- Won the *Sunday Times* Food Business of the Year Award in 2008 for innovations in fruit juice.
- Was a finalist in the *Landbou Weekblad* Business Woman of the Year Competition in 2002.
- Was a Business Development Consultant for an Israeli, international agricultural company.
- Was invited to do an agricultural consulting job in Afghanistan for USAID, but declined due to the safety situation.
- Organized the first agricultural study tour into South Africa for Afghanistani farmers, together with USAID. Managed tour in South Africa.
- Ran her own export and farming business for the last 20 years.
- Has well-honed communication skills. Able to speak five languages (English, Afrikaans, German, South Sotho and Spanish) fluently and has a working knowledge in three more: Mandarin (written and spoken language), Italian, and French.

Professional Experience

- Managed own business and did a variety of other management and consultant jobs. Started the business as a marketing tool for vegetables when farmers in the region did not have the marketing skills required to export and market their product overseas.
- Strengthened company's business by leading implementation of new export strategy.
- Generated new business through direct marketing and personal contact with clients.
- Accountable for public relations including overall customer satisfaction.
- Well-developed interpersonal skills with a wide, international knowledge- and client-base
- Excellent networking skills.
- Skilled in public speaking (also skilled with talking through an interpreter).
- At ease with clients ranging from local upcoming farmers to the highest levels of government.

Work Experience

Provincial Government of the Free State 1983–1986: General nursing

Drs. Du Toit, De Villiers, and Orrock 1989–1992: General nursing as well as reception in General Practice

Ficksburg Pizza Parlour 1992–1997: Own business. General management of pizza restaurant.

AG Distributors 1997–2007: President

- Started business to pack and market on GlobalGAP standards for vegetables and fruit, with the support of Mac Multiples in the UK. Packed for UK supermarkets as well as EU supermarkets.
- Marketing of vegetables and fruit, concentrating on cucurbits, for the UK market.
- Management of planting programs (17–40 farmers).
- Management of pack house with 120 seasonal workers and 23 permanent staff.
- Started and managed a training program for upcoming farmers with the support of the Free State's Department of Agriculture.
- Setting up budgets and keeping to the budget.
- Control all stock, including packaging material and fresh products.
- Managed all debtors and creditors.
- All taxes, including VAT and company tax as well as PAYE.
- All salaries and wages.

Tradouw Fruit Packers 2008–2009: Packhouse and Juice Plant Manager

- General packhouse management with 70 packers.
- Making of organic fruit juice. (Won the *Sunday Times* Food Product of the Year Award.)
- Management of labor and negotiations with regards to salaries, including union negotiations.
- Management of contract packing and farmers.
- Developing markets for juice and fresh products.
- Management of the farm's workshop.
- Management of stock levels for both packing material and products.
- Organized and managed the first ever study tour for Afghani farmers in South Africa in support of USAID. This was not as part of the job, but was asked by USAID to do it and thought it a great idea.

ARISA Swellendam 2009–2010: Business Development Manager on a contract basis.

- Development of second grade market for persimmons.
- Developed and researched the use of fruit for the production of ethanol with Nietvoorbij Laboratories.
- Export and local marketing to expand the market for persimmons.

AG Distributors 2010–2013: President

- Resumed business, but focusing on fresh fruit from the Western Cape.
- Changed business model and grew business into a multi-million-dollar exporting business

Greengold Distributors 2014–Present: CEO

- Marketing, trade, production, and export of fruit and vegetables mainly to Europe and the Middle East, but also to Canada and a little bit to the Far East.
- Management of 30–50 seasonal workers, permanent traders, and permanent staff.
- General day-to-day management of agricultural export company, concentrating on cucurbits for the EU market, including Ireland.
- All Debtors and creditors
- All international negotiations and payments.
- Expansion into exportation of wine and importation of table eggs.

Education

School: Sarel Cilliers Secondary School, Koppies, Free State, South Africa

Subjects:

Afrikaans
English
Maths
German
Biology
Geography

Curriculum Vitae of Misha Gericke

Education

Secondary School: Ladybrand Academy (2006)

A-level Subjects:

Mathematics (Pure Mathematics, Mechanics, and Statistics)
Chemistry
Physics
Accounting
English Literature (First Language)
French (Foreign Language)
Afrikaans (Foreign Language)

University: Stellenbosch University

Degree: Bachelors in Commerce (2011) Subjects studied also include Mathematics (two years), Statistics (18 months), Actuarial Sciences (18 months), and Mandarin (18 months).

Language Proficiency

English: Excellent Reading, Writing and Speaking (Academic language of choice)
Afrikaans: Home Language
French: Fluent
Mandarin: Beginner (First year University Level 95% Average)

Work Experience

Greengold Distributors 2014–Present: COO

AG Distributors 2011–2013: Vice President and Fresh Produce Trader

Remembrance Restaurant 2009–2010: Part-time work as front of house manager to supplement income while studying.

Akkerboom Trading Post and Restaurant 2007–2009: Part-time management to supplement income while studying.

Joal Pharmacy 2004–2005: Floor sales staff on weekends and holidays to earn pocket money while in high school.

Curriculum Vitae of Jacques Gericke

Education

Schooling: Cambridge IGCSE

Subjects:

Afrikaans
English
Maths
History
Geography
Travel and Tourism

Certificate: ACS EDU

Subjects:

Beef cattle breeding certificate
Pasture management certificate

Diploma: National Butchery Diploma from South African Butchery School

Language Proficiency

Afrikaans: fluent (Home language)
English: fluent (Educational language)

Work Experience

Grabouw Butchery December 2011–January 2012: Holiday job for butchery experience.

Prosperitas Eiendoms Trust February 2012–June 2016: General Farming for our family enterprise including cattle, sheep, and horses.

Klein Paradys Equestrian Centre June 2016–May 2017: General equestrian work, including stables, training, teaching, out-rides and general maintenance.

Greengold Distributors May 2017–Present: Company Secretary and marketing.

ADDENDUM 1

On the 9th of February we had a meeting with the City of Cape Town.

The following points came out of the meeting:

1. Cape Town City will only deal on this with a SOUTH AFRICAN-based company, preferably Western Cape-based, so they can have ease of communication and control.
2. The moment we have the contract in place between us and Sitka, the City of Cape Town will provide us with a letter of intent to buy the water from us, which we will use to negotiate the freight to the lowest possible rate.
3. The City of Cape Town will handle all local storage and testing.
4. The water will therefore come into Cape Town on a CIF basis so all local costs including demurrage (should it be incurred) will be for the city's account.
5. The city wants the newest available analysis results for the water, even though it is not sold as potable, so that they can know what they are dealing with in terms of purification.
6. Even though Day ZERO has been moved out to the 11th of May, the whole point of importing the water would be to prevent Day ZERO from ever happening

Further to this meeting, we have decided that we will be willing to negotiate a short-term contract with renewal option with Sitka. Should we be unable to pull this through, we will be happy to relinquish the rights given to us after the initial term.

Due to the dire need of the city, we believe we can export the total available amount per year and this is what we approached the city with, so as to make this a viable option for them. It was in fact the quantity that made them sit up and notice what we are trying to achieve.... One of the first questions asked was whether we would be able to deliver the quantity if the deal went through. So please keep this in consideration. We are satisfied with taking a sliding scale that works up to the full amount if certain milestones are reached. We do however request that, for the short period until we can see whether we can move a significant amount of water, no further rights are issued, in order to protect the quantity of water in the event of it being needed by Cape Town.

Should we perform up to expectation, we ask that you give us permanent rights to the water, so that we can be the ones to pick the fruit of our labors, since nobody has done this successfully before. Suddenly everybody wants to jump onto our ship and we are not prepared to let it sink.

We already have to cope with the result of 30 years of not getting the job done, in the form of challenges with dealing on the shipping side of the venture... as demonstrated by some of the mails I have forwarded to Garry.

With the meeting with Cape Town, we sealed in place a customer able to manage the water on arrival. The politics in South Africa is such that the only reason this water will be bought by the city is because we offered it as a company based in the Western Cape that is majority owned by women.

As such, we expect to reap long-term benefits of making the possibility of trade in bulk water a reality, and not let some other company walk away with our achievement after we have made this happen.

**PURCHASE AGREEMENT
FOR RAW WATER IN BULK FOR EXPORT**

BETWEEN: City and Borough of Sitka, Alaska (“Sitka”)
100 Lincoln Street
Sitka, Alaska 99835

AND: Anna-marie Gericke
Green Gold Distributors (“GREEN GOLD”)
P.O Box 402
Grabouw, Western Cape
South Africa 7160

1. Term and Documents Comprising this Agreement.

1.1 The “initial term” of this Agreement shall commence upon GREEN GOLD making a non-refundable payment of Five Thousand Dollars (\$5,000.00), payable upon signing this Agreement, to the Administrator of Sitka (“Administrator”), and shall end at 11:59 p.m. Alaska Standard Time on March 30, 2019. Sitka hereby grants to GREEN GOLD, the right to purchase raw water in bulk for export, to be delivered to it by Sitka from the Blue Lake reservoir, a water source within Sitka, on the terms and conditions set forth herein.

1.2 At the conclusion of the initial term of this Agreement, one (1) additional term of five (5) years may be exercised upon the written consent of both parties. GREEN GOLD must notify the Administrator in writing no earlier than one (1) year and no later than four (4) months before the end of the initial term of its desire to add an additional five-year term. If GREEN GOLD does not so timely notify the Administrator, this Agreement shall terminate at the expiration of the initial term. If GREEN GOLD does so timely notify the Administrator, Sitka has thirty (30) days to notify GREEN GOLD in writing of its consent to the additional term. As initiated in writing by Sitka after notice is given by GREEN GOLD of its desire to add an additional five-year term, Sitka's raw water price is subject to re-negotiation before the commencement of the additional five- year term. If a price is not agreed upon in writing, this Agreement shall terminate at the expiration of the initial term.

1.3 The Agreement consists of the 23 sections plus Appendix A (a map) and Appendix B (the “Prospective Purchaser Agreement Between the State of Alaska and the City-Borough of Sitka for the Former Alaska Pulp Corporation Pulp Mill Property” dated April 28, 1999, including all attachments, which specifically includes “Memorandum of Understanding between the State of Alaska and the City and Borough of Sitka [:] Management Plan for Sawmill Cove Property (Former APC Property).”).

2. Definitions.

In this Agreement, the following terms shall have the definitions stated:

- a) "Acre-foot" or "af" means 325,851 U.S. gallons.
- b) "Annually" means 12 consecutive months.
- c) "Beneficial use" means the application of water, purchased by GREEN GOLD for export or for use at the point of delivery, to a useful purpose, including domestic, commercial, agricultural, wildlife, and recreational uses.
- d) "BG" or "bg" means billions of gallons.
- e) "Bulk water" means untreated non-potable water sold by Sitka to GREEN GOLD under this Agreement, and delivered by Sitka to GREEN GOLD in the measured quantities specified in this Agreement.
- f) "Deliver" or "to deliver" or "delivered" means Sitka making a specific quantity of water available to GREEN GOLD at the point of delivery.
- g) "Export" means the transportation by GREEN GOLD of bulk water to a destination outside the hydrological unit of the Blue Lake drainage.
- h) "Gallon" means one US gallon or 3.785 liters.
- i) "Loading" means transporting the raw water which is the subject of this Agreement from Blue Lake through pipelines and other conveyances into the GREEN GOLD-chartered ship for export outside Alaskan waters.
- j) "MG" or "mg" means millions of gallons.
- k) "MGD" means millions of gallons per consecutive 24-hour period.
- l) "Per day" means calendar day starting at midnight.
- m) "Per week" means during a period of seven (7) consecutive days.
- n) "Per year" means during a period of 12 consecutive months.
- o) "Point of delivery" means that physical location at which the Sitka-owned physical facilities and equipment, employed in the transportation of Sitka's bulk water for delivery to GREEN GOLD, terminates.

- p) "Raw water" means untreated non-potable water delivered by Sitka to the point of delivery from Blue Lake via the Blue Lake penstock, a conduit which transports water from Blue Lake to the Blue Lake Powerhouse as shown on Exhibit A.
- q) "Rule curve" means the relationship between the elevation of the water surface of Blue Lake and the volume of water contained in Blue Lake, which regulates the reservation of water for fish, wildlife, and habitat protection.
- r) "Stage" means a time period in this Agreement that starts 12 months after the effective date of this Agreement; a Stage is composed of one or more 12-month periods, with each 12-month period starting on the anniversary of the day the Stage begins.
- s) "Stage Anniversary Date" means the day starting a 12-month period in a Stage.
- t) "Ton" means one US short ton or 2,000 pounds.
- u) "Unforeseen" means an exceptional event, not contemplated by the parties in negotiating this Agreement. Performance made more difficult or expensive than expected is not "unforeseen." The burden of proving that an event is unforeseen is on the party that advances it as a reason for non-performance.
- v) "Water rights" means those rights to the beneficial use of water which are held by Sitka under certificates of appropriation issued by the State of Alaska pursuant to Alaska law.

3. Water Volumes Contracted by GREEN GOLD from Sitka.

3.1 Sitka will make available to GREEN GOLD a total of 3,069 acre-feet of raw water for the initial term of this Agreement. During the first 6-month after the effective date of this agreement (the "6-month period"), GREEN GOLD must take delivery of and export at least 50 million gallons of raw water. If GREEN GOLD does not take delivery of and export at least 50 million gallons of raw water from Sitka during the 6-month period, this Agreement shall, at Sitka's election, terminate and expire without further action by Sitka on the forty-fifth (45th) day after Sitka's sending of the Administrator's notice to GREEN GOLD, in accordance with section 23 below, that GREEN GOLD has failed to comply with this subsection, unless within said 45-day period GREEN GOLD cures its failure to take delivery of and export at least 50 million gallons of raw water from Sitka. At the conclusion of the initial term of this Agreement and upon commencement of the additional term as provided in subsection 1.2 above, GREEN GOLD's access to raw water under this Agreement will be governed by the stages set out in subsection 3.2 below, provided that GREEN GOLD has met the minimum export volumes set out in this section.

3.2 The Stages described in this subsection start upon commencement of the additional term as provided in subsection 1.2 above. The maximum quantity of raw water in bulk available for export by GREEN GOLD from Sitka under this Agreement and the minimum export requirements are set forth below as follows:

| Contract Increment Stages | Maximum Water Delivery per 24-Hour Period | Acre-Feet Available Annually | Minimum Export Required to Move to Next Stage | Minimum Export Required to Remain at Stage | Required Period of Performance |
|----------------------------------|--|-------------------------------------|--|---|---------------------------------------|
| Stage 1 | 33.6 MG | 1,000 af | 230.2 af (75mg) | 153.4 af (50mg) | 12-month period |
| Stage 2 | 33.6 MG | 2,000 af | 306.9 af (100mg) | 230.2 af (75mg) | 12-month period |
| Stage 3 | 33.6 MG | 4,000 af | 920.7 af (300mg) | 306.9 af (100mg) | 12-month period |
| Stage 4 | 33.6 MG | 10,000 af | 3,068.9 af (1bg) | 920.7af (300mg) | 12-month period |
| Stage 5 | 33.6 MG | () ¹ | N/A | 3,068.9 af (1bg) | 12-month period |

Stage 1: Stage 1 begins upon commencement of the additional term as provided in subsection 1.2 above.

Sitka will make available to GREEN GOLD not less than 1,000 acre-feet (325.8 MG) of raw water in a 12-month period in Stage 1. To remain at Stage 1 for a 12 month-period starting on the Stage Anniversary Date of Stage 1, GREEN GOLD must have taken delivery of and exported from Sitka a minimum of 153.4 af (50 MG) of raw water within the 12-month period immediately preceding the most recent Stage Anniversary Date of Stage 1. If GREEN GOLD does not take delivery and export the said minimum, this Agreement shall, at Sitka's election, terminate and expire without further action by Sitka on the forty-fifth (45th) day after Sitka's sending of the Administrator's notice to GREEN GOLD, in accordance with section 23 below, that GREEN GOLD has failed to meet such requirement, unless within said 45-day period GREEN GOLD cures such failure, as determined by Sitka in its sole discretion.

Stage 2: GREEN GOLD shall take delivery and pay for a minimum of 230.2 acre feet of raw water within a 12-month period during this Stage. If GREEN GOLD takes delivery of and exports a total of at least 230.2 acre-feet (75 MG) of bulk water in a 12-month period, then the amount of raw water Sitka will make available for delivery to GREEN GOLD will be increased to 2,000 acre-feet of water in a 12-month period, provided at that time that the Administrator has determined in his/her sole discretion that Sitka still has adequate water quantities available and uncommitted. To remain at Stage 2 for the next 12 months GREEN GOLD must have taken delivery of and exported from Sitka at least 230.2 af (75 MG) within the 12-month period immediately preceding the most recent Stage 2 Anniversary Date. If GREEN GOLD does not

¹ Annual acre-feet available and the minimum amount of water available for export per 12-month period will be determined solely by Sitka at that time based on availability.

meet the requirement to remain at Stage 2 set out in the previous sentence, GREEN GOLD shall revert to Stage 1 thereby establishing a new Stage 1 Anniversary Date.

Stage 3: GREEN GOLD shall take delivery and pay for a minimum of 306.9 acre feet of raw water in a 6-month period during this Stage. If GREEN GOLD takes delivery of and exports a total of at least 306.9 acre-feet (100 MG) of raw water per 12-month period, then the amount of water Sitka will make available for delivery to GREEN GOLD will be increased to 4,000 acre-feet per year, provided at that time that the Administrator has determined in his/her sole discretion that Sitka still has adequate water quantities available and uncommitted. To remain at Stage 3 for the next 12 months GREEN GOLD must have taken delivery of and exported from Sitka at least 306.9 af (100 MG) within the 12-month period preceding the most recent Stage 3 Anniversary Date. If GREEN GOLD does not meet the requirement set out in the previous sentence to remain at Stage 3, GREEN GOLD shall revert to Stage 2 thereby establishing a new Stage 2 Anniversary Date.

Stage 4: GREEN GOLD shall take delivery and pay for a minimum of 920.7 acre feet of raw water in a 12-month period during this Stage. If GREEN GOLD takes delivery of and exports a total of at least 920.7 acre-feet (300 MG) per 12-month period, then the amount of raw water Sitka will make available for delivery to GREEN GOLD will be increased to 10,000 acre-feet per 12-month period, provided at that time that Sitka's Administrator has determined in his/her sole discretion that Sitka still has adequate water quantities available and uncommitted. To remain at Stage 4 for the next 12 months GREEN GOLD must have taken delivery of and exported from Sitka at least 920.7 af (300 MG) within the 12-month period immediately preceding the most recent Stage 4 Anniversary Date. If GREEN GOLD does not meet the requirement set out in the previous sentence to remain at Stage 4, GREEN GOLD shall revert to Stage 3 thereby establishing a new Stage 3 Anniversary Date.

Stage 5: GREEN GOLD shall take delivery and pay for a minimum of 3,068.9 acre feet of raw water in a 12-month period during this Stage. If GREEN GOLD takes delivery of and exports a total of 3,068.9 acre feet (1 billion gallons) of raw water per 12-month period, then GREEN GOLD may request from Sitka additional raw water in a volume to be determined by the Administrator in his/her sole discretion at that time, provided that the Administrator has determined in his/her sole discretion that Sitka still has adequate water quantities available and uncommitted. To remain at Stage 5 for the next 12 months GREEN GOLD must have taken delivery of and exported from Sitka at least 3,068.9 af (1 BG) within the 12-month period immediately preceding the most recent Stage 5 Anniversary Date. If GREEN GOLD does not meet the requirement set out in the previous sentence to remain at Stage 5, GREEN GOLD shall revert to Stage 4 thereby establishing a new Stage 4 Anniversary Date.

3.2 If GREEN GOLD fails to take delivery of and export the required minimum volume specified in Stages 2 through 5 within the time periods specified for those Stages as set out in Subsection 3.2, the respective obligations of Sitka to make raw water available, and of GREEN GOLD to take delivery of and accept and export such volume shall be reduced to the next lower Stage for the next 12-month period. If GREEN GOLD meets the minimum performance requirement of that lower Stage within the time period specified, then the next higher Stage shall again be in effect during the next 12-month period. The date upon which Sitka moves GREEN GOLD either up or down from stage to stage will start the 12-month time period anew and create

a new Stage Anniversary Date, provided at that time that Sitka still has adequate raw water quantities available and uncommitted for export.

3.4 Notwithstanding any other provision of this Agreement, if raw water delivered by Sitka to GREEN GOLD and exported by GREEN GOLD falls below 50 million gallons during any period of 12 consecutive months after the first 36 months after the effective date of this Agreement, this Agreement shall, at Sitka's election, terminate and expire without further action by Sitka on the forty-fifth (45th) day after Sitka's sending of the Administrator's notice to GREEN GOLD, in accordance with section 23 below, that GREEN GOLD has failed to comply with this subpart, unless within said 45-day period GREEN GOLD cures its failure to take delivery of and export at least 50 million gallons of water from Sitka.

3.5 At no time may GREEN GOLD take delivery of raw water at a rate greater than 33.6 MGD.

4. The Parties' Rights and Obligations Regarding Water Delivered for Export.

4.1. Sitka is entering into this Agreement to sell raw water in bulk pursuant to water to Sitka's water export authority contained in Water Appropriation Certificates LAS 19669 and ADL 43826. Sitka's obligation to deliver water to GREEN GOLD in the quantities specified in this Agreement is subject to these conditions and limitations:

a) Notwithstanding any other provision of this Agreement, Sitka shall retain first right and priority to water required for its municipal drinking water supply system and its municipal hydroelectric system, and it may suspend or limit raw water deliveries in bulk to GREEN GOLD to meet the requirements of its municipal drinking water and hydroelectric systems. Whether there is a sufficient volume of raw water available for these purposes shall be decided in the sole discretion of the Administrator.

b) Sitka will abide by the 1992 Blue Lake Watershed Control Plan as approved by the U.S. Environmental Protection Agency and described in City and Borough of Sitka Ordinance No. 92-1091.

c) The Administrator may temporarily suspend raw water deliveries in bulk in order to perform routine maintenance on its municipal drinking water, hydroelectric and/or water delivery systems, provided that the Administrator shall give not less than 60 days prior notice to GREEN GOLD of any such planned suspension.

d) Sitka shall be relieved of its obligation to deliver raw water in bulk to GREEN GOLD in the event of an interruption in water supply due to circumstances that require repair to or reconstruction of the municipal drinking water, hydroelectric systems, water delivery system, or other of Sitka's facilities. Delivery of raw water in bulk to GREEN GOLD may be reduced to the extent necessary to make such repair(s) or reconstruction, and for so long as the Administrator in his/her sole discretion determined is required to make such repairs or reconstruction.

e) The volumes of Sitka's raw water deliveries in bulk to GREEN GOLD for export are subject to Sitka's overriding obligation to comply with all of the conditions contained in Water Appropriation Certificates ADL 43826, LAS 19669, and LAS 20526, including compliance with the rule curve and the support of spawning, incubation, and rearing of certain species of fish in Sawmill Creek and Blue Lake. Interpretation of applicable requirements and the means used to achieve compliance with such requirements shall be in the Administrator's sole discretion.

f) In the event Sitka is relieved of its obligation to make agreed quantities of water available to GREEN GOLD for reasons noted in this paragraph or due to Force Majeure or due to unforeseen circumstances, then GREEN GOLD's obligation to take delivery of and to export water shall be reduced to the volumes actually delivered by Sitka during that period of time and the time within which GREEN GOLD is authorized to receive raw water shall be extended for a period equal to the period of time that Sitka has been so relieved of its obligation.

4.2 GREEN GOLD agrees and warrants that the raw bulk water delivered to it by Sitka for export shall be put to one or more beneficial uses by it or by its water purchasers. Breach of this warranty shall be a material breach of this Agreement.

4.3 For that portion of the raw bulk water which is made available for human consumption GREEN GOLD shall, at GREEN GOLD's sole cost, promptly comply with all Government Regulations relating to the condition, use or quality of such water for human consumption. GREEN GOLD shall establish staff and maintain an on-site Water Quality laboratory to perform GREEN GOLD's obligations under Paragraph 13.3.

5. [This section deliberately left blank.]

6. No Warranty by Sitka of Water Quality or Fitness for a Particular Purpose.

6.1 THE WATER CONTRACTED FOR DELIVERY, AND/OR ACTUALLY DELIVERED, TO GREEN GOLD UNDER THIS AGREEMENT IS NON-POTABLE. SITKA DOES NOT WARRANT THE QUALITY OR FITNESS FOR A PARTICULAR PURPOSE OF ANY WATER CONTRACTED FOR DELIVERY, AND/OR ACTUALLY DELIVERED, TO GREEN GOLD UNDER THIS AGREEMENT. GREEN GOLD ACKNOWLEDGES AND AGREES THAT BEFORE ENTERING INTO THIS AGREEMENT, IT HAS EXAMINED SITKA'S WATER SOURCE, SITKA'S METHODS OF DIVERSION, AND SITKA'S MEANS OF DELIVERY TO GREEN GOLD OF THE QUANTITIES OF WATER WHICH ARE CONTRACTED FOR UNDER THIS AGREEMENT, AND THAT IT HAS FOUND ALL SUCH ITEMS ADEQUATE AND SATISFACTORY FOR ECKERT'S PURPOSES.

6.2 GREEN GOLD acknowledges and agrees that Sitka's routine alterations in its hydroelectric operations may produce temporary changes in water quality due to turbidity, and that the occurrence of such events shall not alter or affect GREEN GOLD's obligations under this Agreement.

6.3 GREEN GOLD acknowledges and agrees that the quality of raw water contracted by Sitka to be delivered in bulk to GREEN GOLD for export may vary due to natural events over which Sitka has no control, which include, without limitation, rainfall, drought, snowfall, avalanches and landslides, and that the occurrence of such events shall not alter or affect GREEN GOLD's contractual obligations under this Agreement, except that the quantity of water GREEN GOLD is obligated to take delivery of and to export shall be reduced to the quantity Sitka can and does make available for delivery to GREEN GOLD, as a consequence of an occurrence of any of such natural events.

6.4 GREEN GOLD SHALL BE SOLELY RESPONSIBLE AND LIABLE FOR THE QUALITY AND USEFULNESS FOR ANY PARTICULAR PURPOSE, INCLUDING HUMAN CONSUMPTION, OF ALL WATER EXPORTED BY, TRANSPORTED BY, USED BY, OR SOLD BY, OR DELIVERED BY GREEN GOLD.

7. Purchase Price for Raw Water.

7.1 GREEN GOLD shall pay the following prices for raw bulk water for export from Sitka:

a. Raw water delivered in bulk to GREEN GOLD for export shall be priced at U.S. \$0.01 (one cent) per gallon.

b. Raw water delivered by Sitka to GREEN GOLD for vessel wash-down, washout and any other non-export application shall be priced at no charge for the first 50,000 gallons per each loading event and US \$0.005 (one-half of a cent) per gallon above 50,000 gallons per each loading event. Such quantities shall be separately metered, and shall not be included in the total quantities of raw water delivered to GREEN GOLD for export.

7.2 GREEN GOLD shall pay for each volume of water loaded no later than twenty-five (25) days after the presentation of an invoice by the Administrator to GREEN GOLD for such water. Failure by GREEN GOLD to make timely payment shall be a material breach of this Agreement and be cause for the Administrator to suspend water delivery to GREEN GOLD until payment is made or other action is taken under this Agreement.

7.3 Beginning July 1, 2021 and every calendar year thereafter, the prices charged by Sitka for raw water delivered to GREEN GOLD under this Agreement shall be adjusted by the Administrator based on the "All Items" figure for Seattle, Washington as published in the "Consumer Price Index for All Urban Consumers" ("CPI) published the most immediately before January 1 of the calendar year for which prices are being calculated. Notwithstanding the previous sentence, in no event will the CPI adjustment described in the previous sentence exceed + 3.0% nor the adjustment be made if the result of such adjustment would be a decrease in any price charged under this Agreement.

7.4 GREEN GOLD shall pay Sitka for the volume of water delivered to GREEN GOLD as measured by flow meters owned, operated, and documented by Sitka at or near the point of delivery. One year after the first delivery of water, the Administrator shall arrange for an

independent third party to calibrate the flow meters after which they will be calibrated every other year during the term of this Agreement.

7.5 The non-refundable payment of \$5,000 made by GREEN GOLD to commence this Agreement will be credited toward export of water payments over the term of this Agreement.

8. Conditions for Maintaining GREEN GOLD's Purchase Right and Obligation; Termination.

8.1 Notwithstanding any other provision of this Agreement, this Agreement shall, at Sitka's Administrator's election, terminate and expire without further action by Sitka on the forty-fifth (45th) day after the Administrator mails notice to GREEN GOLD by certified mail that GREEN GOLD has breached or failed to comply with one or more of the conditions or requirements of this Agreement, or become insolvent, or abandoned the project unless within said 45-day period, GREEN GOLD cures the specified default or defaults to Sitka's satisfaction, as determined by Sitka in its sole discretion.

8.2 Upon termination, all legal rights and obligations as between Sitka and GREEN GOLD under this Agreement shall cease, except that GREEN GOLD's obligations to Sitka under Sections 13, 14, 15, 16, and 17 of this Agreement shall survive termination.

9. Sitka's Permitting Actions.

The Administrator shall take any and all actions which she/he determines, in the exercise of her/his sole discretion, to be reasonable, necessary, and economically feasible to maintain in good standing any permit, license, certificate, allocation, appropriation or other authorization required for Sitka to fulfill its obligations under this Agreement.

10. Delivery, Loading, and Transportation of Water in Bulk.

10.1 The parties agree that GREEN GOLD shall be solely responsible for the costs of acquisition, construction and installation, maintenance and repair of any structure, facility or vessel downstream of the point of delivery which it determines to be required or convenient for the loading and transportation of bulk water delivered to it by Sitka, and for initiating and completing such acquisition, construction and installation. All structures and facilities must comply with all Federal, State, and local law, including zoning requirements.

10.2 Sitka shall retain the right to own, and operate a raw bulk water delivery pipeline that serves the Gary Paxton Industrial Park. In such event, Sitka may require GREEN GOLD to use Sitka's facilities and may change the point of delivery to the point at which Sitka's facilities end. Unless and until Sitka provides such new facilities, GREEN GOLD shall be fully responsible, at its own cost and expense, for arranging and accomplishing transport of raw bulk water from the point of delivery established by Sitka.

10.3 GREEN GOLD shall pay such port vessel dockage fees established by Sitka. SITKA DOES NOT WARRANT THE QUALITY OR FITNESS FOR A PARTICULAR PURPOSE

*Purchase Agreement for Raw Water in Bulk
Between the City and Borough of Sitka and Green Gold Distributors Ltd.*

OF ANY DOCK OR WHARF AT SUCH WATERFRONT, AND GREEN GOLD MUST ASSURE THE ADMINISTRATOR OF THE FEASIBILITY OF A PARTICULAR USE BEFORE ENGAGING IN SUCH USE.

10.4 GREEN GOLD shall be solely responsible for arranging the transportation of all water delivered to it by Sitka for export.

10.5 No later than 30 days before the first delivery of water takes place under this Agreement, GREEN GOLD will designate in a writing to the Administrator a local representative as GREEN GOLD's continuing personal contact with the Administrator and its subordinate departments, agencies and authorities.

10.6 Sitka's flow meter which is used to calculate the quantities of water delivered to GREEN GOLD shall be located near the point of delivery.

11. Ballast Water and Wash Water Discharges.

11.1 GREEN GOLD shall comply with all applicable international, federal, state, and local requirements regarding the discharge of any ballast water (including bilge water) or any wastes at all times and as to all vessels traveling to and from Silver Bay and/or Sawmill Cove for the purpose of receiving any raw bulk water from Sitka under this Agreement. Such requirements described in this Section include, but are not limited to, those in Section IV of the Sawmill Cove Management Plan, which is included in Appendix B.

11.2 GREEN GOLD shall comply with all applicable federal, state and local requirements regarding the use and disposal of any raw or treated water delivered to GREEN GOLD by Sitka for the purposes of vessel wash-down or washout, or any other non-export application.

12. Water Loading Plan Requirements.

12.1 Before GREEN GOLD loads any bulk water delivered to it by Sitka, GREEN GOLD shall submit to the Administrator a written Water Loading Plan. This Plan shall be deemed approved by the Administrator unless no later than fourteen days after its submission the Administrator in his or her sole discretion rejects—or requires GREEN GOLD to resubmit—any portion of the Plan. Such action by the Administrator shall be in a writing to GREEN GOLD that states the deficiency. Sitka shall deliver no bulk water to GREEN GOLD and GREEN GOLD shall not load any bulk water delivered to it by Sitka as long as any portion of the Plan has been rejected and not approved after re-submittal. GREEN GOLD shall submit a separate Water Loading Plan at least ten (10) days before each loading of bulk water under this Agreement.

12.2 The Water Loading Plans required by this section shall address administrative, environmental, and logistical matters related to the loading of water. The issues and items to be addressed in each Water Loading Plan shall include, without limitation, each of the following:

- a) identify and provide information requested by the Administrator regarding any vessel to be used by GREEN GOLD in the loading or transport of raw bulk water;

- b) steps to be taken to insure the safety of persons in any way involved in the loading of bulk water;
- c) certification that GREEN GOLD has a Contingency Plan that meets all of the requirements of State law applicable to the vessel that is being loaded;
- d) steps to be taken to insure the safety of the public before, during, and after loading of raw bulk water;
- e) steps to be taken to address the effects of wind and tidal conditions on the loading;
- f) steps to be taken concerning moorage and access to vessels during loading;
- g) steps to assure communication before, during, and after loading between those loading and the Administrator or his/her designee;
- h) details about the precise location and proposed use of any structure, facility, pipe, pipeline, or other infrastructure to be used in the loading of raw bulk water and details describing how GREEN GOLD intends to address the risks associated with a catastrophic event arising from GREEN GOLD's loading activities or GREEN GOLD's failure to adhere to the proposed Water Loading Plan;
- i) steps to be taken to avoid conflicts with other vessel traffic and industrial park users;
- j) details on proposed handling of any ballast water in any vessel to be used in the loading of raw bulk water, including plans to respond to the unauthorized discharge of such water;
- k) details on proposed handling of any residual and/or wash water, or other materials in the tanks of any vessel to be used in the loading;
- l) the days and the periods of time within each day that raw bulk water is proposed to be loaded; and,
- m) details describing how the proposed Water Loading Plan shall be made consistent with Appendix B, which includes the "Prospective Purchaser Agreement Between the State of Alaska and the City-Borough of Sitka for the Former Alaska Pulp Corporation Pulp Mill Property" dated April 28, 1999, including all attachments, which specifically includes "Memorandum of Understanding between the State of Alaska and the City and Borough of Sitka [:] Management Plan for Sawmill Cove Property (Former APC Property)." The details describing such consistency must include any and all specific steps to be taken to avoid anchoring in prohibited areas and in any way disturbing the sea bottom in the "No Disturbance" zone described in the last-referenced documents.

12.3 GREEN GOLD shall comply with all provisions of each Water Loading Plan after all of such provisions have been approved either upon submittal or re-submittal under Subsection 12.1 above, as to the water loading operation for which the Water Loading Plan was submitted.

*Purchase Agreement for Raw Water in Bulk
Between the City and Borough of Sitka and Green Gold Distributors Ltd.*

12.4 APPROVAL BY SITKA'S ADMINISTRATOR OF ANY WATER LOADING PLAN SHALL NOT IMPOSE UPON SITKA THE STATUS OF GUARANTOR OF THE FEASIBILITY, PROPRIETY, OR SAFETY OF ANY ASPECT OF AN APPROVED WATER LOADING PLAN, NOR SHALL SUCH APPROVAL CREATE OR CONFER BENEFITS ON ANY THIRD PARTY.

13. Indemnification of Sitka.

13.1 Notwithstanding anything to the contrary in this Agreement, GREEN GOLD shall defend, indemnify, and hold Sitka harmless from any liability, claim, demand, action, obligation, or proceeding of any kind or nature, based upon, arising out of, or related to:

- a) any defect or flaw in the quality of raw bulk water supplied under this Agreement;
- b) any delays on the part of Sitka in the delivery of raw bulk water under this Agreement as the result of the mechanical or physical breakdown of equipment or facilities owned or operated by the Sitka or other unforeseen event;
- c) claims arising from the transportation or shipment of raw bulk water after such water has left Sitka's water delivery system and the point of delivery;
- d) injuries to employees of GREEN GOLD or any of its contractors or their employees;
- e) damages resulting from accidents involving mooring, unmooring, navigation of vessels, or cargo loading operations, including but not limited to claims for personal injury, property damage, and pollution;
- f) violations and claims of violations related to the water loading plan described in section 12.2; and,
- g) harm, including illness and death, to persons who consume the raw bulk water caused by the failure of GREEN GOLD to comply with section 6.3 of this Agreement.

13.2 GREEN GOLD shall at all times during this Agreement maintain insurance policies providing umbrella coverage against matters including but not limited to those covered by this Agreement in an amount not less than U.S. \$5,000,000, with Sitka named as an additional insured, and with a waiver of subrogation against Sitka. GREEN GOLD shall provide a copy of the certificate insurance GREEN GOLD to Sitka within sixty (60) days after the effective date of this Agreement.

13.3 GREEN GOLD shall be responsible for ensuring that each of its contractors is qualified to do business in Alaska and refrains from activities for which insurance cannot be obtained.

GREEN GOLD shall assure that any contractor for GREEN GOLD which is to perform any task or work within the territorial jurisdiction of Sitka has insurance appropriate to any task to be performed by that contractor, and GREEN GOLD shall deliver a certificate of such insurance to the Administrator within 30 days of such hiring.

14. Assignment.

This Agreement, which is in the nature of a personal services contract, may not be assigned by either party without the prior written consent of the other party, which shall have full discretion to grant or withhold such approval, in its sole and absolute discretion except as provided below.

Should Sitka form a Port Authority, or similar entity, this Agreement shall be completely transferable to said Port Authority. A transfer of the Agreement to any such entity shall not create any restrictions upon GREEN GOLD to purchase water other than those restrictions set out in this Agreement.

15. Waiver and Integration.

This Agreement integrates the entire Agreement between the parties regarding the sale and purchase of raw water. This Agreement supersedes all previous agreements, discussions, and negotiations, whether written or oral. Each party specifically acknowledges and represents that it has had ample opportunity to consult with legal counsel regarding this Agreement, and that any rule that an agreement should be construed against its drafter shall not apply to this Agreement.

16. Force Majeure.

Neither party shall be in breach of this Agreement as the result of any failure or delay in performing any of the obligations in this Agreement if such failure to perform or delay in performing is directly and proximately caused by storm, flood, avalanche, landslide, earthquake, tsunami, act of the public enemy, war, rebellion, insurrection, sabotage, epidemic, quarantine restriction, or act of God. Sitka shall not be in breach of this Agreement as the result of any failure or delay in performing any of its obligations in this Agreement if such failure to perform or delay in performing is directly and proximately caused by any order of any United States court of competent jurisdiction, or by any act, rule, regulation, order or directive of any superior governmental unit or any agency thereof, or by any termination, modification, suspension, or revocation of any permit, license, allocation, appropriation, or certificate held by Sitka. In the event Sitka or GREEN GOLD is relieved of an obligation under this Agreement due to Force Majeure, time periods under this Agreement shall be adjusted accordingly. The party asserting a Force Majeure event must demonstrate by clear and convincing evidence that the failure or delay in performance is directly and proximately caused by a Force Majeure event.

17. Applicable Law.

GREEN GOLD shall comply with all provisions of law applicable to its obligations under this Agreement. This Agreement shall be construed in accordance with the laws and procedures of the State of Alaska.

18. Dispute Resolution.

18.1 Good Faith Efforts of the Parties. Upon notice by either party to the other party of any dispute or claim arising out of or related to this Agreement the parties shall first make a good-faith endeavor to resolve the dispute or claim by meeting informally “face-to-face” within 15 days of such notice to mediate the dispute or claim in good faith without a third-party mediator.

18.2 Jurisdiction and Venue. Should any party hereto institute any action or proceeding to enforce any provision hereof or for damages by reason of any alleged breach of any section of this Agreement or for any other remedy, such an action shall be brought in the Superior Court for the State of Alaska. Venue for any such action or lawsuit shall lie exclusively in Sitka, Alaska. The parties specifically agree not to remove jurisdiction to federal courts on the grounds of diversity of citizenship.

18.3 Attorney’s Fees and Legal Expenses. Should any party hereto institute any action or proceeding to enforce any provision hereof or for damages by reason of any alleged breach of any section of this Agreement or for any other remedy, the party that is successful in such action shall be entitled to receive from the losing party all of its reasonable legal costs and expenses, including without limitation, reasonable attorneys’ fees and all arbitration costs.

19. Effective Date.

This Agreement shall become effective upon GREEN GOLD making a non-refundable deposit of \$5,000 to Sitka, no later than March 30, 2018. The date on which GREEN GOLD makes such a payment will be the “effective date” for the purpose of any time period which incorporates that term in this Agreement. Should GREEN GOLD fail to make such a payment by March 30, 2018 this Agreement is null and void.

20. Authority.

The parties represent and warrant to each other that they have the full, complete, and absolute authority to enter into this Agreement; that this Agreement has been duly authorized by the governing body of each party; that the person executing this Agreement on its behalf has the full power and authority to do so; and that this Agreement is binding and enforceable against it in accordance with its terms. GREEN GOLD acknowledges that this Agreement is only effective against Sitka if the City and Borough of Sitka Assembly votes to authorize the Administrator to execute this Agreement on behalf of Sitka. By affixing his signature to this Agreement, the Administrator represents and warrants that the Assembly has so voted.

21. Amendment and Severability.

This Agreement may not be amended except by written agreement of both parties. If any provision of this Agreement or any application thereof to any person, entity, or circumstance is held invalid, the

remainder of this Agreement and application thereof to any person, entity, or circumstances shall not be affected thereby.

22. Time of Essence.

Time is of the essence in this Agreement.

23. Notices.

Any notices required or authorized to be given by this Agreement shall be in writing and shall be sent by **email and** by either **commercial courier, facsimile, or** by **certified U.S. mail**, postage prepaid and return receipt requested, addressed to the proper party at the address stated below or such address as the party shall have designated to the other parties in accordance with this section. Such notice shall be effective three (3) days after sending through the mails or after receipt by courier or facsimile by the addressee party, except that any facsimiles received after 5:00 p.m. of the addressee's local time shall be deemed delivered the next day.

If to GREEN GOLD: Anna-marie Gericke
Green Gold Distributors
P.O Box 402
Grabouw, Western Cape
South Africa 7160

If to Sitka: Administrator
City and Borough of Sitka, Alaska
100 Lincoln Street
Sitka, Alaska 99835

IN WITNESS THEREOF, the parties have executed this Agreement as of the dates shown below.

CITY AND BOROUGH OF SITKA, ALASKA

Date

By: P. Keith Brady
Its: Municipal Administrator

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

 The foregoing instrument was acknowledged before me this _____ day of _____, 2018, by P. Keith Brady, Municipal Administrator of the CITY AND BOROUGH OF SITKA, ALASKA, an Alaska home rule municipality, on behalf of the municipality.

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

GREEN GOLD DISTRIBUTORS LTD.

Date

By: Anna- marie Gericke
Its: President

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

 The foregoing instrument was acknowledged before me this _____ day of _____, 2018, by Anna-marie Gericke, President of GREEN GOLD DISTRIBUTORS LTD., a South African corporation, on behalf of the corporation.

Notary Public in and for the _____
My commission expires: _____



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 18-036 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 3/7/2018 In control: City and Borough Assembly

On agenda: 3/13/2018 Final action:

Title: Financial matter: Baranof Island Brewing Company - Forbearance Agreement

Sponsors:

Indexes:

Code sections:

Attachments: [Exec Session BIBCO.pdf](#)

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

POSSIBLE MOTIONS

EXECUTIVE SESSION

I MOVE to go into Executive Session with Chief Finance and Administrative Officer Jay Sweeney to discuss subjects that tend to prejudice the reputation and character of any person and to discuss matters, the immediate knowledge of which, would adversely affect the finances of the City and Borough of Sitka and invite in if desired, and when ready, Suzan Hess and/or Rick Armstrong of Baranof Island Brewing Company and/or their Attorney, Brita Speck.

I MOVE to reconvene as the Assembly in regular session.