



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, June 26, 2018

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

IV. CORRESPONDENCE/AGENDA CHANGES

[18-127](#) Reminders, Calendars and General Correspondence

Attachments: [Reminders and Calendars.pdf](#)
[Assembly Update 5.1.2018.pdf](#)
[Reminder senior citizen sales tax exemption.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)

[18-118](#) Special Reports: 1) Fire Chief, Dave Miller 2) Alaska Coalition on Housing and Homelessness, Brian Wilson and Planning Director, Michael Scarcelli

Attachments: [Special Reports.pdf](#)

VII. PERSONS TO BE HEARD

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

VIII. REPORTS

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

IX. CONSENT AGENDA

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

- A** [18-119](#) Approve the minutes of the June 5, 12, and 14 Assembly meetings

 Attachments: [Consent and Minutes.pdf](#)
- B** [18-120](#) Approve the Health Needs and Human Services Commission goals for 2018

 Attachments: [Motion and Memo HNHS 2018 Goals to Assembly.pdf](#)
- C** [18-121](#) Approve the renewal of a standard marijuana cultivation facility license for AKO Farms, LLC at 1210 Beardsley Way

 Attachments: [Motion and memos AKO Farms cultivation facility.pdf](#)
 [LG Renewal Notice - Standard Marijuana Cultivation Facility - AKO Farms LLC I](#)
 [12253 Online Renewal Application_Redacted.pdf](#)
 [12253 MJ-20 Renewal Application Certifications.pdf](#)
 [12253 POPPP.pdf](#)
 [12253 Entity Documents.pdf](#)

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- D** [18-122](#) Reappoint Scott Wagner to a two-year term on the Gary Paxton Industrial Park Board

 Attachments: [Motion Wagner Reappointment.pdf](#)
 [Wagner Application.pdf](#)

- E [18-123](#) Appoint one of the following individuals to a three-year term on the Historic Preservation Commission in the category of "Native Community": 1) Roberta Littlefield - incumbent or 2) Nancy Douglas

Attachments: [Motion Historic Preservation Commission.pdf](#)
[Littlefield Application.pdf](#)
[Douglas Application..pdf](#)

XI. **UNFINISHED BUSINESS:**

- F [18-124](#) RECONSIDERATION of the Fisheries Enhancement Fund awards made at the June 12 Assembly meeting to Sitka Sound Science Center and Alaska Longline Fishermen's Association

Attachments: [Motions for Reconsideration.pdf](#)
[Draft minutes June 12 Fisheries Enhancement item.pdf](#)
[Sitka Sound Science Center Proposal.pdf](#)
[Alaska Longline Fishermen's Association Proposal.pdf](#)
[SGC excerpt and ordinances.pdf](#)
[Copy of All Years Combined Amounts Given.pdf](#)
[Memo from June 12 Fisheries Enhancement..pdf](#)

- G [ORD 18-29](#) Amending Title 18 "Property Acquisition and Disposal" and Title 19 "Building and Construction" of the Sitka General Code by authorizing an advisory vote and modifying Chapter 18.12 "Real Property Disposal", Chapter 18.16 "Tideland lease Procedure", and Chapter 19.07 "Demolition or Removal of Municipally Owned Buildings"

Attachments: [Motion Ord 2018-29.pdf](#)
[Ord 2018-29.pdf](#)

- H [ORD 18-26](#) Amending Title 15 "Public Utilities" of the Sitka General Code to increase water rates at Section 15.05.240 "Service Connection Charge" and Section 15.05.620 "Rates and Fees"

Attachments: [Motion Ord 2018-26.pdf](#)
[Memo 2018-26 Water Fund rates FY2019.pdf](#)
[Ord 2018-26 2018 Water Fee Increase Final Legal.pdf](#)

- I [ORD 18-27](#) Amending Title 15 "Public Utilities" of the Sitka General Code to increase wastewater treatment rates at Section 15.04.100 "Service Connection Charge" and Section 15.04.320 "Rates and Fees"

Attachments: [Motion Ord 2018-27.pdf](#)
[Memo 2018-27 Wastewater Fund rates FY2019 MH MH.pdf](#)
[Ord 2018-27 2018 Wastewater Fee Increase Final Legal.pdf](#)

- J** [ORD 18-28](#) Amending Title 15 "Public Utilities" of the Sitka General Code to increase solid waste collection rates at Sections 15.06.020 "Solid Waste Disposal Policy and Rates", 15.06.035 "Rates for Treatment and Collection", 15.06.045 "Special Refuse and Treatment Charges" and changing the title of 15.06.045 to "Transfer Station Drop-Off Charges and Special Refuse Collection Charges"

Attachments: [Motion Ord 2018-28.pdf](#)

[Memo 2018-28 Solid Waste Fund rates FY2019.pdf](#)

[Ord 2018-28 2018 Solid Waste Fee Increase_Final_Legal.pdf](#)

XII. NEW BUSINESS:

- K** [18-125](#) Discussion / Direction of the Sitka Community Hospital RFP process

Attachments: [Memo SCH RFP Process.pdf](#)

[SCH Assembly Mtg 6-26-18 \(FINAL 62318\).pdf](#)

[RFP Process_Timeline \(FINAL 62318\).pdf](#)

- L** [RES 18-13](#) Increasing permanent and temporary moorage rates and other harbor fees and charges

Attachments: [Motion and Memo Res 2018-13.pdf](#)

[Res 2018-13.pdf](#)

- M** [RES 18-14](#) Increasing transient float plane rates and fees

Attachments: [Motion Memo and Res 2018-14.pdf](#)

[Float plane map.pdf](#)

[Minutes Port and Harbors.pdf](#)

- N** [18-114](#) Approve a lease agreement between Trident Seafoods Corporation and the City and Borough of Sitka for Block 4, Lot 6 of the Gary Paxton Industrial Park

Attachments: [Motion and Memo Trident Lease.pdf](#)

[Lease TRIDENT LOT 6_Final.pdf](#)

[Trident Lot 6 lease exhibit A001.pdf](#)

[Trident Entity details.pdf](#)

[2016useplan 11.02.16.pdf](#)

[GPIPstrategicplan2017approved.pdf](#)

[2018 LOI Business Proposal GPIP 3.pdf](#)

[GPIP Mtg051018Minutes.pdf](#)

- O [18-126](#) Discussion / Direction / Decision on the current contract with the Greater Sitka Chamber of Commerce, Inc., provider of Convention and Visitor Bureau Services

Attachments: [Chamber of Commerce.pdf](#)

XIII. PERSONS TO BE HEARD:

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

XIV. EXECUTIVE SESSION

XV. ADJOURNMENT

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: June 22*



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 18-127 **Version:** 1 **Name:**

Type: Item **Status:** AGENDA READY

File created: 6/20/2018 **In control:** City and Borough Assembly

On agenda: 6/26/2018 **Final action:**

Title: Reminders, Calendars and General Correspondence

Sponsors:

Indexes:

Code sections:

Attachments: [Reminders and Calendars.pdf](#)
[Assembly Update 5.1.2018.pdf](#)
[Reminder senior citizen sales tax exemption.pdf](#)

Date	Ver.	Action By	Action	Result
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REMINDERS

<u>DATE</u>	<u>EVENT</u>	<u>TIME</u>
Tuesday, June 26	Regular Meeting	6:00 PM
Tuesday, July 10	Work Session <i>Hazard Mitigation Plan</i>	5:00 PM
Tuesday, July 10	Regular Meeting	6:00 PM



Municipal Election Reminders

Monday, July 16	First day to file candidate petitions
Tuesday, July 24	Last scheduled meeting to <u>introduce</u> ordinance charter changes and ballot measures
Friday, August 3	5:00 p.m. deadline for filing candidate petitions
Tuesday, August 14	Last scheduled meeting to <u>adopt</u> ordinances for charter changes and ballot measures
Tuesday, October 2	Municipal Election

Expiring Terms:

Mayor
Matthew Hunter

Assembly
Robert Potrzuski
Benjamin Miyasato

School Board
Cass Pook
Eric VanCise

Assembly Calendar

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

June 2018

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
27 <u>May</u>	28	29	30	31	1 Jun	2
	HOLIDAY					
3	4	5	6	7	8	9
		Potrzuski 6:00pm Special Meeting: Hospital RFP - confirm selection	Potrzuski 6:30pm Library Commission 1:30pm Employment Relations Board	Potrzuski 12:00pm SEDA Board Meeting 2:00pm Health Needs & Human Services Commission	Potrzuski	Potrzuski
10	11	12	13	14	15	16
Potrzuski	Potrzuski	Potrzuski 12:00pm Parks & Rec 6:00pm Regular Assembly Mtg	Potrzuski 6:00pm Historic Preservation 6:15pm Port & Harbors Commission	Potrzuski 12:00pm LEPC 6:00pm Special Meeting: Appeal 7:00pm Planning Commission	Potrzuski	Potrzuski
17	18	19	20	21	22	23
Potrzuski		12:00pm Tree/Landscape	6:00pm Police and Fire Commission	6:00pm Hospital Board Meeting		
24	25	26	27	28	29	30 Jul
		6:00pm Regular Assembly Mtg		7:00pm Planning Commission		

Assembly Calendar

2017 Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2019
July 2018

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
<u>1</u> Jul	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>
			HOLIDAY	12:00pm SEDA Board Meeting		
<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 5:00pm Work Session: Hazard Mitigation Plan 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>
	First day to file candidate petitions	12:00pm Tree/Landscape				
<u>22</u>	<u>23</u>	<u>24</u>	<u>25</u>	<u>26</u>	<u>27</u>	<u>28</u>
		5:00pm Work Session: needs assessment for Wastewater Treatment Plant 6:00pm Regular Assembly Mtg	6:00pm Police and Fire Commission	6:00pm Hospital Board Meeting 7:00pm Planning Commission		
<u>29</u>	<u>30</u>	<u>31</u>	<u>1</u> Aug	<u>2</u>	<u>3</u>	<u>4</u>
			6:00pm Library Commission	12:00pm SEDA Board Meeting	5:00pm deadline for filing candidate petitions	

PUBLIC WORKS ASSEMBLY UPDATE
WORK COMPLETED THROUGH MAY 2018

Wastewater Treatment Plant (WWTP) Rehabilitation:

Milestones This Period

- The WWTP Needs Assessment was completed in May 2018. This document identifies issues with the facility and prioritizes them into tiers with associated cost estimates to assist with fully scoping the project. Numerous previously unidentified issues with the building have been discovered through this effort. The preliminary cost estimate for the first tier (most critical) improvements exceeds the current budget.

Future Milestones

- WWTP rehabilitation design is anticipated to begin in June 2018 and be completed in the spring 2019.
- Refine the cost estimates as the design is developed. Identify funding source for completion of project. Existing budget will be insufficient to rehabilitate the building, correct the life safety, code compliance and non-functional existing conditions.
- Spring 2019 – bid and begin construction of the WWTP rehabilitation project, assuming sufficient funding is available.

Background

The Wastewater Treatment Plant was built in the early 1980s and most of the building systems, especially the HVAC (ventilation air) systems have failed or are past their useful life and require replacement. The air quality within the building is inadequate and corrosive and the exposed piping and metal within the building are corroded. The building's envelope leaks air and does not allow for proper pressurization of the office areas and other clean rooms. Corrosive air in these areas results in electronics regularly become dysfunctional within months, in addition to creating an unhealthy air quality for the WWTP operators. It is the intent of Public Works to move this project forward as quickly as possible as there are life safety issues that need to be addressed in the existing facility. Funding for this project is provided by the following sources: \$263,000 in Wastewater fund Working Capital and DEC loans with \$2,832,500 (secured) and \$1,825,000 (approved and pending signed agreement).

Current Contracts: McCool Carlson Green

\$96,144

Nelson Logging Road Upgrades:

Milestones This Period

- Change Order #1 approved, adding Additive Alternate #1 to project. This will widen the road to 20 feet full width except at the new bridge.
- Removal of trees in clearing limits at beginning of project.
- Burning of stumps and tree limbs.
- Archeological monitoring ongoing as excavation work is performed. One pre-historical object recovered, a grinding pestle. Other items recovered include bottles and plates.

Future Milestones.

- Bridge construction planned June 19 – July 18, 2018.
- Road subgrade construction to old hatchery parking area.
- Substantial Completion is January 2019

Background

The project includes replacing both inadequate bridges, realignment at HPR intersection to raise the road elevation out of the stream floodplain, upgrading Nelson Logging Road to include drainage improvements, resurfacing, pedestrian amenities and widening. Funding for the project is provided by a \$2,343,000 State of Alaska Department of Commerce Community and Economic Development Grant.

Current Contracts: LEI Engineers & Surveying	\$415,390
K&E Alaska, Inc.	\$1,544,280

Lincoln Street 2018 & Katlian Sitka Paving 2016:

Milestones This Period

Lincoln Street

- 65% Lincoln Street Plans reviewed and comments provided to consultant.
- Developed concepts for pedestrian enhancements near St. Michael's Cathedral in response to comments received at project public meetings. Attempting to schedule meeting with St. Michael's Cathedral Council to discuss enhancements.
- Completed additional storm drain camera investigation to determine condition and confirm whether replacement is required.

Katlian Street

- Change order to add design of Katlian from Halibut Point Road to the Marine Service Center approved.
- Preliminary design of roadway has begun.

Future Milestones

Lincoln Street

- 95% Lincoln Street plans due July 20, 2018.
- Construction anticipated fall 2018 – spring 2019, dependent on availability of sufficient funds in FY19 budget.

Katlian Street

- 65% plans due June 2018.

Background

The project includes replacing non-ADA compliant curb ramps, failing storm drain, and limited curb, gutter and sidewalk and all asphalt pavement on Lincoln Street from Harbor Way to Harbor Drive. Red concrete crosswalks are planned to be bid as an additive alternate. Additional funds are budgeted for FY19 and are required to complete this basic scope of work. Currently, funding for the project is provided by:

Lincoln Street

\$950,000 – General Fund

\$20,000 – Water Fund

\$20,000 – Sewer Fund

\$990,000 – total available project funding

[\$1,300,000 – 2019 General Fund budget recommendation additional funding]

Katlian Street

\$747,870 2016 – General Fund budget Sitka Paving 2016 – 2017

Current Contracts:	Professional and Technical Services, Inc.	\$225,978
	Anderson Land Planning	\$5,000

East DeGroff Water, Sewer and Street Repairs:

Milestones This Period

- Installed more than 1,000 linear feet of 8” gravity sewer pipe and three new manholes, from Hollywood Way to Baranof Street.
- Mobilized 12” water main to the job site and began fusing HDPE pipe together.

Future Milestones

- Phase I (Hollywood to Baranof) utility construction complete late June 2018.
- Phase II (Baranof to SMC) construction to begin late June 2018.
- Substantial Completion date is October 1.

Background

The project includes replacement of aging, failing water, sewer and storm drainage infrastructure in DeGroff Street from Hollywood Way to Sawmill Creek Road. The project will replace all pavement, curb, gutter and sidewalk as it will be demolished during the utility replacement. Scope will also include utility trenching work in Sawmill Creek Road, ahead of Alaska Department of Transportation project to re-pave SMC in 2019. Funding for the project is provided by the following sources: \$2.24 million from FY2015 ADEC Water and Sewer Loans, \$175,000 from the FY17 Water Enterprise Fund and \$45,000 from the FY17 Wastewater Enterprise Fund and \$300,000 from the FY18 General Fund.

Current Contracts:	PND Engineers	\$144,747
	K&E Alaska	\$1,780,167

South Lake – West DeGroff (SLWD) Water, Sewer and Street Repairs:

Milestones This Period

- Repaired out-of-spec asphalt pavement on south Lake Street.
- Issued Certificate of Substantial Completion on May 15.

Future Milestones

- Complete landscaping and other project clean-up by mid-June.

Background

The project includes replacement of aging, failing water, sewer and storm drainage infrastructure in Lake Street from the roundabout to DeGroff Street, and DeGroff Street from Lake Street to Hollywood Way. The project will also replace pavement, curb, gutter and sidewalk, which will be demolished during the utility replacement. Funding for the project is provided by the following sources; \$1,000,000 FY2017 ADEC Grant, \$575,800 FY2015 ADEC Water and Sewer Loans, \$200,000 from FY2017 General Fund, \$50,000 from the 2017 Water Enterprise Fund and \$50,000 from the 2017 Wastewater Enterprise Fund.

Current Contracts: PND Engineers
K&E Alaska

\$232,526
\$1,446,690

O'Connell Lightering Float Pile Replacement:

Milestones This Period

- Bid evaluation completed April 30, 2018.
- Notice of Intent to Award issued April 30, 2018.
- Bid protest received May 10, 2018.

Future Milestones

- Assembly Board of Appeal to hear bid protest June 14, 2018.
- Award construction contract June 2018.
- Permitting completed fall 2018.
- Substantial Completion anticipated by May 31, 2019.

Background

With lightering traffic reduced due to cruise ships mooring at Old Sitka Dock, and what lightering remains shifting to the Crescent Lightering Facility near Harrigan Centennial Hall, Harbor Staff have found O'Connell to be a popular moorage location for yacht owners. However, the existing piling at the O'Connell Lightering Float were installed too shallow to support yacht moorage as evidenced by several piles being displaced during a storm event. This project will replace all piling at the facility with new rock-socketed piling specifically designed to support large yachts. The Assembly approved an appropriation of \$280,000 from the Harbor Fund Undesignated Working Capital on September 12, 2017, on 2nd reading. This amount was insufficient given regulatory agency feedback and timeframes. An additional \$290,000 appropriation from the Harbor Fund Undesignated Working Capital was approved by the Assembly on March 27, 2018, on 2nd reading.

Current Contracts: PND Engineers

\$35,380

Sitka Wayfinding Signage

Milestones This Period

- Substantial Completion of the installation of sign footings was achieved in early May.
- Production of shop drawings is in progress.

Future Milestones

- Fabrication of signs is anticipated in June 2018
- Substantial Completion of signage installation anticipated mid-summer 2018.

Background

Wayfinding signage was identified as one of the key projects in the 2010 Sitka Passenger Fee Fund Implementation Plan. On June 25, 2013, the Assembly approved a request from the Tourism Commission and Destination Sitka Working Group to move

the Wayfinding Signage Project forward by funding the project utilizing Commercial Passenger Excise Tax (CPET) proceeds. The Sitka Convention & Visitors Bureau (SCVB) was tasked to manage the project at that time. Later The Sitka Chamber of Commerce managed the project while the Consultant, Great Destinations Strategies (GDS), completed the design intent drawings and general specifications. With these complete, the project management has shifted to Public Works to oversee the fabrication and installation of the signage. The Assembly approved a budget appropriation of \$282,300 from CPET Funds, General Capital Projects Fund, for the purpose of designing and constructing Wayfinding signs.

Current Contracts:	Axia Creative	\$25,910
	CBC Construction	\$191,561

Police Station Planning Study

Milestones This Period

- Police Department Staff answered the ‘Space Study Questionnaire’ developed by the Architect as part of the information-gathering portion of the planning study.

Future Milestones

- Develop potential site matrix to be used during the active selection anticipated in July/August 2018.
- Consultant to develop “Space Standards and Space Needs Assessment” draft and bubble diagram – June 2018.
- Core stakeholder meetings anticipated to begin July/August 2018.
- Public/Assembly meetings anticipated August/September 2018.
- Final report and study completion anticipated December 2018.

Background

The Sitka Police Department and Jail occupies 1/3 of the first floor in the City/State Court/Office Building. As stated by the Chief of Police, the Sitka Police Offices and jail do not meet current industry standards. It is nonfunctional, unsafe, and severely inhibits the effective delivery of police service to Sitka. The City/State Building was built in 1974-76 in partnership with the State of Alaska. The City owns the land including the parking lot and is joint owner with the State of the building. Expenses for maintenance and operations per agreement December 1993, are to be split 34% CBS and 66% State based on the occupancy remaining within the building. The building is roughly 40 years old and over this time period maintenance of the facility and its building systems, along with replacement of non-functional and obsolete infrastructure has not kept pace resulting in significant deferred maintenance and critical needs. It is known that repairs to the facility to address its deferred maintenance will have significant costs. The order of magnitude of these costs are conservatively estimated to exceed \$1 million. How these costs are to be shared is to be determined, and is complicated by the shared ownership of the facility with the State of Alaska. Given Alaska’s current fiscal status, reaching a timely cost sharing agreement is a point of significant concern. These estimated costs do not include any physical or design improvements to the Police Department.

Current Contracts:	Stantec	\$57,558
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Airport Terminal Improvements:

Milestones This Period

- Meeting with TSA regarding preliminary Baggage Screening Area and Equipment Design for the TSA design grant.
- Collection of Passenger Facility Charges (PFC) began May 1, 2018. Total revenue collection over the 20-year period of collection is \$6,840,000.00.

Future Milestones

- The State of Alaska DOT will be sending information about the upcoming parking lot management changes and options.
- 35% design milestone delayed for PFC funding approval and other project priorities. Assembly presentation and public process anticipated fall 2018.
- It is anticipated that the Terminal Improvements design and funding plan will continue to be developed through 2019 with bidding and construction to begin in 2020.

Background

The Airport Terminal Improvement Project is intended to remedy some of the existing critical problems identified in the Airport Terminal Master Plan 2008-2011, including working conditions in the baggage make-up area and TSA baggage screening area, as well as problems with congested passenger queuing, screening, baggage, fish boxes, waiting areas and passenger flow. The project is funded from prior PFCs collected for terminal improvements.

CBS accepted a TSA design grant in the amount of \$158,569.25 to design specific improvements to the TSA Baggage Screening Area. Other areas impacted by these design changes are ineligible for the TSA design funding.

The Assembly approved moving forward to the 65% Schematic Design Milestone for the preferred concept plan that was presented in the Assembly work-session August 8, 2017.

Current contracts: MCG Architects

\$229,776

Cross Trail (Granite Creek to Ferry):

Milestones This Period

- Met with Sitka Trail Works (STW) and Public Works O&M staff at proposed Granite Creek Crossing to fine-tune creek-crossing location and method.
- Worked with STW and U.S. Forest Service on plan to establish a parking lot at the Harbor Mountain Road trailhead.
- STW submitted Letter of Inquiry for Rasmuson Foundation grant to meet our Western Federal Lands grant match requirements.

Future Milestones

- Select final alignment and finalize design drawings by August 2018.
- Construction anticipated in early 2019, provided CBS has secured sufficient funds to match 9.03% of the construction fund grant amount. Expect initial response from Rasmuson Foundation grant request in September 2018.

Background

The City and Borough of Sitka was awarded a \$250,000 MAP-21 Federal Lands Access Program (FLAP) Grant for planning, design and permitting of Phase 6 Cross Trail multimodal pathway – a connector from Kramer Drive to Alaska Marine Ferry Terminal – by Western Federal Lands. The Assembly approved submission of the grant in Resolution 2014-06 in April 2014. Sitka Trail Works is overseeing the design work alongside CBS via a Memorandum of Agreement. Received a \$1.93M construction grant from Western Federal Lands in October 2017, which cannot be spent until CBS and Sitka Trail Works secure the required match funding.

Harrigan Centennial Hall (HCH) Renewal:

Milestones This Period

- Furniture, Fixtures & Equipment (FF&E) procurement is ongoing.

Future Milestones

- Complete the FF&E procurement. Expected to be completed by the end of year 2018.
- Support operations and address warranty items that occur during the warranty periods.
- Engineering for building signage under entry canopies anticipated to be completed in May 2018.

Background

The project funding includes four State grants totaling \$11,500,000; a \$1,991,271 FY10 Legislative Grant designated for a lightering facility visitor's center (previously planned for under the O'Connell Bridge), \$1,180,000 FY11 CPET Head Tax grant, \$1,400,000 Marine Passenger Funds, \$232,620 heat pump grant, and \$66,000 from the Sitka Historical Society for a total project budget/funds of \$16.4 million.

Current Contracts: MCG Architects	\$1,553,024
McG Constructors/DCI Inc. – Joint Venture	\$13,625,793

Davidoff & Peterson Storm Sewer Rehabilitation:

Milestones This Period

- Received Assembly approval to apply for Alaska Sustainable Salmon Fund (ASSF) and Fish Passage Program Grants. Drafted ASSF grant application for agency review.

Future Milestones

- Finalize design and bid package for Davidoff improvements, July 2018.
- Award Davidoff construction contract, August 2018.
- Rehabilitate or replace where appropriate Davidoff storm infrastructure, Fall 2018.
- Apply for grant funds to support Peterson Street culvert replacement. Submit ASSF grant application by June 12 deadline.

Background

The project includes rehabilitation and/or replacement of deteriorated storm drain infrastructure to include: a 60" corrugated metal culvert crossing under Peterson Street, and two 30" and two 36" metal culverts and two metal storm structures adjacent to

Davidoff Street, between Charteris and HPR. Funding for the project is provided in the FY18 General Fund at \$350,000, and in the FY19 General Fund at \$150,000, for a total of \$500,000.

Current Contracts: Steph Engineering

\$37,500

Gary Paxton Industrial Park Access Ramp:

Milestones This Period

- Contract with PND for first stage planning study approved

Future Milestones

- Stakeholders meeting

Background

The project includes planning and design for a multipurpose boat ramp for the Gary Paxton Industrial Park. The ramp is to be associated with the new existing barge ramp constructed adjacent to the Boat Building Lot. Project funding of \$40,000 provided in Gary Paxton Industrial Park Budget.

Current Contracts: PND Engineers Inc.

\$18,550

Eagle Way Lift Station Rehabilitation:

Milestones This Period

- none

Future Milestones

- Design lift station upgrade to convert existing wet well/dry well scheme to submersible lift station with a valve vault, September 2018.
- Procure construction contractor, March 2019.
- Procure pumps and control/electrical equipment, March 2019.
- Rehabilitate lift station, May 2019.

Background

The original Eagle Way – Old Harbor Mountain Road project included new pavement, storm drainage, water main and services, and a pedestrian pathway within Eagle Way, and new pavement and storm drain improvements within Old Harbor Mountain Road. Funding for the project consists of a \$1,500,000 State of Alaska Department of Commerce Community and Economic Development Grant, of which approximately \$250,000 remains. DCCED approved these remaining funds being used for the lift station rehabilitation work.

Current Contracts: none



REMINDER FOR VENDORS AND MERCHANTS

Senior Citizen Sales Tax Exemption Expires June 30, 2018

Recently the Assembly voted to change the senior sales tax exemption to a need based rebate program. The senior citizen sales tax exemption in Sitka expires June 30, 2018 at midnight. Senior citizens will no longer be exempt from paying applicable sales taxes on their purchases.

Other sales tax exemptions, such as nonprofit, will remain in effect. Remember any customer requesting an exemption from sales tax **MUST HAVE THE EXEMPTION CARD IN THEIR POSSESSION WHEN THEY MAKE THE EXEMPT PURCHASE** (per SGC 4.09.230 A). Allowing customers to sign a sales tax log in lieu of showing their exemption card is not sufficient. A customer who does not have the exemption card in their possession at the time of the purchase may not have sales tax exempted, even if a card had been previously issued to them.

Citizens over 65 and receiving assistance may be eligible for a rebate. Applications can be submitted to the Finance Department between January 1, 2019 – March 31, 2019. Rebates will then be issued to qualified applicants in July, 2019.

For more information, call the Finance Department at 747-1840.



Sitka



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Legislation Details

File #: 18-118 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 6/19/2018 In control: City and Borough Assembly

On agenda: 6/26/2018 Final action:

Title: Special Reports: 1) Fire Chief, Dave Miller 2) Alaska Coalition on Housing and Homelessness, Brian Wilson and Planning Director, Michael Scarcelli

Sponsors:

Indexes:

Code sections:

Attachments: [Special Reports.pdf](#)

Date	Ver.	Action By	Action	Result
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Special Reports

- Fire Chief, Dave Miller
- Alaska Coalition on Housing and Homelessness, Brian Wilson and CBS Planning Director, Michael Scarcelli



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 18-119 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 6/19/2018 In control: City and Borough Assembly

On agenda: 6/26/2018 Final action:

Title: Approve the minutes of the June 5, 12, and 14 Assembly meetings

Sponsors:

Indexes:

Code sections:

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

Date	Ver.	Action By	Action	Result
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CONSENT AGENDA

POSSIBLE MOTION

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

I wish to remove Item(s) _____

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

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

POSSIBLE MOTION

I MOVE TO approve the minutes of the June 5, 12, and 14 Assembly meetings.



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, June 5, 2018

6:00 PM

Assembly Chambers

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

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

Absent: 2 - Potrzuski, and Bean

IV. PERSONS TO BE HEARD

Kevin Mosher spoke to the recent advertisement for a Municipal Engineer. He suggested in light of fiscal challenges, the position be eliminated.

Alene Henning stated she had noticed a reduction in cell phone use at the roundabout and thanked citizens. Of concern, however, was an increased number of vehicles speeding through the roundabout.

Dr. Marilyn Coruzzi expressed concern with the high number of conditional use permits issued by the Planning Commission for short-term rentals and bed and breakfasts and believed those types of businesses changed the character of a neighborhood.

Carin Adickes stated short-term rentals were eliminating long-term housing availability in Sitka.

V. NEW BUSINESS:

- A 18-109** Approve the Administrator and Evaluation Committee's recommendation of Quorum and SEARHC for phase 2 as specified in the Sitka Community

Hospital RFP

Mayor Hunter outlined the process for the evening. Attorney Michael Gatti (filling in for Municipal Attorney Brian Hanson) would review the legal parameters, followed by a presentation by Hospital RFP Consultants Sarah Cave and Steve Huebner, and ending with a possible motion for recommendation.

Gatti emphasized the importance of the Assembly adhering to the RFP process and the decision points that had been developed through the RFP. He shared legal principles associated with competitive government procurement: 1) government procurement was designed to protect the best interests of the public, and, 2) government procurement was like a quasi-judicial activity and thus the Assembly must work under those parameters - e.g. follow process outlined in RFP, no ex parte contact. Gatti explained the decision point before the Assembly was to review the recommendation of the Administrator and evaluation committee for advancing to phase 2. Regarding public disclosure of the proposals, Gatti reminded the process was ongoing. He stated there was information in the proposals of a competitive nature which would be premature to disclose prior to a final decision being made. Typically, the proposals would not be subject to disclosure prior to a letter of intent to award being issued. Gatti spoke to the possible desire for an executive session to discuss some of these matters. Gatti stated the matter before the Assembly tonight was not a matter for executive session. The process to be followed was contained in the RFP and there was not a subject matter to go into executive session about. Gatti reiterated the Assembly's role was to accept or reject the Administrator's recommendation. To do otherwise would be contrary to the process outlined in the RFP.

Hospital RFP Consultants, Sarah Cave and Steve Huebner, provided an overview of the objectives for the evening: a recap of the RFP process, the Assembly's guiding principles and goals of affiliation, review of the RFP evaluation team's assessment of proposals, and discussion and approval of the Municipal Administrator's recommendation (on behalf of the evaluation team) of advancing two proposals to the next phase of the RFP process. Cave and Huebner reminded site visits had been scheduled for July 11-12, an oral presentation before the Assembly on August 13, and selection of a preferred proposer by the Assembly on August 28.

Evaluation team members were Dr. Kimberly Bakkes, Sitka Community Hospital (SCH) Chief of Medical Staff; Keith Brady, City and Borough of Sitka Municipal Administrator; Hospital RFP Consultants, Cave and Huebner; and Connie Sipe, Sitka Community Hospital Board President. A summary of the rating scale and evaluation team's scoring results (lowest to highest) were provided: 1) Sitka Jet Center, 2) Alaska Regional Hospital, 3) Quorum Health Resources, 4) RCCH HealthCare Partners, and, 5) SEARHC. The recommendation of the evaluation team was to advance SEARHC and Quorum to phase 2 of the RFP process.

Eisenbeisz wondered what the next steps would be if the Assembly was not in support of advancing SEARHC and Quorum to phase 2. Brady believed the options would be either to end the RFP process or move forward with the Assembly's chosen recommendations as opposed to the evaluation team's recommendations. Cave cautioned the Assembly in making changes to the process and noted that proposers may be discouraged and withdraw. Gatti stated the Assembly's role was to either accept or reject the evaluation team's recommendations.

A motion was made by Miyasato to APPROVE the Administrator and Evaluation Committee's recommendation of Quorum and SEARHC for phase 2 as specified in the Sitka Community Hospital RFP.

Public Comment

Nancy Davis, Kevin Mosher, Karen Lucas, Lois Rhodes, Diane Larsen, and Dr. Marilyn Corruzi believed the process was moving too quickly, there was a lack of transparency, and wished to have more information about each of the proposals. Travis Hudson spoke to issues affecting the objectivity of the process. Carin Adickes suggested moving all 5 proposals forward to phase 2. Tony Jackson stated the process had not been collaborative. Tom Pratt urged the Assembly to cancel the contract with the consultant and make the decision themselves. Steve Hartford suggested the Assembly place the RFP process on hold.

A motion to AMEND was made by Wein to keep all 5 proposals in the process moving forward to phase 2. The amendment PASSED by the following vote.

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

Absent: 2 - Potrzuski, and Bean

Travis Hudson, Carolyn Evans, Kevin Mosher and Karen Lucas spoke in support of the amendment.

Assembly Deliberation

Municipal Clerk Sara Peterson read a letter on behalf of absent Assembly member Potrzuski. Administrator Brady disclosed he had learned a few days earlier that his mother had been hired by SEARHC. He reiterated the evaluation committee had conducted an objective process and believed the two best options to move forward were SEARHC and Quorum. Assembly members expressed frustration in not being able to make the proposals public at this phase of the process. Gatti reminded of the RFP specifications and reiterated that typically in competitive procurement proposals, such as this, proposals were not made available for public review in order to maintain the competitive nature of the process.

A motion to AMEND was made by Eisenbeisz to make the following a requirement of advancement to phase 2: each proposer agree to a public release of materials submitted in response to the Sitka Community Hospital RFP process. The amendment PASSED by the following vote.

Yes: 4 - Eisenbeisz, Hunter, Knox, and Wein

No: 1 - Miyasato

Absent: 2 - Potrzuski, and Bean

Travis Hudson and Kevin Mosher spoke in support of the amendment.

The main motion as AMENDED PASSED by the following vote.

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

Absent: 2 - Potrzuski, and Bean

VI. PERSONS TO BE HEARD:

None.

VII. EXECUTIVE SESSION

None.

VIII. ADJOURNMENT

A motion was made by Miyasato to ADJOURN. Hearing no objections, the meeting ADJOURNED at 9:40pm.

ATTEST:

Sara Peterson, MMC
Municipal Clerk



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, June 12, 2018

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

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

Absent: 1 - Bean

Telephonic: 1 - Potrzuski

IV. CORRESPONDENCE/AGENDA CHANGES

Mayor Hunter announced agenda changes: 1) Roberta Littlefield's application for the Historic Preservation Commission would be considered at the June 26 meeting and 2) Item L, the Trident Seafoods Corporation lease, had been pulled.

18-116 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)

18-115 Special Reports: 1) Hospital RFP Consultant - Steve Huebner and 2) Update from Sitka Community Hospital

Hospital RFP Consultant Steve Huebner stated a letter had been emailed to the respondents announcing the Assembly's decision of June 5 that all five proposers would move forward to phase 2 contingent upon their approval to make their proposal public. All respondents were made aware of the July 11-12 site visits and oral presentations scheduled for August 13 with a final decision of the Assembly on August 28. Huebner noted some of the respondents had expressed concern with the Assembly's decision to change the RFP process.

Rob Allen, Sitka Community Hospital (SCH) Chief Executive Officer, and Steve Hartford, SCH Director of Operations, provided an update. Allen shared Cerner staff was visiting to prepare for implementation of the electronic health records program; SCH had record revenue levels in May; cash levels were stable; census levels had increased; Cheri Hample had been hired as the new clinic manager; and surgeon, Dr. Melissa DeWolfe, had signed a one year contract with SCH.

VII. PERSONS TO BE HEARD

Alene Henning reported an increased use of cell phones and speeding at the roundabout. She urged the Assembly to reconsider their decision to eliminate the senior citizen sales tax exemption.

VIII. REPORTS

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

Mayor - Hunter reported he and Administrator Brady had met recently with US Forest Service representatives to explore possible areas for collaboration between the two entities.

Administrator - Brady reported on the quarterly "Ask the Administrator" event, attended the Gary Paxton Industrial Park Dock grand opening, presented an inaugural plaque to the crew of the Star Legend, attended the June 12 public BBQ in celebration of the 75th anniversary of USCG helicopter operations, reminded harbor autopay users that the City was changing credit card systems to be in compliance with federal guidelines and that users would need to reenroll autopay information, and noted the senior citizen sales tax exemption would be changing to a needs based program effective July 1.

Liaisons - Knox reported on the work of the Planning Department regarding the Hazard Mitigation Plan, Miyasato on the Police and Fire Commission, Eisenbeisz spoke to the recent Hospital Board meeting, and Hunter reported on the Library Commission.

Clerk - Peterson announced the upcoming vacancies on the Assembly and School Board to be filled at the Municipal Election in October. In addition, Peterson reviewed the candidate filing period dates.

IX. CONSENT AGENDA

A 18-111 Approve the minutes of the May 22 Assembly meeting

This item was APPROVED ON THE CONSENT AGENDA.

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

Absent: 1 - Bean

- B RES 18-11** Authorizing a grant application to the Edward Byrne Memorial Justice Assistance Grant (JAG) Program

This item was APPROVED ON THE CONSENT AGENDA.

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

Absent: 1 - Bean

- C RES 18-12** Setting the millage rates for the fiscal year July 1, 2018 through June 30,

Wein spoke to portions of the memo from Assessor Wendy Lawrence.

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

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

Absent: 1 - Bean

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- D 18-113** Appoint 1) Christopher Wright to a three-year term on the Parks and Recreation Committee and 2) Amy Zanzoski to a three-year term on the Local Emergency Planning Committee and Reappoint 1) Ana Dittmar and Roberta Littlefield to three-year terms on the Historic Preservation Commission

It was noted Roberta Littlefield's application would be considered at the June 26 meeting. Miyasato thanked the applicants for their willingness to serve.

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

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

Absent: 1 - Bean

XI. UNFINISHED BUSINESS:

- E ORD 18-21** Adjusting the FY18 Budget (SEACAD Justice Assistance Grant)

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

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

Absent: 1 - Bean

- F ORD 18-18** Amending Title 18 "Property Acquisition and Disposal" and Title 19 "Building

and Construction" of the Sitka General Code by modifying Chapter 18.12 "Real Property Disposal", Chapter 18.16 "Tidelands Lease Procedure", and Chapter 19.07 "Demolition or Removal of Municipally Owned Buildings" (*postponed from the May 8 Assembly meeting*)

A motion was made by Miyasato that this Ordinance be POSTPONED INDEFINITELY. The motion PASSED by the following vote.

Yes: 4 - Miyasato, Eisenbeisz, Hunter, and Wein

No: 2 - Potrzuski, and Knox

Absent: 1 - Bean

XII. NEW BUSINESS:

New Business First Reading

- G ORD 18-29** Amending Title 18 "Property Acquisition and Disposal" and Title 19 "Building and Construction" of the Sitka General Code by authorizing an advisory vote and modifying Chapter 18.12 "Real Property Disposal", Chapter 18.16 "Tidelands Lease Procedure", and Chapter 19.07 "Demolition or Removal of Municipally Owned Buildings"

Cosponsors Hunter and Miyasato stated the ordinance would change the mandatory voter ratification to an advisory vote and increase 1) the threshold for the sale or disposal of real property from \$500,000 to \$5 million and 2) the threshold for the lease of real property from \$750,000 to \$7.5 million. Wein recommended a three tiered approach to the ordinance depending upon the subject property: 1) notify/notice the Assembly 2) may seek an advisory vote and 3) shall seek an advisory vote. In addition he stated he had requested an inventory of municipal lands that was tentatively scheduled to be available in July. Without the inventory, he felt he could not make an informed decision on the values proposed in the ordinance. Knox encouraged the public to offer opinions on the proposed thresholds and noted the importance of the constitutionality issues at hand. Hunter and Potrzuski concurred with Knox.

A motion was made by Miyasato that this Ordinance be APPROVED on FIRST AND FINAL READING.

A motion was made by Eisenbeisz to POSTPONE this Item to the 1st regular meeting in August to allow for completion of the lands inventory. The motion FAILED by the following vote.

Yes: 2 - Eisenbeisz, and Wein

No: 4 - Miyasato, Potrzuski, Hunter, and Knox

Absent: 1 - Bean

An AMENDMENT was made by Wein to revert back to the original ordinance amounts of \$500,000 and \$750,000. The motion FAILED by the following vote.

Yes: 1 - Wein

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

Absent: 1 - Bean

The main motion, to APPROVE this Ordinance on FIRST READING, PASSED by the following vote.

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

No: 1 - Wein

Absent: 1 - Bean

H ORD 18-26

Amending Title 15 "Public Utilities" of the Sitka General Code to increase water rates at Section 15.05.240 "Service Connection Charge" and Section 15.05.620 "Rates and Fees"

Kevin Mosher urged the Assembly to cease all rate increases.

A discussion of the Assembly ensued. Members while sympathetic to rate users, expressed the need to maintain existing infrastructure and plan for future projects such as a secondary water source. Wein wondered if the proposed secondary water source project was the best decision and desired additional information.

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

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

No: 1 - Wein

Absent: 1 - Bean

I ORD 18-27

Amending Title 15 "Public Utilities" of the Sitka General Code to increase wastewater treatment rates at Section 15.04.100 "Service Connection Charge" and Section 15.04.320 "Rates and Fees"

While difficult decision, Assembly members reiterated the need for increasing rates. Eisenbeisz believed capital projects were the impetus for increasing rates and suggested the Assembly consider reducing the number of projects.

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

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

No: 1 - Eisenbeisz

Absent: 1 - Bean

J ORD 18-28

Amending Title 15 "Public Utilities" of the Sitka General Code to increase solid waste collection rates at Sections 15.06.020 "Solid Waste Disposal Policy and Rates", 15.06.035 "Rates for Treatment and Collection", 15.06.045 "Special Refuse and Treatment Charges" and changing the title of 15.06.045 to "Transfer Station Drop-Off Charges and Special Refuse Collection Charges"

Matt Donohoe and Kevin Mosher spoke in opposition.

Wein suggested the Assembly explore alternatives for solid waste disposal to reduce costs. Assembly members reiterated the political and social pressures felt by increasing rates.

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

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

No: 1 - Eisenbeisz

Absent: 1 - Bean

Additional New Business Items

K 18-110 Consideration and award of the request for proposals submitted for the available funds (\$42,000) in the Fisheries Enhancement Fund

Matt Donohoe and Pat Kehoe spoke to the proposal submitted by Chinook Futures Coalitions, Inc., Linda Behnken provided an overview of the Alaska Longline Fisherman's Association proposal, and Lisa Busch of Sitka Sound Science Center explained their proposal.

Knox wondered of the definition of enhancement. Municipal Attorney, Brian Hanson, stated there was no statutory definition of enhancement. However, in his research he had found only references made to aquaculture. He stated the history of the Assembly, and past Assemblies, was to include all these applicants as eligible for the program. He found no research to preclude the Assembly from doing so.

A motion was made by Knox to make \$42,000 in the Fisheries Enhancement Fund available for disbursement. The motion PASSED by the following vote.

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

Absent: 1 - Bean

A motion was made by Eisenbeisz to award \$10,000 to Alaska Longline Fisherman's Association. The motion PASSED by the following vote.

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

No: 1 - Hunter

Absent: 1 - Bean

A motion was made by Wein to award \$9,500 to Chinook Futures Coalition, Inc. The motion PASSED by the following vote.

Yes: 4 - Miyasato, Eisenbeisz, Potrzuski, and Wein

No: 2 - Hunter, and Knox

Absent: 1 - Bean

Pat Kehoe, Matt Donohoe, and Sherri Aitken spoke in support of full funding for the Chinook Futures Coalition, Inc. Charles Bingham suggested the Assembly compromise and award \$5,000.

A motion to AMEND the award to Chinook Futures Coalition, Inc. to \$2,500 was made by Eisenbeisz. The motion FAILED by the following vote.

Yes: 2 - Potrzuski, and Hunter

No: 4 - Miyasato, Eisenbeisz, Knox, and Wein

Absent: 1 - Bean

A motion was made by Eisenbeisz to award the remaining \$22,500 to the Sitka Sound Science Center. The motion PASSED by the following vote.

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

Absent: 1 - Bean

Assembly Member Knox gave notice to reconsider the amounts awarded to Sitka Sound Science Center (\$22,500) and Alaska Longline Fisherman's Association (\$10,000) at the June 26 Assembly meeting.

- L 18-114** Approve a lease agreement between Trident Seafoods Corporation and the City and Borough of Sitka for Block 4, Lot 6 of the Gary Paxton Industrial
No action taken, item pulled from agenda.

- M RES 18-06A** Increasing Grid, Eliason Harbor Load Zone, and Work Float Charges and Fees (*this amends Resolution 2018-06 approved on April 25, 2018*)
Harbormaster, Stan Eliason, stated he recommended the elimination of fees for the work float and drive down load zone from September 15 through March 15 thereby encouraging boat owners to conduct major repairs during the off season. This resolution replaces Resolution 2018-06 approved in April 2018.

A motion was made by Miyasato to APPROVE this Resolution on FIRST AND FINAL READING. The motion PASSED by the following vote.

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

Absent: 1 - Bean

- N 18-112** Direct the Administrator to explore Pittman-Robertson funding opportunities and prepare a grant application for potential cabin development on City and Borough of Sitka property
Cosponsors Hunter and Eisenbeisz summarized the item. Hunter explained Representative Jonathan Kreiss-Tomkins had notified him of a surplus of federal Pittman-Robertson funds available to build infrastructure that improved access to hunting and wildlife viewing. The funds, administered by the Alaska Department of Fish and Game, were collected through taxes on the sale of firearms and ammunition. At a

3:1 match, Pittman-Robertson funds would increase a CBS outlay of \$50,000 to a project total of \$200,000, providing a budget large enough to build two cabins on municipal land. Hunter noted CBS profits were approximately \$4-5,000 per year on the Tom Young Cabin. Hunter and Eisenbeisz reminded the only action before the Assembly was to direct the Administrator to explore the funding opportunities and prepare a grant application.

A motion was made by Miyasato to direct the Administrator to explore Pittman-Robertson funding opportunities and prepare a grant application by August 2018 for potential cabin development on municipal land. The motion PASSED by the following vote.

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

Absent: 1 - Bean

XIII. PERSONS TO BE HEARD:

Charles Bingham announced Mark Winne, a food policy expert, was planning a visit to Sitka; reminded the Sitka Farmer's Market started July 7; and urged the Assembly to consider contacting the State of Alaska to explore a collaborative management agreement for the local parks.

Helen Craig reminded the Assembly to speak clearly into the microphones; stated increased rates had created financial hardships for citizens; requested the City build a dog park for Sitkans to bring their dogs to; and stated properly functioning voting booths were needed for the local, state, and federal elections.

XIV. EXECUTIVE SESSION

None.

XV. ADJOURNMENT

A motion was made by Miyasato to ADJOURN. Hearing no objections, the meeting ADJOURNED at 9:58pm.

ATTEST: _____

**Sara Peterson, MMC
Municipal Clerk**



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*

Thursday, June 14, 2018

6:00 PM

Assembly Chambers

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

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

Absent: 2 - Potrzuski, and Bean

IV. PERSONS TO BE HEARD

None.

V. NEW BUSINESS:

- A 18-117** Consideration of an appeal filed by Tamico, Inc. of the bid evaluation and letter of intent to award for the O'Connell Bridge Lightering Facility Pile Replacement Project (*possible executive session*)
- Municipal Attorney Brian Hanson spoke to the process for the appeal and reminded the Assembly was acting as a quasi judicial body. Regarding the appeal of the bid rejection, Hanson stated the scope encompassed the bid documents, proposal made by Tamico, grounds for the City and Borough of Sitka (CBS) rejecting the proposal, materiality of the grounds, and the reasonable basis for rejecting. Hanson recommended that upon reaching a decision the Assembly include findings to support their decision.

Appellant

Jim Martinsen of Tamico, Inc. stated the main reason for his appeal pertained to

permitting. Martinsen stated requirements for an Incidental Harassment Authorization (IHA) permit were unclear and believed CBS had not disclosed all information with regards to permitting. He relayed that because it was a maintenance project, the US Army Corp of Engineers (USACE) and National Marine Fisheries Service (NMFS) had indicated that with some sound mitigation measures, a standard nationwide permit could be attained. He suggested the CBS reject all bids and rebid the project.

City and Borough of Sitka

Hanson stated in June 2017, CBS Harbor staff discovered the pilings at the O'Connell Lightering Float were leaning towards shore. Moorage was suspended and an investigation ensued. After CBS Public Works staff determined the pilings were in need of repair, a project was initiated and appropriations for the project were obtained from the Assembly. In October 2017, the USACE informed CBS that the project area fell within an Endangered Species Act (ESA) action area of 7000 meters. CBS determined the action area to be impractical and hired an environmental consultant, Solstice Alaska Consulting, to work with USACE and NMFS and investigate possibilities for a reduced action area. Despite efforts, NMFS denied a reduction from 7000 meters and CBS determined extraordinary permitting to be required, one of which could include a high cost IHA permit. Hanson stated at the April 2018 pre-bid meeting, CBS verbally advised all participants that an ESA action area would be required and an IHA permit would likely be required and noted the contractor was responsible for determining, coordinating, and acquiring all authorizations required and for permit compliance. CBS received two bids for the project: Tamico, Inc. and Turnagain Marine. Upon evaluation of the bids, CBS requested permission from Tamico, Inc. to speak with their proposed permitting specialist. It was determined the firm did not meet the required bidder qualification specifications: evidence of having obtained 2 prior IHA permits within the last 5 years. CBS rejected Tamico's bid as "non-responsive" for (1) failure of their permitting specialist to list at least 2 previous IHA authorizations of similar scope within the last 5 years and (2) failure to demonstrate the ability to obtain the required insurance. In addition, CBS deemed Tamico a "non-responsible bidder" for its failure to strictly comply with governmental permits when performing the Sitka Transient Float Project.

Assembly Deliberation

Assembly members discussed the materials presented by both parties. Mayor Hunter reminded the Assembly was tasked with determining whether or not CBS had justly found the bid to be responsive or not. Items discussed were insurance, permitting, and failure to comply with local, state, and federal permits.

A motion was made by Eisenbeisz to DENY THE APPEAL based on bidder qualification 1.2.c.4 Permitting Specialist (List of at least two previous Incidental Harassment Authorizations successfully obtained for marine projects of similar scope and considerations within the past 5 years). The motion PASSED by the following vote.

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

Absent: 2 - Potrzuski, and Bean

VI. PERSONS TO BE HEARD:

None.

VII. ADJOURNMENT

A motion was made by Miyasato to ADJOURN. Hearing no objections, the meeting ADJOURNED at 9:10pm.

ATTEST: _____

Sara Peterson, MMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 18-120 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 6/19/2018 In control: City and Borough Assembly

On agenda: 6/26/2018 Final action:

Title: Approve the Health Needs and Human Services Commission goals for 2018

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and Memo HNHS 2018 Goals to Assembly.pdf](#)

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

POSSIBLE MOTION

I MOVE TO approve the Health Needs and Human Services Commission goals for 2018.

MEMORANDUM

To: Mayor Hunter and Members of the Assembly

From: Doug Osborne, Chair of the Health Needs and Human Services Commission

Subject: Health Needs and Human Services Commission 2018 Goals

Date: June 7, 2018

At the June 7th meeting, our commission unanimously voted to submit the following four goals for you to review and potential approval.

1. Develop ideas and options to address and positively impact local issues around affordability;
2. Develop ideas and options to address and positively impact local issues around substance abuse especially related to alcohol misuse and abuse;
3. Develop ideas and options to address and positively impact local issues around enhancing local food production while reducing waste, i.e., composting; and
4. Support the successful implementation of Tobacco 21 ordinance 2018-24.

Our seven person commission is full and ready for another productive year.

Thank you for your time and consideration.

Doug Osborne
Chair HNHS Commission

Health Needs and Human Services Commission Minutes

Thursday, June 7, 2018 2:00 p.m.

Harrigan Centennial Hall

Commission Members: Doug Osborne, Loyd Platson, Jeff Arndt,
Barbara Kendall, Vera Gibson, Martha Pearson, Jennifer Herrera
Dr. Richard Wein (Assembly Liaison)

I. CALL TO ORDER

Chair Osborne called the meeting to order at approximately 2:00 p.m.

II. ROLL CALL

Commissioners Present: Doug Osborne, Loyd Platson, Jeff Arndt, Barbara Kendall, Vera Gibson, Jennifer Herrera

Absent: Martha Pearson (excused)

Other: Holly Marban, Melissa Henshaw

III. AGENDA CHANGES

None.

IV. APPROVAL OF MINUTES

A. May 10, 2018

M - Platson / S - Arndt moved to approve the May 10, 2018 minutes as written. Motion passed unanimously.

V. PERSONS TO BE HEARD/CORRESPONDENCE

None.

VI. REPORTS

Chair - Osborne relayed distracting driving statistics.

Commissioners - Gibson reported from May 31st Pick It Up Cigarette Butts and wellness coalition conference. Arndt updated on Sitka Trail Works and difficulties in the process and of continuing education by Sitka Counseling he completed. Platson reported two medication drop boxes would arrive soon at Sitka Community Hospital and Sitka Police Department.

City Staff - None.

Assembly Liaison - Not in attendance.

Other(s) - None.

VII. UNFINISHED BUSINESS

B. 2018 Goals

Chair Osborne reminded commissioners that annual goals are required to be approved by the assembly. He gave the suggestion to continue to support a successful implementation with Tobacco 21 and to come up with options to bring forward as potential ordinances. Arndt agreed with the follow through for Tobacco 21. Herrera added to have more public/private partnerships and pedestrian stop lights. Platson thought of a formalized composting site, to reduce/reuse plastic bags, and track data regarding marijuana. Kendall mentioned a goal dealing with alcohol tax. There was consensus of having broad topics surrounding cost of living, alcohol tax, and composting solid waste

M - Platson / S - Gibson moved to recommend to the Assembly goal #1: develop ideas and options to address and positively impact local issues around affordability. Goal #2: develop ideas and options to address and positively impact local issues around substance abuse especially related to alcohol misuse and abuse. Goal #3: develop ideas and options to address and positively impact local issues around enhancing local food production while reducing waste, i.e., composting. Motion passed on a roll call vote. Yes: 6 – Osborne, Platson, Arndt, Kendall, Gibson, Herrera.

M – Kendall / S – Arndt moved to recommend to the Assembly goal #4: support the successful implementation of Tobacco 21 ordinance 2018-24. Motion passed unanimously.

M – Arndt / S – Osborne moved to amend goal #2 to include “especially related to alcohol misuse and abuse.” Motion passed unanimously.

The goals would go to the June 26, 2018 assembly meeting.

C. Tobacco 21

Consensus was to place a time limit on any future Tobacco 21 discussions.

D. Electric rate increase

Chair Osborne told of program to offset cost of converting from fuel to electric.

VIII. NEW BUSINESS

None.

IX. ADJOURNMENT

F. Agenda items for the next meeting of July 12, 2018 at 2:00 p.m., Harrigan Centennial Hall

M – Platson / S – Herrera moved to adjourn at 3:29 p.m. Motion passed unanimously.

Attest:
Melissa Henshaw, Deputy Clerk

Chapter 2.13 HEALTH NEEDS AND HUMAN SERVICES COMMISSION

Sections:

[2.13.010](#) Health needs and human services commission.

[2.13.020](#) Term.

[2.13.030](#) Meetings.

[2.13.040](#) Organization.

[2.13.050](#) Resignation.

[2.13.060](#) Powers and duties.

2.13.010 Health needs and human services commission.

There shall be a commission known as the health needs and human services commission which shall be composed of seven members appointed by the assembly and, to the extent deemed advisable by the assembly, include professionals from among the fields of health and human services including medicine, psychology, public health, social services, public safety, public administration and other related fields. A member of the Sitka assembly will serve as a liaison for the commission. All members of the commission shall be at-large members and represent a diverse cross-section of the community. (Ord. [13-23](#) § 4 (part), 2013.)

2.13.020 Term.

The term of a member shall be three years or until a successor is appointed; except, term of the assembly liaison shall be for one year. The first members appointed to the commission shall, upon appointment, determine the length of the terms so that the terms of three members shall be for one year and the terms of two members shall be for two years, and the terms of two members shall be for three years, resulting in staggered terms for members subsequently appointed. A vacancy on the commission shall be filled by appointment by the assembly for any remainder of an unexpired term. (Ord. [13-23](#) § 4 (part), 2013.)

2.13.030 Meetings.

- A. Meet a minimum of four times per year at such times that the chair or, in his or her absence, the vice-chair shall determine.
- B. Give reasonable public notice of its meetings and shall comply in all respects with the Alaska Open Meetings Law.

(Ord. [13-23](#) § 4 (part), 2013.)

2.13.040 Organization.

The commission shall organize itself by electing a chairman, vice chairman, and secretary, each of whom shall be elected by the members of the commission at the first meeting of the fiscal year and shall serve a term to expire upon election of officers at the first meeting of the following fiscal year. (Ord. [13-23](#) § 4 (part), 2013.)

2.13.050 Resignation.

Should an officer resign from their position prior to expiration of their term, or otherwise is unable or unwilling to perform duties as required of the office, the commission may elect an officer to serve out the remainder of that term. In addition to the above officers, the commission, by a majority vote of its members, may designate and elect or appoint such other officers, assistant officers and agents as it deems necessary at such time, in such manner, and upon and for such terms as it shall prescribe. All officers and agents shall serve at the pleasure of the commission, whenever in its judgment the best interest of the commission will be served. (Ord. [13-23](#) § 4 (part), 2013.)

2.13.060 Powers and duties.

A. The commission will annually identify goals developed through the collection and consolidation of vital and current information on human service trends as well as public input. All goals shall be approved by the assembly prior to the commission initiating action. All findings of the commission will be made available to benefit and educate city and borough of Sitka decision-makers.

B. The commission will perform other activities which are necessary and proper to carry out the above duties and any other actions determined by the assembly to be beneficial to carry out the health and human service goals necessary in the city and borough of Sitka.

C. The commission will coordinate with local entities such as the Sitka Tribe of Alaska, Sitka Community Hospital, SEARHC as well as applicable nonprofits and local businesses providing health/human services to identify human service needs as well as to best streamline the collection and consolidation of vital and current information on human service needs.

(Ord. [13-23](#) § 4 (part), 2013.)

The Sitka General Code is current through Ordinance 18-25, passed May 22, 2018.

Disclaimer: The City and Borough Clerk's Office has the official version of the Sitka General Code. Users should contact the City and Borough Clerk's Office for ordinances passed subsequent to the ordinance cited above.

City and Borough Website: <http://www.cityofsitka.com/> (<http://www.cityofsitka.com/>)

City and Borough Telephone: (907) 747-1811

Code Publishing Company (<http://www.codepublishing.com/>)



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 18-121 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 6/19/2018 In control: City and Borough Assembly

On agenda: 6/26/2018 Final action:

Title: Approve the renewal of a standard marijuana cultivation facility license for AKO Farms, LLC at 1210 Beardsley Way

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and memos AKO Farms cultivation facility.pdf](#)
[LG Renewal Notice - Standard Marijuana Cultivation Facility - AKO Farms LLC License #12253.pdf](#)
[12253 Online Renewal Application_Redacted.pdf](#)
[12253 MJ-20 Renewal Application Certifications.pdf](#)
[12253 POPPP.pdf](#)
[12253 Entity Documents.pdf](#)

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

POSSIBLE MOTION

I MOVE TO approve the renewal of a standard marijuana cultivation facility license for AKO Farms, LLC and forward this approval to the Alcohol and Marijuana Control Office 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: June 19, 2018

Subject: Approve Standard Marijuana Cultivation Facility License Renewal – AKO Farms

Our office has received notification from the Alcohol and Marijuana Control Office of a renewal for a marijuana cultivation facility license submitted by:

License #:	12253
License Type:	Standard Marijuana Cultivation Facility
Licensee/Applicant:	AKO Farms, LLC
D.B.A.:	AKO Farms, LLC
Physical Address:	1210 Beardsley; Sitka, AK
Designated Licensee:	Elizabeth Martin

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

Recommendation: Approve the renewal of a standard marijuana cultivation facility license for AKO Farms, LLC and forward this approval to the Alcohol and Marijuana Control Office without objection.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Memorandum

To: Planning Department
Collections - Sunni
Municipal Billings – Lindsey
Sales Tax/Property Tax – Hannah
Utility Billing Clerk – Diana
Public Works Department – Shilo
Fire Department
Police Department
Electric Department
Building Official

From: Sara Peterson, Municipal Clerk

Date: June 4, 2018

Subject: Renewal Marijuana Cultivation Facility License

The Municipal Clerk's Office has been notified by the Alcohol and Marijuana Control Office of a renewal for a standard marijuana cultivation facility license submitted by:

License #: 12253
License Type: Standard Marijuana Cultivation Facility
Licensee/Applicant: AKO Farms, LLC
D.B.A.: AKO Farms, LLC
Physical Address: 1210 Beardsley; Sitka, AK
Designated Licensee: Elizabeth Martin

Please notify me **no later than noon on Friday, June 15th** of any reason to protest this request. This license renewal is scheduled to go before the Assembly on June 26th.

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

June 1, 2018

City & Borough of Sitka

Attn: City & Borough of Sitka

Via Email: sara.peterson@cityofsitka.org
melissa.henshaw@cityofsitka.org
michael.scarcelli@cityofsitka.org
planning@cityofsitka.org
brian.hanson@cityofsitka.org

License Number:	12253
License Type:	Standard Marijuana Cultivation Facility
Licensee:	AKO Farms, LLC
Doing Business As:	AK O FARMSLLC.
Physical Address:	1210 beardsley sitka, AK 99835
Designated Licensee:	Elizabeth Martin
Phone Number:	907-738-3484
Email Address:	lizaak13@gmail.com

AMCO has received a complete renewal application for the above listed license (see attached application documents) within your jurisdiction. This is the notice required under 3 AAC 306.035(c)(2).

To protest the approval of this application pursuant to 3 AAC 306.060, you must furnish the director **and** the applicant with a clear and concise written statement of reasons for the protest within 60 days of the date of this notice, and provide AMCO proof of service of the protest upon the applicant.

3 AAC 306.060 states that the board will uphold a local government protest and deny an application for a marijuana establishment license unless the board finds that a protest by a local government is arbitrary, capricious, and unreasonable.

At the May 15, 2017, Marijuana Control Board meeting, the board delegated to me the authority to approve renewal applications with no protests, objections, or notices of violation. However, if a timely protest or objection is filed for this application, or if any notices of violation have been issued for this license, the board will consider the application. In those situations, a temporary license will be issued pending board consideration.

If you have any questions, please email amco.localgovernmentonly@alaska.gov.

Sincerely,

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

Erika McConnell

Director

Alcohol & Marijuana Control Office

Initiating License Application

5/1/2018 11:01:21 AM

License Number: 12253**License Status:** Active-Operating**License Type:** Standard Marijuana Cultivation Facility**Doing Business As:** AK O FARMSLLC.**Business License Number:** 1035604**Designated Licensee:** Elizabeth Martin**Email Address:** rgrjrb@hotmail.com**Local Government:** Sitka (City and Borough of)**Community Council:****Latitude, Longitude:** 57.051579, -135.306230**Physical Address:** 1210 beardsley
sitka, AK 99835
UNITED STATES**Licensee #1****Type:** Entity**Alaska Entity Number:** 10037708**Alaska Entity Name:** AKO Farms, LLC**Phone Number:** 907-623-0417**Email Address:** rgrjrb@hotmail.com**Mailing Address:** P O Box 2426
1210 Beardslee Way
sitka, AK 99835
UNITED STATES**Entity Official #1****Type:** Individual**Name:** Elizabeth Martin
[REDACTED]
[REDACTED]**Phone Number:** 907-738-3484**Email Address:** lizaak13@gmail.com**Mailing Address:** P O Box 2752 2217 hpr
sitka, AK 99835
UNITED STATES**Entity Official #2****Type:** Individual**Name:** justin brown
[REDACTED]
[REDACTED]**Phone Number:** 907-738-5301**Email Address:** rgrjrb@hotmail.com**Mailing Address:** 103 metlakatla st
sitka, AK 99835
UNITED STATES**Entity Official #3****Type:** Individual**Name:** marty Martin
[REDACTED]
[REDACTED]**Phone Number:** 907-738-4048**Email Address:** martinent@gci.net**Mailing Address:** P O Box 2752 2217 hpr
Sitka, AK 99835
UNITED STATES**Note:** No affiliates entered for this license.



Alaska Marijuana Control Board

Cover Sheet for Marijuana Establishment Applications

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

What is this form?

This cover sheet **must** be completed and submitted any time a document, payment, or other marijuana establishment application item is emailed, mailed, or hand-delivered to AMCO's main office.

Items that are submitted without this page will be returned in the manner in which they were received.

Section 1 – Establishment Information

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

Licensee:	AKO Farms, LLC	License Number:	12253		
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	AKO FARMS LLC				
Physical Address:	1210 Beardslee Way				
City:	Sitka	State:	AK	Zip Code:	99835
Designated Licensee:	Justin Brown				
Email Address:	akofarmsllc@gmail.com				

Section 2 – Attached Items

List all documents, payments, and other items that are being submitted along with this page.

Attached Items:	MJ-20 Renewal Application Certification For Elizabeth Martin, Marty Martin, and Justin Brown
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OFFICE USE ONLY

Received Date:		Payment Submitted Y/N:		Transaction #:	
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Received by AMCO 5.10.18



Alaska Marijuana Control Board

Form MJ-20: Renewal Application Certifications**What is this form?**

This renewal application certifications form is required for all marijuana establishment license renewal applications. Each person signing an application for a marijuana establishment license must declare that he/she has read and is familiar with AS 17.38 and 3 AAC 306. A person other than a licensee may not have direct or indirect financial interest (as defined in 3 AAC 306.015(e)(1)) in the business for which a marijuana establishment license is issued, per 3 AAC 306.015(a).

This form must be completed and submitted to AMCO's main office by each licensee (as defined in 3 AAC 306.020(b)(2)) before any license renewal application will be considered complete.

Section 1 – Establishment Information

Enter information for the licensed establishment, as identified on the license application.

Licensee:	AKO FARMS LLC	License Number:	12253		
License Type:	Marijuana Cultivation Facility				
Doing Business As:	AKO FARMS LLC				
Premises Address:	1210 Beardslee Way				
City:	Sitka	State:	AK	ZIP:	99835

Section 2 – Individual Information

Enter information for the individual licensee who is completing this form.

Name:	Marty Martin
Title:	Owner

Section 3 – Changes to Licensed Marijuana Establishment

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

Initials

I certify that **no changes have been made**, except for those that have been previously reported or requested on a form prescribed by the Board, to this licensed establishment's business name, ownership, licensed premises diagram, or operating plan, and (for marijuana product manufacturers) that I do not wish to request Board approval for production of any new proposed marijuana products.

I certify that **a change has been or will be made** to one or more of the items listed above for this establishment, and I understand that an additional form(s) and fee(s) must be submitted to AMCO before any renewal application for this license can be considered complete.

If you have selected the second certification, please list any and all of the types of changes that need to be reported/requested:

--



Alaska Marijuana Control Board

Form MJ-20: Renewal Application Certifications

Section 4 – Certifications

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

Initials

I certify that I have **not** been convicted of any criminal charge in the previous two calendar years.

[Handwritten initials]

I certify that I have **not** been issued any notices of violation or committed any civil violation of AS 04, AS 17.38, or 3 AAC 306 in the previous two calendar years.

[Handwritten initials]

Sign your initials to the following statement only if you are unable to certify one or both of the above statements:

Initials

I have attached a written explanation for why I cannot certify one or both of the above statements, which includes the type of offense, as required under 3 AAC 306.035(b)(4).

[Empty box for initials]

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

Initials

I certify that no person other than a licensee listed on my marijuana establishment license renewal application has a direct or indirect financial interest, as defined in 3 AAC 306.015(e)(1), in the business for which the marijuana establishment license has been issued.

[Handwritten initials]

I certify that I meet the residency requirement under AS 43.23 for a permanent fund dividend in the 2018 calendar year.

[Handwritten initials]

I certify that this establishment complies with any applicable health, fire, safety, or tax statute, ordinance, regulation, or other law in the state.

[Handwritten initials]

I certify that I am operating in compliance with the Alaska Department of Labor and Workforce Development's laws and requirements pertaining to employees.

[Handwritten initials]

I certify that I have not violated any restrictions pertaining to this particular license type, and that this license has not been operated in violation of a condition or restriction imposed by the Marijuana Control Board.

[Handwritten initials]

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

[Handwritten initials]

As an applicant for a marijuana establishment license renewal, I declare under penalty of unsworn falsification that I have read and am familiar with AS 17.38 and 3 AAC 306, and that this application, including all accompanying schedules and statements, is true, correct, and complete. I agree to provide all information required by the Marijuana Control Board in support of this application and understand that failure to do so by any deadline given to me by AMCO staff may result in additional fees or expiration of this license.

[Handwritten signature]
Signature of licensee

MARY J MARTIN
Printed name of licensee

Kathy Finsley
Notary Public in and for the State of Alaska

My commission expires: *02/25/19*

Subscribed and sworn to before me this *9th* day of *May*, 20*18*.





Alaska Marijuana Control Board

Form MJ-20: Renewal Application Certifications

What is this form?

This renewal application certifications form is required for all marijuana establishment license renewal applications. Each person signing an application for a marijuana establishment license must declare that he/she has read and is familiar with AS 17.38 and 3 AAC 306. A person other than a licensee may not have direct or indirect financial interest (as defined in 3 AAC 306.015(e)(1)) in the business for which a marijuana establishment license is issued, per 3 AAC 306.015(a).

This form must be completed and submitted to AMCO's main office by each licensee (as defined in 3 AAC 306.020(b)(2)) before any license renewal application will be considered complete.

Section 1 – Establishment Information

Enter information for the licensed establishment, as identified on the license application.

Licensee:	AKO FARMS LLC	License Number:	12253		
License Type:	Marijuana Cultivation Facility				
Doing Business As:	AKO FARMS LLC				
Premises Address:	1210 Beardslee Way				
City:	Sitka	State:	AK	ZIP:	99835

Section 2 – Individual Information

Enter information for the individual licensee who is completing this form.

Name:	Justin Brown
Title:	Owner

Section 3 – Changes to Licensed Marijuana Establishment

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

Initials

I certify that **no changes have been made**, except for those that have been previously reported or requested on a form prescribed by the Board, to this licensed establishment's business name, ownership, licensed premises diagram, or operating plan, and (for marijuana product manufacturers) that I do not wish to request Board approval for production of any new proposed marijuana products.

I certify that **a change has been or will be made** to one or more of the items listed above for this establishment, and I understand that an additional form(s) and fee(s) must be submitted to AMCO before any renewal application for this license can be considered complete.

If you have selected the second certification, please list any and all of the types of changes that need to be reported/requested:

--



Form MJ-20: Renewal Application Certifications

Section 4 – Certifications

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

Initials

I certify that I have **not** been convicted of any criminal charge in the previous two calendar years.

[Handwritten initials]

I certify that I have **not** been issued any notices of violation or committed any civil violation of AS 04, AS 17.38, or 3 AAC 306 in the previous two calendar years.

[Handwritten initials]

Sign your initials to the following statement only if you are unable to certify one or both of the above statements:

Initials

I have attached a written explanation for why I cannot certify one or both of the above statements, which includes the type of offense, as required under 3 AAC 306.035(b)(4).

[Empty box for initials]

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

Initials

I certify that no person other than a licensee listed on my marijuana establishment license renewal application has a direct or indirect financial interest, as defined in 3 AAC 306.015(e)(1), in the business for which the marijuana establishment license has been issued.

[Handwritten initials]

I certify that I meet the residency requirement under AS 43.23 for a permanent fund dividend in the 2018 calendar year.

[Handwritten initials]

I certify that this establishment complies with any applicable health, fire, safety, or tax statute, ordinance, regulation, or other law in the state.

[Handwritten initials]

I certify that I am operating in compliance with the Alaska Department of Labor and Workforce Development's laws and requirements pertaining to employees.

[Handwritten initials]

I certify that I have not violated any restrictions pertaining to this particular license type, and that this license has not been operated in violation of a condition or restriction imposed by the Marijuana Control Board.

[Handwritten initials]

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

[Handwritten initials]

As an applicant for a marijuana establishment license renewal, I declare under penalty of unsworn falsification that I have read and am familiar with AS 17.38 and 3 AAC 306, and that this application, including all accompanying schedules and statements, is true, correct, and complete. I agree to provide all information required by the Marijuana Control Board in support of this application and understand that failure to do so by any deadline given to me by AMCO staff may result in additional fees or expiration of this license.

[Handwritten signature]
Signature of licensee

Justin Brown
Printed name of licensee

[Handwritten signature: Kathy Finsley]
Notary Public in and for the State of Alaska

My commission expires: 02/25/19

Subscribed and sworn to before me this 9th day of May, 2018.





Alaska Marijuana Control Board

Form MJ-20: Renewal Application Certifications**What is this form?**

This renewal application certifications form is required for all marijuana establishment license renewal applications. Each person signing an application for a marijuana establishment license must declare that he/she has read and is familiar with AS 17.38 and 3 AAC 306. A person other than a licensee may not have direct or indirect financial interest (as defined in 3 AAC 306.015(e)(1)) in the business for which a marijuana establishment license is issued, per 3 AAC 306.015(a).

This form must be completed and submitted to AMCO's main office by each licensee (as defined in 3 AAC 306.020(b)(2)) before any license renewal application will be considered complete.

Section 1 – Establishment Information

Enter information for the licensed establishment, as identified on the license application.

Licensee:	AKO FARMS LLC	License Number:	12253		
License Type:	Marijuana Cultivation Facility				
Doing Business As:	AKO FARMS LLC				
Premises Address:	1210 Beardslee Way				
City:	Sitka	State:	AK	ZIP:	99835

Section 2 – Individual Information

Enter information for the individual licensee who is completing this form.

Name:	Elizabeth Martin
Title:	Owner

Section 3 – Changes to Licensed Marijuana Establishment

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

Initials

I certify that **no changes have been made**, except for those that have been previously reported or requested on a form prescribed by the Board, to this licensed establishment's business name, ownership, licensed premises diagram, or operating plan, and (for marijuana product manufacturers) that I do not wish to request Board approval for production of any new proposed marijuana products.

I certify that **a change has been or will be made** to one or more of the items listed above for this establishment, and I understand that an additional form(s) and fee(s) must be submitted to AMCO before any renewal application for this license can be considered complete.

☐

If you have selected the second certification, please list any and all of the types of changes that need to be reported/requested:

--



Alaska Marijuana Control Board

Form MJ-20: Renewal Application Certifications

Section 4 – Certifications

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

Initials

I certify that I have **not** been convicted of any criminal charge in the previous two calendar years.

Em

I certify that I have **not** been issued any notices of violation or committed any civil violation of AS 04, AS 17.38, or 3 AAC 306 in the previous two calendar years.

Em

Sign your initials to the following statement only if you are unable to certify one or both of the above statements:

Initials

I have attached a written explanation for why I cannot certify one or both of the above statements, which includes the type of offense, as required under 3 AAC 306.035(b)(4).

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

Initials

I certify that no person other than a licensee listed on my marijuana establishment license renewal application has a direct or indirect financial interest, as defined in 3 AAC 306.015(e)(1), in the business for which the marijuana establishment license has been issued.

Em

I certify that I meet the residency requirement under AS 43.23 for a permanent fund dividend in the 2018 calendar year.

Em

I certify that this establishment complies with any applicable health, fire, safety, or tax statute, ordinance, regulation, or other law in the state.

Em

I certify that I am operating in compliance with the Alaska Department of Labor and Workforce Development's laws and requirements pertaining to employees.

Em

I certify that I have not violated any restrictions pertaining to this particular license type, and that this license has not been operated in violation of a condition or restriction imposed by the Marijuana Control Board.

Em

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

Em

As an applicant for a marijuana establishment license renewal, I declare under penalty of unsworn falsification that I have read and am familiar with AS 17.38 and 3 AAC 306, and that this application, including all accompanying schedules and statements, is true, correct, and complete. I agree to provide all information required by the Marijuana Control Board in support of this application and understand that failure to do so by any deadline given to me by AMCO staff may result in additional fees or expiration of this license.

Elizabeth Martin

Signature of licensee

ELIZABETH MARTIN

Printed name of licensee

Kathy Finsley

Notary Public in and for the State of Alaska

My commission expires: 02/25/19

Subscribed and sworn to before me this 9th day of May, 2018.





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

Alaska Marijuana Control Board

Cover Sheet for Marijuana Establishment Applications

What is this form?

This cover sheet **must** be completed and submitted any time a document, payment, or other marijuana establishment application item is emailed, mailed, or hand-delivered to AMCO's main office.

Items that are submitted without this page will be returned in the manner in which they were received.

Section 1 – Establishment Information

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

Licensee:	AKO Farms, LLC	License Number:	12253		
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	AK O FARMSLLC.				
Physical Address:	1210 beardsley				
City:	sitka	State:	AK	Zip Code:	99835
Designated Licensee:	justin brown				
Email Address:	rgrjrb@hotmail.com				

Section 2 – Attached Items

List all documents, payments, and other items that are being submitted along with this page.

Attached Items:	<p>AKO FARMS COMMERCIAL LEASE 6 pages TOTAL</p>
-----------------	---

OFFICE USE ONLY

Received Date:		Payment Submitted Y/N:		Transaction #:	
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AMCO Received 5/30/2018

AKO FARMS
License #12253

COMMERCIAL LEASE

THIS COMMERCIAL LEASE (the "Lease") is made by and between Martin Enterprises, Inc. (hereinafter called the "Lessor" or "Landlord") of PO Box 437, Sitka, AK 99835, and AKO Farms, LLC (hereinafter called the "Lessee" or "Tenant") of PO Box 2426, Sitka, AK 99835, for the property known as 1210 Beardsley, Sitka, AK 99835

1. Property. In consideration of the mutual covenants contained herein, the Lessor hereby leases to the Lessee, and the Lessee hereby leases from the Lessor the "Lease Space" located at the above rental address of approximately 7,000 square feet, more fully described in Appendix A ("the Premises"). The Lessee has inspected and shall accept the Premises in its current condition, for the purpose of a marijuana cultivation business. **Landlord acknowledges that the premises will be used for a marijuana establishment.**

2. Term. The Lessee is to have and hold the Premises for a term of Twenty Four (24) months. The term shall commence on October 1, 2017 (the "commencement date") and shall expire on September 30, 2019 (the "expiration date").

3. Extended Term.

(a) Lessee's Option To Extend. Provided the Lessee is not in default of its obligations under this Lease, the Lessee shall have the option to extend the initial term on all the terms and conditions contained herein, except for the monthly base rent, for an additional period of Three (3) years, commencing at midnight on the day the initial term terminates.

(b) Procedure to Extend. In order to exercise its option, the Lessee shall give the Lessor written notice of its intention to extend at least sixty (60) days prior to the expiration of the initial term.

(c) Monthly Base Rent. The monthly base rent for the extended term shall be set by negotiation. The parties shall have thirty (30) days after the Lessor received the notice to extend in which to agree on the monthly base rent for the extended term, if the parties agree they shall immediately execute an amendment to this Lease stating the monthly base rent.

4. Rental Amount.

(a) Monthly Base Rent. The Lessee shall pay to the Lessor monthly base rent (the "monthly base rent") on or before the first day of each calendar month in an amount equal to Nine Thousand Dollars (\$9,000.00) per calendar month, and begin on January 1, 2018 and each month of this lease thereafter. All monthly base rent shall be paid to the Lessor at the address to which notices to the Lessor are given. Rent for any partial calendar month shall be pro rated at a daily rate of one thirtieth (1/30) of the monthly base rent.

(b) Sales Tax. The Lessee shall pay to the Lessor any applicable sales tax on the monthly base rent.

AMCO Received 5/30/2018

(c) Late Penalty. Any rent or other sum required under this Lease to be paid that is not paid within five (5) days of the due date shall be assessed a late charge of One Hundred Dollars (\$100.00); such amount shall be considered liquidated damages and shall be due and payable as additional rent. In the event the late charge assessed above exceeds the maximum amount allowable by law, the amount assessed will be adjusted to the maximum amount allowable by law. To be considered paid, Lessor must have received the rent or other sum required under this Lease.

5. Utilities. The Lessee, at its costs, shall pay all costs for quantities of water, sewer, garbage, electricity, and other utilities used or consumed on the Premises, or which become due and payable. Prior to taking possession of the Premises, the Lessee shall arrange with the City and Borough of Sitka to be the named persons responsible for all payments for utilities provided by the City and Borough of Juneau to the Premises. The Lessee shall be responsible for, shall arrange for delivery of, and shall pay for all fuel oil (diesel fuel #2), if any, required to operate the any utilities provided with the Premises. If applicable, the Lessor shall provide a full fuel tank when the Lessee takes possession. Likewise, if applicable, the Lessee shall leave a full fuel tank upon termination of the term or extended term of this Lease.

6. Maintenance and Repair. The Lessee, at its cost, shall: maintain the Premises in good condition; make all repairs of whatever kind and nature, foreseen and unforeseen, as may be necessary or appropriate to keep the Premises in good condition; and, remove from the Premises all debris and garbage, and provide all landscaping, gardening, and ice and snow removal. The Lessee, at its cost, shall furnish all janitorial and cleaning services and supplies for the Premises. Lessee shall be responsible for making the premises suitable for its business, and shall be solely responsible for security any necessary permits, licenses, and other approvals.

7. Landlords Right of Entry. Due to state laws regulating cannabis, Landlord and tenant agree that Landlord may only enter the Premises when accompanied by authorized Lessee personnel.

8. Insurance Requirements. The Lessee, at its cost, shall maintain a comprehensive general liability policy, with liability limits of not less than Two Million Dollars (\$2,000,000) per occurrence, against all liability of the Lessee and its authorized representatives arising out of and in connection with the Lessees use or occupancy of the Premises. Such insurance policy shall name the Lessor as an additional insured with all rights of subrogation waived against Lessor. In addition, the Lessor may, from time to time, require the Lessee to increase the amount of coverage. All insurance shall insure the Lessee's performance of the indemnification provisions of this Lease.

9. Policies of Insurance. All insurance required to be provided by the Lessee under this Lease shall be issued by insurance companies authorized to do business in Alaska with a financial rating of at least an A status as rated in the most recent edition of Best's Insurance Reports and shall contain an endorsement requiring at least thirty (30) days' prior written notice of cancellation to the Lessor before the cancellation or change in coverage, scope, or amount of any policy. The Lessee shall deliver a certificate or copy of such policy, together with evidence of all premiums, to the Lessor within 30 days after commencement of this Lease. The Lessee

shall also deliver to the Lessor satisfactory evidence of the renewal of such policy and the payment of all renewal premiums not less than thirty (30) days before the expiration of any policy.

10. Release and Indemnity. The Lessor shall not be liable to the Lessee for any damage to the Lessee or the Lessee's property from any cause, and the Lessee further waives all claims against the Lessor for damage to any person or property arising for any reason.

The Lessee shall defend, indemnify, and hold the Lessor harmless from all claims, demands, causes of action, damages, and any expenses incident thereto, arising out of any damage to any person or property incurring in, on, or about the Premises, or arising out of the Lessee's use of the Premises or the Lessee's breach of any term of this lease. Lessee shall further indemnify Lessor for any and all costs or damages due to civil forfeiture under the federal Controlled Substances Act.

11. Destruction.

(a) Option to Terminate. In the event the Premises is damaged or destroyed so as to render the Premises totally or partially untenantable, the Lessor may elect to terminate this Lease by giving a notice of termination to the Lessee within ninety (90) days from the date of such damage or destruction. In the event the Lessor does not elect to terminate this Lease, the Lessor shall restore the Premises. In the event the Lessor elects to terminate this Lease, this Lease shall terminate on the date the Lessee received the Lessor's notice of termination.

(b) Restoration. In the event the Premises is to be restored, the Lessor with all due diligence shall restore the Premises to substantially the same condition as immediately prior to the date of such damage or destruction, and the Lessee, at its cost, shall restore or repair its improvements, fixtures, and equipment as may be necessary and appropriate to reopen and operate the Premises. All restoration shall be in accordance with the Lessor's plans and specifications at that time and in full compliance with all applicable laws and ordinances.

(c) Abatement of Rent. During the period of untenantability, the monthly base rent shall abate in the same ratio as the portion of the Premises rendered untenantable bears to the whole of the Premises, but all terms and conditions of the Lease shall remain in full force and effect.

12. Alterations and Improvements. Lessee is responsible for all costs of alteration, additions and improvements. Lessee is hereby permitted to make reasonable alterations inside the Premises.

13. Default. The occurrence of any of the following shall constitute a default by the Lessee:

a) Nonpayment. The failure to make payment of any installment of the monthly base rent, or of any other sum required under this Lease to be paid by Lessee if not paid by the due date;

b). Abandonment. The abandonment of the Premises (failure to operate the Sublet Premises) for a period of thirty (30) consecutive days shall be deemed an abandonment;

c) Receiver. The appointment of a receiver or a debtor-in-possession to take possession of the Premises or improvements or of the Lessee's interest in the leasehold estate or of the Lessee's operations on the Premises by reason of the Lessee's insolvency;

d) Bankruptcy. An assignment by the Lessee for the benefit of creditors or the filing of a voluntary or involuntary petition by or against the Lessee under any law for the purpose of adjudicating the Lessee a bankrupt; or for extending time for payment, adjustment, or satisfaction of the Lessee's liabilities; or for reorganization, dissolution, or arrangement on account of or to prevent bankruptcy or insolvency; unless the assignment or proceeding, and all consequent orders, adjudications, custodies and supervision are dismissed, vacated, or otherwise permanently stayed or terminated within thirty (30) days after the assignment, filing, or other initial event;

e) Enforcement Action or Noncompliance with State or Local Laws. Federal law enforcement action against Lessee or Lessor for marijuana activities on the premises including prosecution, investigation, or forfeiture; the non-compliance by Lessee with other Federal law (other than marijuana related), noncompliance with any state or local statute, law, or ordinance, including but not limited to the state marijuana licensing and program rules and local zoning ordinances, any civil action faced by Lessee or Lessor as a result of the marijuana cultivation business; and

f) Violation of Agreement. The failure to observe or perform any of the Lease Agreement's other covenants, agreements, or obligations hereunder, if any such default shall not be cured within thirty (30) days after notice of default has been given to the Lessee.

In the event of default by Lessee, Landlord will immediately notify AMCO. Landlord will not remove or take possession of marijuana without prior written permission from AMCO on its disposal.

14. Remedies and Vacation/Surrender of the Premises. In the event of default, after AMCO has been notified and has authorized disposal of marijuana, the Lessor shall have the following remedies in addition to all other rights and remedies allowable at law or equity, to which the Lessor may resort cumulatively or in the alternative:

a) Relet. The Lessor shall have the right, at its election, during the period that the Lessee is in default, to enter the Premises and relet it, or any part of it, to any third party for the Lessee's account, and the Lessee shall remain liable under this Lease for all costs the Lessor incurs in reletting the Premises, including, but not limited to, brokers' commissions, demolition, remodeling, and similar costs. In the event the Lessor reenters and relets the Premises, the Lessee shall pay to the Lessor all rent due under this Lease, less the rent the Lessor receives from any such reletting.

b) Terminate. The Lessor shall have the right, at its election, during the period that Lessee is in default, to give the Lessee notice of the Lessor's intention to terminate this Lease and all of the Lessee's rights hereunder, and on the date specified in such notice, including early

and/or immediate termination of the term of this Lease, and all rights granted the Lessee hereunder shall come to an end as fully as if the lease then expired by its own terms.

c) Retake. In the event of termination of this Lease, the Lessor shall have the right to repossess the Sublet Premises either with process of law or through any form of suit or proceeding, as well as the right to sue for and recover all rents and other sums accrued up to the time of such termination, and damages arising out of any breach on the part of the Lessee, including damages for rent not then accrued. The Lessor shall also have the right, without resuming possession of the Premises or terminating this Lease, to sue for and recover all rents and other sums, including damages at any time and from time to time.

Upon termination of this Lease, for default or otherwise (such as expiration of this Lease), Lessee shall vacate the Premises and surrender it to Landlord.

15. Assignment. The Lessee shall not voluntarily assign or encumber its interest in this lease or in the Premises, or sublease all or any part of the Premises, or allow any other person or entity (except the Lessee's authorized representatives) to occupy or use all or any part of the Premises, without first obtaining the Lessor's written consent. Any dissolution, merger, consolidation, or other reorganization of the Lessee, or the sale or other transfer of a controlling percentage of the capital stock of the Lessee, or the sale of at least fifty-one percent (51%) of the value of the assets of the Lessee, shall be deemed a voluntary assignment. "Controlling percentage" shall mean the ownership of and tie right to vote stock possession at least fifty-one percent (51%) of the total combined voting power of all classes of the Lessee's capital stock issued, outstanding, and entitled to vote for the election of directors. Any assignment, encumbrance, or sublease without the Lessor's written consent shall be voidable and, at the Lessor's election, shall constitute a default. No consent to any assignment, encumbrance, or sublease shall constitute a further waiver of the provisions of this Section 15.

16. Miscellaneous.

A. Severability. If any part or parts of this Lease shall be held unenforceable for any reason, the remainder of this Lease shall continue in full force and effect. If any provision of this Lease is deemed invalid or unenforceable by any court of competent jurisdiction, and if limiting such provision would make the provision valid, then such provision shall be deemed to be construed as so limited.

B. Binding Effect. The covenants and conditions contained in the Lease shall apply to and bind the parties and the heirs, legal representatives, successors and permitted assigns of the parties.

C. Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State of Alaska.

D. Entire Agreement. This Lease constitutes the entire agreement between the Parties and supersedes any prior understanding or representation of any kind preceding the date of this Lease. There are no other promises, conditions, understandings or other

agreements, whether oral or written, relating to the subject matter of this Lease. This Lease may be modified in writing and must be signed by both Landlord and Tenant.

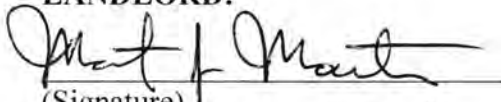
E. Notice. Any notice required or otherwise given pursuant to this Lease shall be in writing and mailed certified return receipt requested, postage prepaid, or delivered by overnight delivery service, if to Lessee, at the Premises and if to Landlord, at the address for payment of Rent. Either party may change such addresses from time to time by providing notice as set forth above.

F. Waiver. The failure of either party to enforce any provisions of this Lease shall not be deemed a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Lease. The acceptance of Rent by Landlord does not waive Landlord's right to enforce any provisions of this Lease.


G. Federal law. The parties mutually agree that federal illegality of cannabis operations on the premises is not a valid defense to any claim arising from this Lease Agreement. Thus, the parties waive the right to present any such defense related to the status of cannabis under federal law.

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

LANDLORD:


(Signature)
MARTY J MARTW
(Print Name)
OWNER
Title (if applicable)

TENANT:


(Signature)
Justin Brown
(Print Name)
manager
Title (if applicable)



Alaska Marijuana Control Board

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

Cover Sheet for Marijuana Establishment Applications

What is this form?

This cover sheet **must** be completed and submitted any time a document, payment, or other marijuana establishment application item is emailed, mailed, or hand-delivered to AMCO's main office.

Items that are submitted without this page will be returned in the manner in which they were received.

Section 1 – Establishment Information

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

Licensee:	AKO Farms LLC	License Number:	12253		
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	AKO FARMS LLC.				
Physical Address:	1210 Beardslee Way				
City:	Sitka	State:	AK	Zip Code:	99835
Designated Licensee:	Justin Brown				
Email Address:	akofarmsllc@gmail.com				

Section 2 – Attached Items

List all documents, payments, and other items that are being submitted along with this page.

Attached Items:	<i>Proof of Premise</i>
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OFFICE USE ONLY

Received Date:		Payment Submitted Y/N:		Transaction #:	
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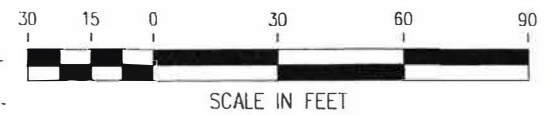
AMCO Received 5/31/2018

RECEIVED
JUN 09 2017
BY: _____

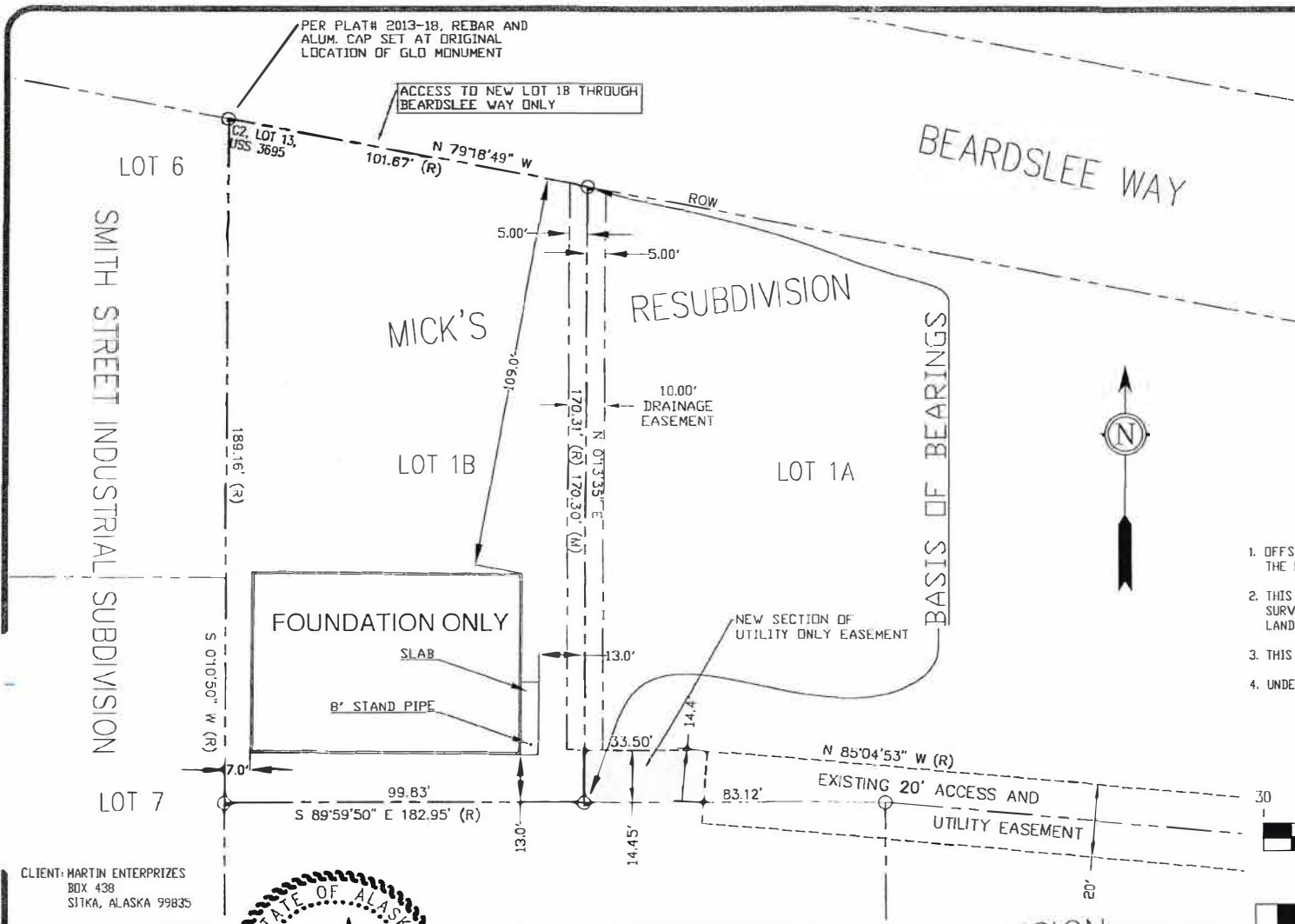
- LEGEND**
- PRIMARY BRASS CAP (RECOVERED)
 - REBAR AND ALUMINUM CAP (RECOVERED)
 - (R) RECORD DATA
 - (C) COMPUTED DATA
 - (M) MEASURED DATA

PLAT NOTES

1. OFFSET DISTANCES ARE SHOWN TO THE NEAREST ONE HALF FOOT FROM THE PROPERTY LINE TO THE IMPROVEMENT.
2. THIS PLAT DOES NOT MEET MINIMUM STANDARDS FOR BOUNDARY SURVEYS, AS SET FORTH BY THE ALASKA SOCIETY OF PROFESSIONAL LAND SURVEYORS. (A.S.P.L.S.)
3. THIS PLAT IS NOT TO BE SCALED FROM, USE GIVEN DIMENSIONS ONLY.
4. UNDERGROUND UTILITIES, IF ANY, ARE NOT SHOWN ON THIS PLAT.



NORTH 57
LAND SURVEYING
SITKA, ALASKA 99835
FOUNDATION AS-BUILT
LOT 1B
MICK'S RESUBDIVISION



CLIENT: MARTIN ENTERPRISES
BOX 438
SITKA, ALASKA 99835

DRAWN BY: WAD/ACAD
CHECKED BY: PKD
DATE PLATTED: 6/9/2017
DATE SURVEYED: 6/8/2017
SCALE: 1" = 30'
SURVEYOR: KELLY O'NEILL
PROJ NO: 40064-01



SURVEYOR'S CERTIFICATE

I HEREBY CERTIFY THAT I HAVE SURVEYED THE PROPERTY DESCRIBED ON THIS PLAT. I DECLARE THAT IMPROVEMENTS AND VISIBLE ENCROACHMENTS HAVE BEEN ESTABLISHED TO THE BEST OF MY PROFESSIONAL KNOWLEDGE AND BELIEF. THIS SURVEY IS FOR THE USE OF LENDING INSTITUTIONS SPECIFICALLY TO SHOW ANY CONFLICTS BETWEEN EXISTING STRUCTURES AND PLATTED LOT LINES OR EASEMENTS. UNDER NO CIRCUMSTANCES SHOULD THE DATA HEREON BE USED FOR POSITIONING ADDITIONAL STRUCTURES, BUILDING FENCES, OR LOCATING BOUNDARY LINES. IT IS THE RESPONSIBILITY OF THE OWNER TO VERIFY THAT IMPROVEMENTS SITUATED ON THIS PARCEL MEET ALL SUBDIVISION COVENANTS AND ZONING ORDINANCES. 0 CORRS. SET.

2 Jun 2017
DATE

Wayne A. Dye
WAYNE A. DYE 9458

12253

AMCO Received 5/31/2018

Property Details

Number of records found: 1

One record is displayed for each address found at the selected property. Multiple addresses may occur in the c

1210 Beardslee Way

ID: **30360030** Book: Page:

Property ID: **30360030**

XSPIDP: **30360030**

Owner: **Martin Enterprises, Inc**

Mailing Address Line 1: **P.O. Box 2752**

Mailing Address State: **AK**

Building Value: **\$0**

Building Area Gross:

As-Built Plan (if available)

Property ID: **3-0360-030**

Location: **1210 Beardslee Way**

Co-Owner:

Mailing Address City: **Sitka**

Mailing Address Zip: **99835-2752**

Land Value: **\$136,100**

Notes: **Subdivision: MIKR**

12253

AMCO Received 5/31/2018

Details

ENTITY DETAILS

Name(s)

Type	Name
Legal Name	AKO Farms, LLC

Entity Type: Limited Liability Company**Entity #:** 10037708**Status:** Good Standing**AK Formed Date:** 4/15/2016**Duration/Expiration:** Perpetual**Home State:** ALASKA**Next Biennial Report Due:** 1/2/2020**Entity Mailing Address:** PO BOX 2426, SITKA, AK 99835**Entity Physical Address:** 1210 BEARDSLEY WAY, SITKA, AK 99835

Registered Agent

Agent Name: Justin Brown**Registered Mailing Address:** BOX 2426, SITKA, AK 99835**Registered Physical Address:** 1210 BEARDSLEY WAY, SITKA, AK 99835

Officials

☐ Show Former

AK Entity #	Name	Titles	Owned
	Justin Brown	Member, Manager	50
	Marty & Elizabeth Martin	Member	50

Filed Documents

Date Filed	Type	Filing	Certificate
4/15/2016	Creation Filing	Click to View	Click to View
5/02/2016	Initial Report	Click to View	

Date Filed	Type	Filing	Certificate
10/10/2017	Biennial Report	Click to View	
11/01/2017	Agent Change	Click to View	

[Close Details](#)[Print Friendly Version](#)

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	AKO Farms, LLC

ENTITY DETAILS

Entity Type: Limited Liability Company
Entity #: 10037708
Status: Good Standing
AK Formed Date: 4/15/2016
Duration/Expiration: Perpetual
Home State: ALASKA
Next Biennial Report Due: 1/2/2018
Entity Mailing Address: 103 METLAKATLA STREET, SITKA, AK 99835
Entity Physical Address: 103 METLAKATLA STREET, SITKA, AK 99835

REGISTERED AGENT

Agent Name: Justin Brown
Registered Mailing Address: 103 METLAKATLA STREET, SITKA, AK 99835
Registered Physical Address: 103 METLAKATLA STREET, SITKA, AK 99835

OFFICIALS

AK Entity #	Name	Titles
	Elizabeth Martin	Member
	Justin Brown	Member, Manager
	Marty Martin	Member

FILED DOCUMENTS

Date Filed	Type	Filing
4/15/2016	Creation Filing	Click to View
5/02/2016	Initial Report	Click to View

#12253

EXHIBIT A
AKO Farms, LLC
Members
04/15/16

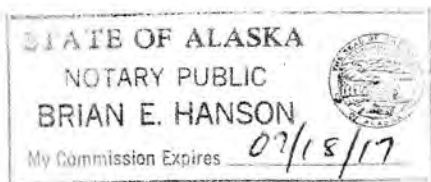
<u>Member / Address</u>	<u>Capital Contribution</u>	<u>Percent Ownership Interest</u>
Justin Brown 103 Metlakatla Street Sitka, Alaska 99835	\$500.00	50%
Marty Martin PO Box 437 Sitka, Alaska 99835	\$250.00	25%
Elizabeth Martin PO Box 437 Sitka, Alaska 99835	\$250.00	25%

STATE OF ALASKA

FIRST JUDICIAL DISTRICT

)
) ss:
)

The foregoing instrument was acknowledged before me this 15th day of April, 2016, by MARTY MARTIN.



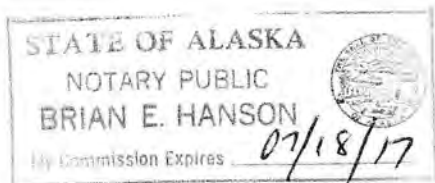
Brian E. Hanson
Notary Public in and for Alaska
My commission expires: 07/18/17

STATE OF ALASKA

FIRST JUDICIAL DISTRICT

)
) ss:
)

The foregoing instrument was acknowledged before me this 15th day of April, 2016, by ELIZABETH MARTIN.



Brian E. Hanson
Notary Public in and for Alaska
My commission expires: 07/18/17

**FIRST AMENDMENT TO
OPERATING AGREEMENT
OF
AKO FARMS, LLC**

**THIS FIRST AMENDMENT TO THE OPERATING AGREEMENT OF
AKO FARMS, LLC** ("Amendment") is entered into this 13 day of October, 2017, by
Justin Brown, Marty Martin and Elizabeth Martin.

The Members of the Company, for good and valuable consideration, the
sufficiency and receipt of which is hereby acknowledged, the parties, intending to be
legally bound agree to amend the Operating Agreement to AKO Farms, LLC as follows:

ARTICLE I

The Members hereby revoke Article 5.4.2 "*Independent Activities*" and replace it
with the following Article 5.4.2:

5.4.2 Non-Compete Covenant. No member may engage in any capacity
(as owner, employee, consultant, or otherwise) in any activity that competes with the
business of the Company, except to the extent unanimously approved by the Members.

For a period of five years from the date that any Member withdraws or no longer holds
membership in the Company, the former Member may not engage in any business that
competes with the business of the Company within the City of Sitka, Alaska. If members
violate this restrictive covenant, the Company shall be entitled to apply for injunctive
relief together with any and all other remedies available by statute or equity. In addition,
Members shall pay Company's actual attorney fees and costs incurred by the Company to
enforce this restrictive covenant. If any court should determine that the duration or
geographical limit should for any reason be unenforceable, it is the intention of the
parties that the restrictive covenant set forth herein shall not thereby be terminated but
shall be deemed amended to the extent required to render it valid and enforceable.

IN WITNESS WHEREOF, the member or members has/have signed this Agreement
effective as of the day first above written.

Date: 5/9/2018

By: [Signature]

Justin Brown

Date: 5/9/2018

By: [Signature]

Marty Martin

Date: 5/9/2018

By: [Signature]

Elizabeth Martin

First Amendment to the Operating Agreement of
AKO Farms, LLC

- Page 1 of 1 -



*Kathy Finsley
Notary Public
In and for the
State of Alaska
my commission
expires 02/25/19*

AMCO Received 5/30/2018

**AKO FARMS, LLC
OPERATING AGREEMENT**

This Agreement is entered into this 15th day of April, 2016, by and among JUSTIN BROWN, of 103 Metlakatla Street, Sitka, Alaska 99835, MARTY MARTIN, of PO Box 437, Sitka, Alaska 99835, and ELIZABETH MARTIN, of PO Box 437, Sitka, Alaska 99835.

The parties have agreed to organize and operate a limited liability company in accordance with the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the parties, intending legally to be bound, agree as follows:

**Article I
Definitions**

The following italicized terms shall have the meaning specified in this *Article I*. Other terms are defined in the text of this Agreement; and, throughout this Agreement, those terms shall have the meanings respectively ascribed to them:

"Act" means the Alaska Limited Liability Company Act, as amended from time to time.

"Adjusted Capital Account Deficit" means, with respect to any Interest Holder, the deficit balance, if any, in the Interest Holder's Capital Account as of the end of the relevant taxable year, after giving effect to the following adjustments:

(i) the Capital Account shall be credited with the amounts which the Interest Holder is deemed obligated to restore pursuant to Regulation Sections 1.704-2(g)(1) and (i)(5) (i.e., the Interest Holder's share of Minimum Gain and Member Minimum Gain); and

(ii) the Capital Account shall be debited with the items described in Regulation Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

"Adjusted Capital Balance" means, as of any day, an Interest Holder's total Capital Contributions less all amounts actually distributed to the Interest Holder pursuant to *Sections* 4.2.3.4.1 and 4.4 hereof. If any Interest is transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Adjusted Capital Balance of the transferor to the extent the Adjusted Capital Balance relates to the Interest transferred.

"Affiliate" means, with respect to any Member, any Person: (i) which owns more than 50% of the voting interests in the Member; or (ii) in which the Member owns more than 50% of

the voting interests; or (iii) in which more than 50% of the voting interests are owned by a Person who has a relationship with the Member described in clause (i) or (ii) above.

"Agreement" means this Operating Agreement, as amended from time to time.

"Capital Account" means the account to be maintained by the Company for each Interest Holder in accordance with the following provisions:

(i) an Interest Holder's Capital Account shall be credited with the Interest Holder's Capital Contributions, the amount of any Company liabilities assumed by the Interest Holder (other than liabilities secured by Company property distributed to the Interest Holder), the Interest Holder's allocable share of Profit and any item in the nature of income or gain specially allocated to the Interest Holder pursuant to the provisions of *Article IV* (other than *Section 4.3.3*); and

(ii) an Interest Holder's Capital Account shall be debited with the amount of money and the fair market value of any Company property distributed to the Interest Holder (net of liabilities secured by such distributed property that such Interest Holder is considered to assume or take subject to under Section 752 of the Code), the amount of the Interest Holder's individual liabilities that are assumed by the Company (other than liabilities that reduce the amount of any Capital Contribution made by such Interest Holder), the Interest Holder's allocable share of Loss, and any item in the nature of expenses or losses specially allocated to the Interest Holder pursuant to the provisions of *Article IV* (other than *Section 4.3.3*).

If any Interest is transferred pursuant to the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent the Capital Account is attributable to the transferred Interest. If the book value of Company property is adjusted as provided herein, the Capital Account of each Interest Holder shall be adjusted to reflect the aggregate adjustment in the same manner as if the Company had recognized gain or loss equal to the amount of such aggregate adjustment. It is intended that the Capital Accounts of all Interest Holders shall be maintained in compliance with the provisions of Regulation Section 1.704-1(b), and all provisions of this Agreement relating to the maintenance of Capital Accounts shall be interpreted and applied in a manner consistent with that Regulation.

"Capital Contribution" means the total amount of cash and the fair market value of any other assets contributed (or deemed contributed under Regulation Section 1.704-1(b)(2)(iv)(d)) to the Company by a Member, net of liabilities assumed by the Company or to which the assets are subject.

"Capital Proceeds" means the gross receipts received by the Company from a Capital Transaction.

"Capital Transaction" means any transaction not in the ordinary course of business which results in the Company's receipt of cash or other consideration other than Capital Contributions, including, without limitation, proceeds of sales or exchanges or other dispositions of property not in the ordinary course of business, financings, refinancings, condemnations, recoveries of damage awards, and insurance proceeds.

"Cash Flow" means all cash funds derived from operations of the Company (including interest received on reserves), without reduction for any noncash charges, but less cash funds used to pay current operating expenses and to pay or establish reasonable reserves for future expenses, debt payments, capital improvements, and replacements as determined by the General Manager. Cash Flow shall not include Capital Proceeds but shall be increased by the reduction of any reserve previously established.

"Code" means the Internal Revenue Code of 1986, as amended, or any corresponding provision of any succeeding law.

"Company" means the limited liability company formed in accordance with this Agreement.

"Department" means the Department of Commerce and Economic Development.

"General Manager" means the Person or his successor.

"Interest" means a Person's share of the profits and losses of, and the right to receive distributions from, the Company.

"Interest Holder" means any Person who holds an Interest, whether as a Member or an unadmitted assignee of a Member.

"Involuntary Withdrawal" of a Member shall mean the death, retirement, resignation, expulsion or bankruptcy of such Member and any other event which terminates the continued membership of such Member in the Company.

"Member" means each Person signing this Agreement and any Person who subsequently is admitted as a member of the Company.

"Member Minimum Gain" has the meaning and shall be determined as set forth in Regulation Section 1.704-2(i) for "partner nonrecourse debt minimum gain".

"Member Nonrecourse Deductions" has the meaning and shall be determined as set forth in Regulation Section 1.704-2(i) for "partner nonrecourse deductions".

"Minimum Gain" has the meaning and shall be determined as set forth in Regulation Sections 1.704-2(b)(2) and 1.704-2(d) for "partnership minimum gain".

"Membership Rights" means all of the rights of a Member in the Company, including a Member's: (i) Interest; (ii) right to inspect the Company's books and records; (iii) right to participate in the management of and vote on matters coming before the Company; and (iv) unless this Agreement or the Articles of Organization provide to the contrary, right to act as an agent of the Company.

"Negative Capital Account" means a Capital Account with a balance of less than zero.

"Nonrecourse Deductions" has the meaning set forth in Regulation Section 1.704-2(b)(1).

"Nonrecourse Liability" has the meaning set forth in Regulation Sections 1.704-2(b)(3) and 1.752-1(a)(2).

"Percentage" means, as to a Member, the percentage set forth after the Member's name on *Exhibit A*, as amended from time to time, and as to an Interest Holder who is not a Member, the Percentage of the Member whose Interest has been acquired by such Interest Holder, to the extent the Interest Holder has succeeded to that Member's Interest.

"Person" means and includes an individual, corporation, partnership, association, limited liability company, trust, estate, or other entity.

"Positive Capital Account" means a Capital Account with a balance of zero or greater.

"Profit" and *"Loss"* means, for each taxable year of the Company (or other period for which Profit or Loss must be computed), the Company's taxable income or loss determined in accordance with Section 703(a) of the Code, with the following adjustments:

(i) all items of income, gain, loss, deduction, or credit required to be stated separately pursuant to Section 703(a)(1) of the Code shall be included; and

(ii) any tax-exempt income of the Company, not otherwise taken into account in computing Profit or Loss, shall be included; and

(iii) any expenditures of the Company described in Section 705(a)(2)(B) of the Code (or treated as such pursuant to Regulation Section 1.704-1(b)(2)(iv)(i)) and not otherwise taken into account in computing Profit or Loss, shall be subtracted; and

(iv) gain or loss resulting from any taxable disposition of Company property shall be computed by reference to the adjusted book value of the property disposed of, notwithstanding the fact that the adjusted book value differs from the adjusted basis of the property for federal income tax purposes; and

(v) in lieu of the depreciation, amortization, or cost recovery deductions allowable in computing taxable income or loss, there shall be taken into account the depreciation or amortization computed for book purposes; and

(vi) notwithstanding any other provision of this definition, any items which are specially allocated pursuant to *Section 4.3* hereof shall not be taken into account.

"Regulation" or *"Regulations"* means the income tax regulations, including any temporary regulations, from time to time promulgated under the Code.

"Transfer" means, when used as a noun, any voluntary sale, hypothecation, pledge, assignment, attachment, or other transfer, and, when used as a verb, means voluntarily to sell, hypothecate, pledge, assign, or otherwise transfer.

Article II Organization and Purpose

2.1 *Organization.* The parties shall organize a limited liability company pursuant to the Act and the provisions of this Agreement.

2.2. *Name of the Company.* The name of the Company shall be "AKO Farms, LLC". The Company may do business under that name and under any other name or names which the General Manager selects. If the Company does business under a name other than that set forth in its Articles of Organization, then the Company shall file an assumed business name as required by law.

2.3. *Purpose.* The Company is organized to conduct any or all lawful affairs for which an LLC may be organized under AS 10.50. The Company may do any and all things necessary, convenient, or incidental to that purpose.

2.4. *Term.* The term of the Company shall begin upon the acceptance of the Articles of Organization by the Department and shall be perpetual, unless its existence is sooner terminated pursuant to *Article VII* of this Agreement or the mandatory provisions of the Act.

2.5. *Principal Office.* The principal office of the Company in the State of Alaska shall be located at 713-B Sawmill Creek Road, Sitka, Alaska 99835, or at any other place within the State of Alaska that the General Manager selects.

2.6. *Registered Agent.* The name and address of the Company's registered agent in the State of Alaska shall be Justin Brown, 103 Metlakatla Street, Sitka, Alaska 99835.

2.7. *Members.* The name, present mailing address, taxpayer identification number, and Percentage of each Member are set forth on *Exhibit A*.

Article III Capital

3.1. *Initial Capital Contributions.* Upon the execution of this Agreement, the Members shall contribute to the Company cash in the amounts or assets with the value set forth on *Exhibit A*. The amount of the initial contribution of each Member shall be recorded by the General Manager as a contribution to the capital of the Company.

3.2. *No Additional Capital Contributions Required.* No Member shall be obligated, nor shall any Member have a right, to contribute any additional capital to the Company, other than as specified in *Exhibit A*, and no Member shall have any personal liability for any obligation of the Company.

3.3. *No Interest on Capital Contributions.* Interest Holders shall not be paid interest on their Capital Contributions.

3.4. *Return of Capital Contributions.* Except as otherwise provided in this Agreement, no Interest Holder shall have the right to receive any return of any Capital Contribution.

3.5. *Form of Return of Capital.* If an Interest Holder is entitled to receive a return of a Capital Contribution, the Interest Holder shall not have the right to receive anything but cash in return of the Interest Holder's Capital Contribution.

3.6. *Capital Accounts.* A separate Capital Account shall be maintained for each Interest Holder.

Article IV Allocations and Distributions

4.1. *Allocation of Profit or Loss and Distributions of Cash Flow.*

4.1.1. *Profit or Loss Other Than from a Capital Transaction.* After giving effect to the special allocations set forth in *Section 4.3*, for any taxable year of the Company, Profit or Loss (other than Profit or Loss resulting from a Capital Transaction, which Profit or Loss shall be allocated in accordance with the provisions of *Sections 4.2.1* and *4.2.2*) shall be allocated to the Interest Holders in proportion to their Percentages.

4.1.2. *Cash Flow.* Cash Flow for each taxable year of the Company shall be distributed to the Interest Holders in proportion to their Percentages no later than seventy-five (75) days after the end of the taxable year.

4.2. *Allocation of Profit or Loss from a Capital Transaction.*

4.2.1. *Profit.* After giving effect to the special allocations set forth in *Section 4.3*, Profit from a Capital Transaction shall be allocated as follows:

4.2.1.1. If one or more Interest Holders has a Negative Capital Account, to those Interest Holders, in proportion to their Negative Capital Accounts, until all Negative Capital Accounts have been reduced to zero.

4.2.1.2. Any Profit not allocated pursuant to *Section 4.2.1.1* shall be allocated to the Interest Holders in proportion to, and to the extent of, the amounts distributed or distributable to them pursuant to *Section 4.2.3.4.3*.

4.2.1.3. Any Profit in excess of the foregoing allocations shall be allocated to the Interest Holders in proportion to their Percentages.

4.2.2. *Loss.* After giving effect to the special allocations set forth in *Section 4.3*, Loss from a Capital Transaction shall be allocated as follows:

4.2.2.1. If one or more Interest Holders has a Positive Capital Account, to those Interest Holders, in proportion to their Positive Capital Accounts, until all Positive Capital Accounts have been reduced to zero.

4.2.2.2. Any Loss not allocated to reduce Positive Capital Accounts to zero pursuant to *Section 4.2.2.1* shall be allocated to the Interest Holders in proportion to their Percentages.

4.2.3. *Capital Proceeds.* Capital Proceeds shall be distributed and applied by the Company in the following order and priority:

4.2.3.1. to the payment of all expenses of the Company incident to the Capital Transaction; then

4.2.3.2. to the payment of debts and liabilities of the Company then due and outstanding (including all debts due to any Interest Holder); then

4.2.3.3. to the establishment of any reserves which the General Manager deems necessary for liabilities or obligations of the Company; then

4.2.3.4. the balance shall be distributed as follows:

4.2.3.4.1. to the Interest Holders in proportion to their Adjusted Capital Balances, until their remaining Adjusted Capital Balances have been paid in full;

4.2.3.4.2. if any Interest Holder has a Positive Capital Account after the distributions made pursuant to *Section 4.2.3.4.1* and before any further allocation of Profit pursuant to *Section 4.2.1.3*, to those Interest Holders in proportion to their Positive Capital Accounts; then

4.2.3.4.3. the balance, to the Interest Holders in proportion to their Percentages.

4.3. *Regulatory Allocations.* The allocations set forth in *Sections 4.3.1* and *4.3.2* are included to comply with the requirements of the Regulations. If allocations under such provisions are different from the allocations which would be made under *Section 4.1* or *4.2*, as appropriate, then the General Manager shall make appropriate allocations, consistent with the Regulations, so that the net allocations are, as much as possible, consistent with those under *Sections 4.1* and *4.2*.

4.3.1. *Qualified Income Offset.* No Interest Holder shall be allocated Losses or deductions if the allocation causes the Interest Holder to have an Adjusted Capital Account Deficit. If an Interest Holder unexpectedly receives any adjustments, allocations, or distributions described in Regulation Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) which results in or increases an Adjusted Capital Account Deficit at the end of any taxable year, then all items of income and gain of the Company for that taxable year shall be allocated to that Interest Holder, before any other allocation pursuant to this *Article IV* (other than those pursuant to *Sections 4.3.2.1* and *4.3.2.2*), in an amount and manner sufficient to eliminate such Adjusted Capital Account Deficit as quickly as possible. This *Section 4.3.1* is intended to comply with, and shall be interpreted consistently with, the "qualified income offset" provisions of the Regulation Section 1.704-1(b)(2)(ii)(d) and all other Regulation Sections relating thereto.

4.3.2. *Minimum Gain.*

4.3.2.1. *Minimum Gain Chargeback.* Except as set forth in Regulation Section 1.704-2(f), if, during any taxable year, there is a net decrease in Minimum Gain, each Interest Holder, prior to any other allocation pursuant to this *Article V*, shall be specially allocated items of gross income and gain for such taxable year (and, if necessary, subsequent taxable years) in an amount equal to that Interest Holder's share of the net decrease of Minimum Gain, computed in accordance with Regulation Section 1.704-2(g). Allocations of items of gross income and gain pursuant to this *Section 4.3.2.1* shall be made as described in Regulation Sections 1.704-2(f) and (j). This *Section 4.3.2.1* is intended to comply with, and shall be interpreted consistently with, the "minimum gain chargeback" provisions of Regulation Section 1.704-2(f) and all other Regulation Sections relating thereto.

4.3.2.2. *Member Minimum Gain Chargeback.* Except as set forth in Regulation Section 1.704-2(i)(4), if, during any taxable year, there is a net decrease in Member Minimum Gain, each Interest Holder with a share of that Member Minimum Gain as of the beginning of such year, prior to any other allocation pursuant to this *Article V*, shall be specially allocated items of gross income and gain for such taxable year (and, if necessary, subsequent taxable years) in an amount equal to that Interest Holder's share of the net decrease of Member Minimum Gain, computed in accordance with Regulation Section 1.704-2(i)(4). Allocations of items of gross income and gain pursuant to this *Section 4.3.2.2* shall be made as described in Regulation Sections 1.704-2(i)(4) and (j). This *Section 4.3.2.2* is intended to comply with, and shall be interpreted consistently with, the "minimum gain chargeback" provisions of Regulation Section 1.704-2(i)(4) and all other Regulation Sections relating thereto.

4.3.3. *Contributed Property and Book-ups.* To the extent permitted or required by Section 704(c) of the Code and the Regulations thereunder, Regulation Section 1.704-1(b)(2)(iv)(d)(3) and Regulation Section 1-704-1(b)(2)(iv)(f), income, gain, loss, and deduction with respect to any property contributed (or deemed contributed) to the Company shall, solely for tax purposes, be allocated among the Interest Holders so as to take account of any variation between the adjusted basis of the property to the Company for federal income tax purposes and its fair market value at the date of contribution (or deemed contribution) under the rules of Regulation Section 704-3(b)(1). If the adjusted book value of any Company asset is adjusted as provided herein, subsequent allocations of income, gain, loss, and deduction with respect to the asset shall take account of any variation between the adjusted basis of the asset for federal income tax purposes and its adjusted book value in the manner required under Section 704(c) of the Code and the Regulations thereunder.

4.3.4. *Election under Section 754 of the Code.* To the extent an adjustment to the tax basis of any Company asset pursuant to Section 734(b) or Section 743(b) of the Code is required, pursuant to Regulation Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of the adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases basis), and the gain or loss shall be specially allocated to the Interest Holders in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to that Section of the Regulations.

4.3.5. *Nonrecourse Deductions.* Nonrecourse Deductions for a taxable year or other period shall be specially allocated among the Interest Holders in proportion to their Percentages.

4.3.6. *Member Nonrecourse Deductions.* Any Member Nonrecourse Deduction for any taxable year or other period shall be specially allocated to the Interest Holder who bears the risk of loss with respect to the liability to which the Member Nonrecourse Deduction is attributable in accordance with Regulation Section 1.704-2(i).

4.3.7. *Guaranteed Payments.* To the extent any compensation paid to any Member by the Company, is determined by the Internal Revenue Service not to be a guaranteed payment under Section 707(c) of the Code or is not paid to the Member other than in the Person's capacity as a Member within the meaning of Section 707(a) of the Code, the Member shall be specially allocated gross income of the Company in an amount equal to the amount of that compensation, and the Member's Capital Account shall be adjusted to treat the payment of that compensation as a distribution.

4.3.8. *Recapture.* In making any allocation among the Members of income or gain from the sale or other disposition of a Company asset, the ordinary income portion, if any, of such income and gain resulting from the recapture of cost recovery or other deductions shall be allocated among those Members who were previously allocated (or whose predecessors-in-interest were previously allocated) the cost recovery deductions or other deductions resulting in the recapture items, in proportion to the amount of such cost recovery deductions or other deductions previously allocated to them.

4.3.9. *Withholding.* All amounts required to be withheld pursuant to Section 1446 of the Code or any other provision of federal, state, or local tax law shall be treated as amounts actually distributed to the affected Interest Holders for all purposes under this Agreement.

4.3.10. *Other Allocations.* All items of Company income, gain, loss, deduction and credit the allocation of which is not otherwise provided for in this Agreement, including allocation of such items for tax purposes, shall be allocated among the Members in the same proportions as they share Profits or Losses for the taxable year pursuant to this *Article IV*.

4.4. *Liquidation and Dissolution.*

4.4.1. If the Company is liquidated, the assets of the Company shall be distributed to the Interest Holders in accordance with the balances in their respective Capital Accounts, after taking into account the allocations of Profit or Loss pursuant to *Sections 4.1* or *4.2*.

4.4.2. No Interest Holder shall be obligated to restore a Negative Capital Account.

4.5. *General.*

4.5.1. Except as otherwise provided in this Agreement, the timing and amount of all distributions shall be determined by the General Manager.

4.5.2. If any assets of the Company are distributed in kind to the Interest Holders, those assets shall be valued on the basis of their fair market value, and any Interest

Holder entitled to any interest in those assets shall receive that interest as a tenant-in-common with all other Interest Holders so entitled. Unless the Members otherwise agree, the fair market value of the assets shall be determined by an independent appraiser who shall be selected by the General Manager. The Profit or Loss for each unsold asset shall be determined as if the asset had been sold at its fair market value, and the Profit or Loss shall be allocated as provided in *Section 4.2* and shall be properly credited or charged to the Capital Accounts of the Interest Holders prior to the distribution of the assets in liquidation pursuant to *Section 4.4*.

4.5.3. All Profit and Loss shall be allocated, and all distributions shall be made, to the Persons shown on the records of the Company to have been Interest Holders as of the last day of the taxable year for which the allocation or distribution is to be made. Notwithstanding the foregoing, unless the Company's taxable year is separated into segments, if there is a Transfer or an Involuntary Withdrawal during the taxable year, the Profit and Loss shall be allocated between the original Interest Holder and the successor on the basis of the number of days each was an Interest Holder during the taxable year; provided, however, to the extent permitted under Section 706 of the Code the Company's taxable year shall be segregated into two or more segments in order to account for Profit, Loss, or proceeds attributable to a Capital Transaction or to any other extraordinary nonrecurring items of the Company.

4.5.4. The General Manager is hereby authorized, upon the advice of the Company's tax counsel, to amend this *Article IV* to comply with the Code and the Regulations promulgated under Section 704(b) of the Code; provided, however, that no amendment shall materially affect distributions to an Interest Holder without the Interest Holder's prior written consent.

Article V Management

5.1. General Manager.

5.1.1. *In General.* The business and affairs of the Company shall be managed by the General Manager. Except as otherwise expressly provided in this Agreement, the General Manager shall have full and complete authority, power and discretion to manage and control the business, affairs and properties of the Company, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to the management of the Company's business.

5.1.2. *Specific Powers.* Without limiting the generality of the foregoing, the General Manager shall have the power and authority, on behalf of the Company, to:

5.1.2.1. Acquire by purchase, lease, or otherwise, any real or personal property, tangible or intangible;

5.1.2.2. Construct, operate, maintain, finance, and improve, and to own, sell, convey, assign, mortgage, or lease any real estate and any personal property;

5.1.2.3. Except as provided in *Section 5.1.3.6*, sell, dispose, trade, or exchange Company assets in the ordinary course of the Company's business;

5.1.2.4. Enter into agreements and contracts and to give receipts, releases and discharges;

5.1.2.5. Purchase liability and other insurance to protect the Company's properties and business;

5.1.2.6. Borrow money for and on behalf of the Company, and, in connection therewith, execute and deliver instruments to hypothecate, encumber and grant security interests in the assets of the Company to secure repayment of the sums borrowed;

5.1.2.7. Execute or modify leases with respect to any part or all of the assets of the Company;

5.1.2.8. Prepay, in whole or in part, refinance, amend, modify, or extend any mortgages or deeds of trust which may affect any asset of the Company and in connection therewith to execute for and on behalf of the Company any extensions, renewals or modifications of such mortgages or deeds of trust;

5.1.2.9. Execute any and all other instruments and documents which may be necessary or in the opinion of the General Manager desirable to carry out the intent and purpose of this Agreement, including, but not limited to, documents whose operation and effect extend beyond the term of the Company;

5.1.2.10. Make any and all expenditures which the General Manager, in its sole discretion, deems necessary or appropriate in connection with the management of the affairs of the Company and the carrying out of its obligations and responsibilities under this Agreement, including, without limitation, all legal, accounting and other related expenses incurred in connection with the organization and financing and operation of the Company;

5.1.2.11. Enter into any kind of activity necessary to, in connection with, or incidental to, the accomplishment of the purposes of the Company;

5.1.2.12. Invest and reinvest Company reserves in short-term instruments or money market funds; and

5.1.2.13. Employ accountants, legal counsel, agents, and other experts to perform services for the Company.

5.1.3. *Extraordinary Transactions.* Notwithstanding anything to the contrary in this Agreement, the General Manager shall not undertake any of the following without the approval of the Members:

- 5.1.3.1. Any Capital Transaction;
- 5.1.3.2. The Company's lending more than \$5,000.00 of its money on any one occasion;
- 5.1.3.3. The admission of additional Members to the Company;
- 5.1.3.4. The Company's engaging in business in any jurisdiction which does not provide for the registration of limited liability companies;
- 5.1.3.5. Discontinuance of the Company's business;
- 5.1.3.6. Sale of the Company's business or substantial portion thereof, or the sale, exchange or other disposition of all, or substantially all, of the company's assets;
- 5.1.3.7. Any merger, reorganization or recapitalization of the Company;
- 5.1.3.8. Any borrowings by the Company in excess of \$5,000.00;
- 5.1.3.9. Any contract which would require the Company to expend more than \$5,000.00 and the adoption of any profit sharing, bonus, pension or similar plan;
- 5.1.3.10. Settlement or confession of judgment in any legal matter;
- 5.1.3.11. Transactions with Affiliates [or family members] of the General Manager;
- 5.1.3.12. Taking or effecting any action that would render the Company bankrupt or insolvent or, except as expressly provided in this Agreement, cause the termination, dissolution, liquidation or winding-up of the Company; and
- 5.1.3.13. Such other matters and decisions as the Members may from time to time designate.

5.1.4. *Removal of General Manager.* The General Manager may only be removed under the following procedure. If any one or more of the following events occurs, the Members may remove the General Manager, and elect a new General Manager:

5.1.4.1. The General Manager's willful or intentional violation or reckless disregard of the General Manager's duties to the Company; or

5.1.4.2. The General Manager's Involuntary Withdrawal.

The determination of whether one or more of such events exist shall be made by those Members holding a majority of the Percentages then held by Members and shall be final, binding, and not reviewable unless the decision was based on a material mistake of fact or law or was arbitrary and capricious. The General Manager may not be removed for any other reasons or under any other procedure.

5.2. *Meetings of and Voting by Members.*

5.2.1. A meeting of the Members may be called at any time by any Member. Meetings of Members shall be held at the Company's principal place of business or at any other place in Sitka, Alaska. Not less than ten (10) nor more than ninety (90) days before each meeting, the Person calling the meeting shall give written notice of the meeting to each Member entitled to vote at the meeting. The notice shall state the time, place, and purpose of the meeting. Notwithstanding the foregoing provisions, each Member who is entitled to notice waives notice if before or after the meeting the Member signs a waiver of the notice which is filed with the records of Members' meetings, or is present at the meeting in person or by proxy. Unless this Agreement provides otherwise, at a meeting of Members, the presence in person or by proxy of a majority of the Members constitutes a quorum. A Member may vote either in person or by written proxy signed by the Member or by the Member's duly authorized attorney-in-fact.

5.2.2. Except as otherwise provided in this Agreement, the affirmative vote of a majority of the Members shall be required to approve any matter coming before the Members.

5.2.3. In lieu of holding a meeting, the Members may vote or otherwise take action by a written instrument indicating the consent of Members holding a majority of the Percentages then held by Members.

5.3. *Personal Service.*

5.3.1. No Member shall be required to perform services for the Company solely by virtue of being a Member. Unless approved by the General Manager, no Member shall perform services for the Company or be entitled to compensation for services performed for the Company.

5.3.2. Unless approved by a majority of the Members, the General Manager shall not be entitled to compensation for services performed for the Company. However, upon substantiation of the amount and purpose thereof, the General Manager shall be entitled to reimbursement for expenses reasonably incurred in connection with the activities of the Company.

5.4. *Limitation of Liability and Independent Activities.*

5.4.1. *Limitation of Liability.* Neither the Members nor the Managers (nor any of their Affiliates) shall be liable, responsible or accountable in damages or otherwise to the Company or the Members for any act or omission by any such Person (which shall include any applicable entity) performed in good faith pursuant to the authority granted to such Person by this Agreement or in accordance with its provisions, and in a manner reasonably believed by such Person to be within the scope of the authority granted to such Person and in the best interest of the Company; provided, however, that such Person shall retain liability for acts or omissions that involve intentional misconduct, a knowing violation of the law, a violation of AS 10.50.320 (in the case of Members only) or for any transaction from which the Person will personally receive a benefit in money, property, or services to which the person is not legally entitled.

5.4.2. *Independent Activities.* Any Member may engage in or possess an interest in other business ventures of every nature and description, independently or with others, including, without limitation, the ownership, financing, management, employment by, lending or otherwise participating in businesses that are similar to the business of the Company, and neither the Company nor the other Members shall have any right by virtue of this Agreement in and to such independent ventures as to the income or profits therefrom and shall not be liable for a breach of duty of loyalty or any other duty.

5.5. *Indemnification*

5.5.1. *Indemnification.* (i) To the fullest extent permitted by applicable law, a Member, the General Manager and each director, officer, partner, employee or agent thereof ("Covered Person") shall be entitled to indemnification from the Company for any loss, damage, or claim incurred by such Covered Person by reason or any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of authority conferred on such Covered Person by this Agreement, except that non Covered Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Covered Person by reason of gross negligence, bad faith, or willful misconduct with respect to such act or omissions; *provided, however*, that any indemnity under this Section 5.5.1 shall be provided out of and to the extent of Company assets only, and no other Covered Person shall have any personal liability on account thereof.

5.5.2. *Notice.* In the event that any claim, demand, action, suit or proceeding shall be instituted or asserted or any loss, damage or claim shall arise in respect of which

indemnity may be sought by a Covered Person pursuant to *Section 5.5.1(i)*, such Covered Person shall promptly notify the Company thereof in writing. Failure to provide notice shall not affect the Company's obligations hereunder except to the extent the Company is actually prejudiced thereby.

5.5.3. *Contest.* The Company shall have the right, exercisable subject to the approval of the disinterested Covered Persons, to participate in and control the defense of any such claim, demand, action, suit or proceeding, and in connection therewith, to retain counsel reasonably satisfactory to each Covered Person, at the Company's expense, to represent each Covered Person and any others the Company may designate in such claim, demand, action, suit or proceeding. The Company shall keep the Covered Person advised of the status of such claim, demand, action, suit or proceeding and the defense thereof and shall consider in good faith recommendations made by the Covered Person with respect thereto.

Article VI

Admissions and Transfers

6.1. *Transfers.* No Person may Transfer all or any portion of or any interest or rights in the Person's Membership Rights or Interest unless the following conditions ("Conditions of Transfer") are satisfied:

6.1.1. The Transfer will not require registration of Interests or Membership Rights under any federal or state securities laws;

6.1.2. The transferee delivers to the Company a written agreement to be bound by all the terms of this Agreement;

6.1.3. The Transfer will not result in the termination of the Company pursuant to Code Section 708;

6.1.4. The Transfer will not result in the Company being subject to the Investment Company Act of 1940, as amended;

6.1.5. The transferor or the transferee delivers the following information to the Company: (i) the transferee's taxpayer identification number, and (ii) the transferee's initial tax basis in the Transferred Interest; and

6.1.6. The transferor obtains, at the transferor's expense, and delivers to the Company, an opinion of legal counsel acceptable to the Company, confirming that the Conditions of Transfer have been satisfied.

6.2. If the Conditions of Transfer are satisfied, then a Member or Interest Holder may Transfer all or any portion of that Person's Interest. The Transfer of an Interest pursuant to this *Article IX* shall not result, however, in the Transfer of any of the transferor's other Membership Rights, if any, and the transferee of the Interest shall have no right to: (i) become a Member, or (ii) exercise any Membership Rights other than those specifically pertaining to the ownership of an Interest.

6.3. Each Member hereby acknowledges the reasonableness of the prohibition contained in this *Article VI* in view of the purposes of the Company and the relationship of the Members. The Transfer of any Membership Rights or Interests in violation of the prohibition contained in this *Article VI* shall be deemed invalid, null and void, and of no force or effect. Any Person to whom Membership Rights are attempted to be transferred in violation of this *Article* shall not be entitled to vote on matters coming before the Members, participate in the management of the Company, act as an agent of the Company, receive distributions from the Company, or have any other rights in or with respect to the Membership Rights.

6.4. *Admission of Transferee as Member.* Notwithstanding anything contained herein to the contrary, the transferee of all or any portion of or any interest or rights in any Membership Rights or Interest shall not be entitled to become a Member or exercise any rights of a Member. The transferee shall be entitled to receive, to the extent transferred, only the distributions to which the transferor would be entitled, and the transferee shall not be admitted as a Member unless the Members unanimously consent.

Article VII Dissolution and Liquidation

7.1. *Events of Dissolution.* The Company shall be dissolved upon the happening of any of the following events:

7.1.1. when the period fixed for its duration in *Section 2.4* has expired;

7.1.2. upon the unanimous written agreement of the Members; or

7.1.3. upon the death, retirement, resignation, expulsion, or bankruptcy of a Member or the occurrence of any other event which terminates the continued membership of a Member in the Company, unless the remaining Members, within ninety (90) days after the event or occurrence, unanimously elect to continue the business of the Company pursuant to the terms of this Agreement.

7.2. *Procedure for Winding Up and Dissolution.* If the Company is dissolved, the General Manager shall wind up its affairs. On winding up of the Company, the assets of the

Company shall be distributed, first, to creditors of the Company, including Members who are creditors, in satisfaction of the liabilities of the Company, and then, amounts in excess of any reserves deemed reasonably necessary by the General Manager to pay all of the Company's claims and obligations shall be distributed to the Interest Holders in accordance with *Section 4.2.3.4* of this Agreement.

7.3. *Termination.* The General Manager shall comply with any requirements of applicable Law pertaining to the winding up of the affairs of the Company and the final distribution of its assets. Upon completion of the winding up, liquidation and distribution of the assets, the Company shall be deemed terminated.

Article VIII

Books, Records, and Accounting

8.1. *Bank Accounts.* All funds of the Company shall be deposited in a bank account or accounts opened in the Company's name. The General Manager shall determine the institution or institutions at which the accounts will be opened and maintained, the types of accounts, and the Persons who will have authority with respect to the accounts and the funds therein.

8.2. *Books and Records.*

8.2.1. The General Manager shall keep or cause to be kept complete and accurate books and records of the Company and supporting documentation of the transactions with respect to the conduct of the Company's business. The records shall include, but not be limited to, complete and accurate information regarding the state of the business and financial condition of the Company, a copy of the Articles of Organization and this Agreement and all amendments thereto, a current list of the names and last known business, residence, or mailing addresses of all Members; and the Company's federal, state, and local tax returns.

8.2.2. The books and records shall be maintained in accordance with sound accounting practices consistently applied and shall be available at the Company's principal office for examination by any Member or the Member's duly authorized representative at any and all reasonable times during normal business hours.

8.2.3. Each Member shall reimburse the Company for all costs and expenses incurred by the Company in connection with the Member's inspection and copying of the Company's books and records.

8.3. *Annual Accounting Period.* The annual accounting period of the Company shall be its taxable year. The Company's taxable year shall be selected by the General Manager, subject to the requirements and limitations of the Code.

8.4. *Reports*

8.4.1. *Biennial Report.* The Members shall file a biennial report as required by the Department.

8.4.2. *Reports to Members.* Within seventy-five (75) days after the end of each taxable year of the Company, the General Manager shall cause to be sent to each Person who was a Member at any time during the taxable year then ended: (i) an annual compilation report, prepared by the Company's independent accountants in accordance with standards issued by the American Institute of Certified Public Accountants; and (ii) a report summarizing the fees and other remuneration paid by the Company to any Member, the General Manager, or any Affiliate in respect of the taxable year. In addition, within seventy-five (75) days after the end of each taxable year of the Company, the General Manager shall cause to be sent to each Person who was an Interest Holder at any time during the taxable year then ended, that tax information concerning the Company necessary for preparing the Interest Holder's income tax returns for that year. At the request of any Member, and at the Member's expense, the General Manager shall cause an audit of the Company's books and records to be prepared by independent accountants for the period requested by the Member.

8.5. *Tax Matters Member.* The General Manager shall be the Company's tax matters partner ("Tax Matters Member"). The Tax Matters Member shall have all powers and responsibilities of a "tax matters partner" as defined in Section 6231 of the Code. The Tax Matters Member shall keep all Members informed of all notices from government taxing authorities that may come to the attention of the Tax Matters Member. The Company shall pay and be responsible for all reasonable third-party costs and expenses incurred by the Tax Matters Member in performing those duties. A Member shall be responsible for any costs incurred by the Member with respect to any tax audit or tax-related administrative or judicial proceeding against any Member, even though it relates to the Company. The Tax Matters Member shall not compromise any dispute with the Internal Revenue Service without the approval of the Members.

8.6. *Tax Elections.* The General Manager shall have the authority to make all Company elections permitted under the Code, including, without limitation, elections of methods of depreciation and elections under Section 754 of the Code. The decision to make or not make an election shall be at the General Manager's sole and absolute discretion.

8.7. *Title to Company Property.* All real and personal property acquired by the Company shall be acquired and held by the Company in its name.

Article IX
Amendments; General Provisions

9.1. *Assurances.* Each Member shall execute all certificates and other documents and shall do all such filing, recording, publishing, and other acts as the General Manager deems appropriate to comply with the requirements of law for the formation and operation of the Company and to comply with any laws, rules, and regulations relating to the acquisition, operation, or holding of the property of the Company.

9.2. *Notifications.* Any notice, demand, consent, election, offer, approval, request, or other communication (collectively a "notice") required or permitted under this Agreement must be in writing and either delivered personally or sent by certified or registered mail, postage prepaid, return receipt requested. Any notice to be given hereunder by the Company shall be given by the General Manager. A notice must be addressed to an Interest Holder at the Interest Holder's last known address on the records of the Company. A notice to the Company must be addressed to the Company's principal office. A notice delivered personally will be deemed given only when acknowledged in writing by the person to whom it is delivered. A notice that is sent by mail will be deemed given three (3) business days after it is mailed. Any party may designate, by notice to all of the others, substitute addresses or addressees for notices; thereafter, notices are to be directed to those substitute addresses or addressees.

9.3. *Specific Performance.* The parties recognize that irreparable injury will result from a breach of any provision of this Agreement and that money damages will be inadequate to remedy the injury fully. Accordingly, in the event of a breach or threatened breach of one or more of the provisions of this Agreement, any party who may be injured (in addition to any other remedies which may be available to that party) shall be entitled to one or more preliminary or permanent orders (i) restraining and enjoining any act that would constitute a breach or (ii) compelling the performance of any obligation that, if not performed, would constitute a breach.

9.4. *Complete Agreement.* This Agreement constitutes the complete and exclusive statement of the agreement among the Members. It supersedes all prior written and oral statements, including any prior representation, statement, condition, or warranty. Except as expressly provided otherwise herein, this Agreement may not be amended without the written consent of all of the Members.

9.5. *Applicable Law.* All questions concerning the construction, validity, and interpretation of this Agreement and the performance of the obligations imposed by this Agreement shall be governed by the internal law, not the law of conflicts, of the State of Alaska.

9.6. *Section Titles.* The headings herein are inserted as a matter of convenience only and do not define, limit, or describe the scope of this Agreement or the intent of the provisions hereof.

9.7. *Binding Provisions.* This Agreement is binding upon, and inures to the benefit of, the parties hereto and their respective heirs, executors, administrators, personal and legal representatives, successors, and permitted assigns.

9.8. *Jurisdiction and Venue.* Any suit involving any dispute or matter arising under this Agreement may only be brought in the United States District Court for Alaska or any Alaska State Court having jurisdiction over the subject matter of the dispute or matter. All Members hereby consent to the exercise of personal jurisdiction by any such court with respect to any such proceeding.

9.9. *Terms.* Common nouns and pronouns shall be deemed to refer to the masculine, feminine, neuter, singular, and plural, as the identity of the Person may in the context require.

9.10. *Separability of Provisions.* Each provision of this Agreement shall be considered separable; and if, for any reason, any provision or provisions herein are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Agreement which are valid.

9.11. *Counterparts.* This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which, when taken together, constitute one and the same document. The signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

9.12. *Estoppel Certificate.* Each Member shall, within ten (10) days after written request by the General Manager, deliver to the requesting Person a certificate stating, to the Member's knowledge, that: (a) this Agreement is in full force and effect; (b) this Agreement has not been modified except by any instrument or instruments identified in the certificate; and (c) there is no default hereunder by the requesting Person, or if there is a default, the nature and extent thereof. If the certificate is not received within that ten (10) day period, the General Manager shall execute and deliver the certificate on behalf of the requested Member.

9.13. *Amendment.* This Agreement may be amended by a vote of the members holding 100% of the capital accounts of all of the Members, *provided however* that no amendment which materially reduces the distributions which may be made to a Member (or changes the Profit or Loss allocation to such Member) may be made without such Member's consent.

9.14. *Consents.* Unless otherwise explicitly provided for herein, any and all consents, agreements or approvals provided for or permitted by this Agreement shall be in writing and a signed copy thereof shall be filed and kept with the books of the Company.

9.15. *Legends.* If certificates for any Interest or Interests are issued that evidence a Member's Interest, each such certificate shall bear such legends as may be required by applicable federal and state laws, or as may be deemed necessary or appropriate by the General Manager to reflect restrictions upon transfer contemplated herein.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first below written.

4 15 2016
Date

[Signature]
Justin Brown

4/15/2016
Date

[Signature]
Marty Martin

4/15/2016
Date

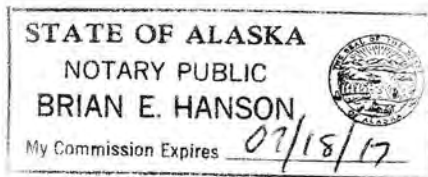
[Signature]
Elizabeth Martin

STATE OF ALASKA

FIRST JUDICIAL DISTRICT

)
) ss:
)

The foregoing instrument was acknowledged before me this 15th day of April, 2016, by JUSTIN BROWN.



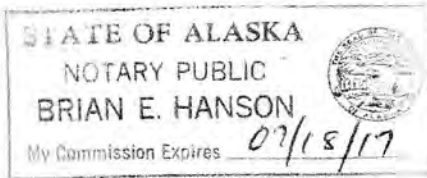
[Signature]
Notary Public in and for Alaska
My commission expires: 07/18/17

STATE OF ALASKA

FIRST JUDICIAL DISTRICT

)
) ss:
)

The foregoing instrument was acknowledged before me this 15th day of April, 2016, by MARTY MARTIN.



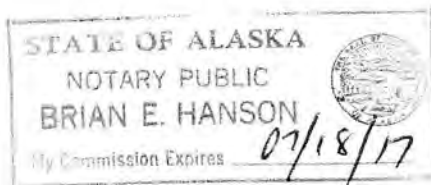
Brian E. Hanson
Notary Public in and for Alaska
My commission expires: 07/18/17

STATE OF ALASKA

FIRST JUDICIAL DISTRICT

)
) ss:
)

The foregoing instrument was acknowledged before me this 15th day of April, 2016, by ELIZABETH MARTIN.



Brian E. Hanson
Notary Public in and for Alaska
My commission expires: 07/18/17



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 18-122 Version: 1 Name:
Type: Item Status: AGENDA READY
File created: 6/19/2018 In control: City and Borough Assembly
On agenda: 6/26/2018 Final action:
Title: Reappoint Scott Wagner to a two-year term on the Gary Paxton Industrial Park Board
Sponsors:
Indexes:
Code sections:
Attachments: [Motion Wagner Reappointment.pdf](#)
[Wagner Application.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO reappoint Scott Wagner to a two-year term on the Gary Paxton Industrial Park Board.



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

Board/Commission/Committee: Gary Paxton Industrial Park

Name: Scott Wagner

Daytime Phone: [REDACTED]

Address: [REDACTED]

Evening Phone: [REDACTED]

Email Address: [REDACTED]

Fax Number:

Length of Residence in Sitka: 27 years

Registered to vote in Sitka? ☒ Yes ☐ No

Employer: NSRAA

Organizations you belong to or participate in: LEPC

Explain your main reason for applying: To continue serving as GPIP board chair and facilitate the development and operation of the park.

What background, experience or credentials will you bring to the board, commission, or committee membership?
I am Operations Manager for NSRAA. I can help to develop long term park goals and efficient operation.


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

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

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

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

Date: 5/22/2018

Signature: 

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

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

Return to:

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

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Sitka, AK

Sitka, AK

Sitka, AK

Sitka, AK

Sitka, AK

Sitka, AK

Sitka, AK



GARY PAXTON INDUSTRIAL PARK BOARD OF DIRECTORS

NAME	CONTACT NUMBERS	TERM STARTS	EXPIRES	CATEGORY
SCOTT WAGNER 304 Nicole Drive	747-6850 w 747-3791 h scott_wagner@nsraa.org	11/25/14 6/28/16	6/24/16 6/28/18	CHAIR
DAN JONES 719 Sirstad Street	738-6998 c 747-6373 h danielgjonespe@gci.net	10/11/11 10/22/13 10/27/15	10/11/13 10/22/15 10/27/17	VICE- CHAIR
HUGH BEVAN 720 Pherson Street	747-2709 h kbdsitka@gmail.com	7/12/16	6/14/18	<i>Miller's term</i>
SHEILA FINKENBINDER 415 DeArmond Street	738-3098 c sitkasheila@gmail.com	3/28/17	3/28/19	
WAYNE UNGER PO Box 833	738-9396 wayne.unger@silverbayseafoods.com	4/24/18	4/24/20	
Garry White 329 Harbor Drive, #212	747-2660 w 747-7688 fax garrywhite@gci.net			GPIP Director
Keith Brady City & Borough of Sitka 100 Lincoln Street	747-1808 w 747-7403 fax keith.brady@cityofsitka.org			Municipal Administrator
Bob Potrzuski 2013 Kainulainen Drive	738-9075 c assemblypotrzuski@cityofsitka.org			Assembly Liaison
Mary Suminski 329 Harbor Drive, #212	747-2660 w 747-7688 fax sedasitka@gmail.com			Secretary

Established by Ordinance 00-1568

Five members appointed by the Assembly for 2-year terms, one designated At-Large

Revised: April 25, 2018



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 18-123 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 6/19/2018 In control: City and Borough Assembly

On agenda: 6/26/2018 Final action:

Title: Appoint one of the following individuals to a three-year term on the Historic Preservation Commission in the category of "Native Community": 1) Roberta Littlefield - incumbent or 2) Nancy Douglas

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Historic Preservation Commission.pdf](#)
[Littlefield Application.pdf](#)
[Douglas Application..pdf](#)

Date	Ver.	Action By	Action	Result
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Appoint one of the following individuals to a three-year term on the Historic Preservation Committee in the category of "Native Community":

- 1) Roberta Littlefield – incumbent, or
- 2) Nancy Douglas

Notes:

- Ms. Littlefield, the incumbent, has served on the Commission since July 2010
- Ms. Douglas was appointed to the Commission in February 2018 as the “STA – alternate”

POSSIBLE MOTION

I MOVE TO appoint _____ to a three-year term on the Historic Preservation Commission in the category of “Native Community”.



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

Board/Commission/Committee: Historic Preservation Commission
Name: Roberta (Roby) Littlefield Daytime Phone: [REDACTED]
Address: [REDACTED] Evening Phone: [REDACTED]
Email Address: [REDACTED] Fax Number: n/a
Length of Residence in Sitka: 48 yrs. Registered to vote in Sitka? ☒ Yes ☐ No

Employer: University of Alaska / Sitka School District

Organizations you belong to or participate in:

Noow Tlein Dancers, Raven Radio Board of Directors, ANS,
Sitka Kaagwaantan Dancers, Dog Point Fish Camp/NATIVE inc.

Explain your main reason for applying:

I've served on the Commission since 2008. I'm interested
in local history and research

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

Experience in documenting oral history and language
(Tlingit)

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

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

NONE

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

*transmitted by email 5/11/18

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

Date: 5/11/18 Signature: [Signature]

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

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

Return to:

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

Roberta N. (Roby) Littlefield

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Objective:

Tlingit language and cultural instruction; curriculum development; oral history research & documentation; genealogy research; and digital reformatting and archiving reel to reel tapes, cassette and VHS.

Accomplishments:

- Learned to understand, speak, read and write the Tlingit language.
- Founding member or teacher of three traditional Sitka dance groups.
- Developed curricula to instruct other teachers and students in Tlingit language, a series of 15 lessons for beginning language learners.
- Researched, documented, digitized, transcribed and translated local oral history for over 30 years; provided free transcription services to fluent Elders and other language students and community members.
- Founding board member of N.A.T.I.V.E. Inc., 502(c)3 nonprofit corporation in 1991.
- Founder, in 1978, of the Dog Point Children's Fish Camp Cultural and Language Immersion Programs.

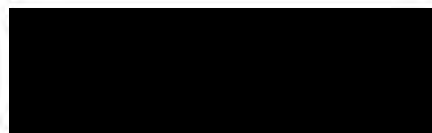
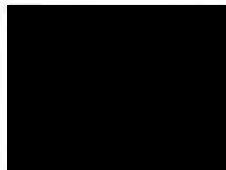
Experience:

Adjunct Professor at University of Alaska, Southeast	2009-2018
Digital Archivist and Cultural Specialist for Sitka Tribe	2007-2009
Director of Family Recovery Culture Camps	2000-2003
Tlingit Language Curricula developer for Sealaska Heritage Foundation, Goldbelt Inc., Sitka School District, UASS	1999-2018
Tlingit language instructor in Sitka School district	1994-2018
Drum making, regalia sewing, and traditional art teacher	1986-2018
Board Secretary for NATIVE, Inc. 501(c)3 non-profit	1986-2018
Language instructor for Sitka Native Education Program	1982-1983
Cultural Camp Facilitator for Dog Point Fish Camp	1978-2014
Preschool van driver for Sitka Native Education Program	1976-1981
Traditional foods harvester in Sitka Sound	1972-2018

Education: Transcripts available on request
Type M teaching certificate valid until 2020

References:

Mary Wegner
Ben White
Leslie Gordon
Ethel Makinen



(no email, Elder)



HISTORIC PRESERVATION COMMISSION

NAME	CONTACT NUMBERS	TERM STARTS	EXPIRES	CATEGORY
ROBERTA LITTLEFIELD 4102 Halibut Point Road	738-4004 c 747-3444 h roblytlefield@gci.net	7/13/10 4/24/12 5/27/15	01/27/12 4/24/15 5/27/18	Chair Native community
ANNE POLLNOW PO Box 6326	738-0794 sealevelanne@gmail.com	4/28/15 4/25/17	4/22/17 4/25/20	Vice Chair At large
JAMES POULSON 1610 Sawmill Creek Rd	747-3219 w 747-6567 h sitka@operamail.com	2/22/11 2/25/14	2/22/14 2/25/17 9/8/18	Secretary Historical Society <i>Ozment's term</i>
ANA DITTMAR 217 Marine Street Unit B	623-7537 anadittmar1@hotmail.com	4/10/12 5/27/15	4/10/15 5/27/18	At large
SCOTT SALINE PO Box 3183	738-7889 c shsaline@gci.net	4/26/16	4/26/19	At large
KITTY SOPOW 3414 Halibut Point Road	907-545-2850 kittysopow@gmail.com	2/28/17	2/28/20	At large
ROBERT SAM 456 Katlian Street	623-7097 bob.sam@sitkatriben-sns.gov	2/24/15 2/27/18	2/24/18 2/27/21	STA
NANCY DOUGLAS 416 Lake Street	747-8380 nancy.douglas@sitkatriben-sns.gov	2/27/18	2/27/21	STA (alternate)
Samantha Pierson Planner I	747-1814 samantha.pierson@cityofsitka.org			Staff Liaison/ Secretary
Benjamin Miyasato 405 DeGroff Street	738-8923 assemblymiyasato@cityofsitka.org			Assembly Liaison
Steven Eisenbeisz 208 Lincoln Street	738-3261 assemblyeisenbeisz@cityofsitka.org			Alternate Assembly Liaison

7 members from selected categories 3-year terms

Sitka Historical Society (1), Native Community (2) - one representing Sitka Tribe of Alaska), At-Large (4)

Established by Ordinance 92-1075, Amended by Ordinance 93-1150, Addition by Ordinance 97-1409

Second Wednesday, 6:00 p.m. – Harrigan Centennial Hall, 330 Harbor Drive

Revised: March 1, 2018



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

Board/Commission/Committee: Historical Preservation Commission
Name: Nancy Douglas Daytime Phone: [REDACTED]
Address: [REDACTED] Evening Phone: [REDACTED]
Email Address: [REDACTED] Fax Number: [REDACTED]
Length of Residence in Sitka: 9 yrs Registered to vote in Sitka? ☒ Yes ☐ No
Employer: Sitka School District

Organizations you belong to or participate in:

Sitka Tribe of Alaska Council member
Alaska Native Sisterhood
Noowtlein Dancers

Explain your main reason for applying:

Fill the Tribal Council seat

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

As a tribal member I bring cultural knowledge as well as a willingness to serve.

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

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

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

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

Date: 4/12/18 Signature: Nancy Douglas

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

Nancy Douglas



Self-directed, enthusiastic professional with a passionate commitment to cultural preservation, education and development, especially in the area of place based education. Skilled in the design of challenging, enriching and innovative activities that address the diverse interest and needs of students of all ages. Active team member who effectively collaborates with school tribal governments, resource agencies and local organizations, and with the community.

Experience in:

Cultural Curriculum	Learning Styles
Curriculum Design & Development	Multi-Cultural Learning
Parent Communication	Cooperative Learning
Design & Implementation of Special Projects	

Professional Experience

Sitka School District, 8/10 – Present, Cultural Director

Develop Tlingit Cultural curriculum for grades K-12. Provide opportunities to increase awareness, understanding and respect for Tlingit culture and language. Facilitate cultural activities at the classroom, school and district level. Serve as a resource to district staff in implementing cultural activities. Assist district staff in on-going building and district-wide professional development.

Sitka Cultural Center, 8/09-8/10, Manager

Manage a culturally relevant Native arts demonstration program for the Sitka National Historical Park and the community with oversight for a significant Native art collection while developing financial model for sustainability for center and expansion for programming.

Juneau School District, 5/00-5/05 and 9/06-8/09, Team Leader, Tlingit Culture Language & Literacy Program

Worked in collaboration with Sealaska Heritage Institute to develop a K-1 culturally based classroom. Developed materials, resources, and lessons. Coordinated elders and culture bearer's involvement in program classrooms and activities. Organized and implemented monthly parent involvement activities. Develop tutor training workshop for high school student not meeting district core. Trained new teacher on implementing and developing culturally based lesson. Developed and implemented culturally relevant two-week summer camp for students and teachers.

Sealaska Heritage Institute, 5/05-9/06, Curriculum Specialist

Assumed all responsibilities of design and develop of 18 culturally based thematic units. Developed curriculum format. Coordinated curriculum writing workshops. Field tested lessons. Worked with elders, culture bearers and SHI team to integrated Tlingit language in to units

Sitka Tribe of Alaska

Tribal Government for Sitka, Alaska



May 29, 2018

Mayor Matthew Hunter and City Assembly
City of Sitka
100 Lincoln Street
Sitka, AK 99835

Re: Historic Preservation Commission Appointments – Nomination of Nancy Douglas

Dear Honorable Mayor Hunter and Members of the Assembly:

Sitka Tribe of Alaska would like to nominate Nancy Douglas for the open position of “Native Community” representative on the Historic Preservation Commission. Sitka Tribe of Alaska takes great interest in preserving the historic heritage of Sitka and in particular preserving the representation of native voices in Sitka’s rich history. It is clear that the City and Borough of Sitka also intended to preserve robust native representation on the Historic Preservation Commission.

The Commission has a dedicated seat for a representative from Sitka Tribe of Alaska. In addition, the Commission has a second seat dedicated to a representative of the Native Community. It is important to Sitka Tribe of Alaska that the Native Community representative be a person from the native community.

Thank you for your attention and consideration. If you have any questions, please do not hesitate to call Lisa Gassman, General Manager at 747-7380.

Sincerely,

Kathy Hope Erickson
Tribal Chairman



HISTORIC PRESERVATION COMMISSION

NAME	CONTACT NUMBERS	TERM STARTS	EXPIRES	CATEGORY
ROBERTA LITTLEFIELD 4102 Halibut Point Road	738-4004 c 747-3444 h robbylittlefield@gci.net	7/13/10 4/24/12 5/27/15	01/27/12 4/24/15 5/27/18	Chair Native community
ANNE POLLNOW PO Box 6326	738-0794 sealevelanne@gmail.com	4/28/15 4/25/17	4/22/17 4/25/20	Vice Chair At large
JAMES POULSON 1610 Sawmill Creek Rd	747-3219 w 747-6567 h sitka@operamail.com	2/22/11 2/25/14	2/22/14 2/25/17 9/8/18	Secretary Historical Society <i>Ozment's term</i>
ANA DITTMAR 217 Marine Street Unit B	623-7537 anadittmar1@hotmail.com	4/10/12 5/27/15	4/10/15 5/27/18	At large
SCOTT SALINE PO Box 3183	738-7889 c shsaline@gci.net	4/26/16	4/26/19	At large
KITTY SOPOW 3414 Halibut Point Road	907-545-2850 kittysopow@gmail.com	2/28/17	2/28/20	At large
ROBERT SAM 456 Katlian Street	623-7097 bob.sam@sitkatriben-sn.gov	2/24/15 2/27/18	2/24/18 2/27/21	STA
NANCY DOUGLAS 416 Lake Street	747-8380 nancy.douglas@sitkatriben-sn.gov	2/27/18	2/27/21	STA (alternate)
Samantha Pierson Planner I	747-1814 samantha.pierson@cityofsitka.org			Staff Liaison/ Secretary
Benjamin Miyasato 405 DeGroff Street	738-8923 assemblymiyasato@cityofsitka.org			Assembly Liaison
Steven Eisenbeisz 208 Lincoln Street	738-3261 assemblyeisenbeisz@cityofsitka.org			Alternate Assembly Liaison

7 members from selected categories 3-year terms

Sitka Historical Society (1), Native Community (2) - one representing Sitka Tribe of Alaska), At-Large (4)

Established by Ordinance 92-1075, Amended by Ordinance 93-1150, Addition by Ordinance 97-1409

Second Wednesday, 6:00 p.m. – Harrigan Centennial Hall, 330 Harbor Drive

Revised: March 1, 2018



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 18-124 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 6/20/2018 In control: City and Borough Assembly

On agenda: 6/26/2018 Final action:

Title: RECONSIDERATION of the Fisheries Enhancement Fund awards made at the June 12 Assembly meeting to Sitka Sound Science Center and Alaska Longline Fishermen's Association

Sponsors:

Indexes:

Code sections:

Attachments: [Motions for Reconsideration.pdf](#)
[Draft minutes June 12 Fisheries Enhancement item.pdf](#)
[Sitka Sound Science Center Proposal.pdf](#)
[Alaska Longline Fishermen's Association Proposal.pdf](#)
[SGC excerpt and ordinances.pdf](#)
[Copy of All Years Combined Amounts Given.pdf](#)
[Memo from June 12 Fisheries Enhancement..pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTIONS

Step 1

I MOVE TO reconsider the motion to award \$22,500 to the Sitka Sound Science Center.

Notes:

- Notice of reconsideration was given by Kevin Knox on June 12, 2018
- The motion to reconsider needs to be made by a member who voted on the prevailing side: Hunter, Potrzuski, Knox, Miyasato, Eisenbeisz, Wein
- 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.
- \$42,000 was initially available for distribution at the June 12 meeting. \$9,500 was awarded to Chinook Futures Coalition, Inc. on June 12 leaving a remaining balance of \$32,500.

Step 2 – if the motion to reconsider passes

I MOVE TO award \$_____ to the Sitka Sound Science Center.

POSSIBLE MOTIONS

Step 3

I MOVE TO reconsider the motion to award \$10,000 to the Alaska Longline Fisherman's Association.

Notes:

- Notice of reconsideration was given by Kevin Knox on June 12, 2018
- The motion to reconsider needs to be made by a member who voted on the prevailing side: Potrzuski, Knox, Miyasato, Eisenbeisz, Wein
- 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.
- \$42,000 was initially available for distribution at the June 12 meeting. \$9,500 was awarded to Chinook Futures Coalition, Inc. on June 12 leaving a remaining balance of \$32,500 (does not account for award made on June 26 to SSSC – if applicable).

Step 4 – if the motion to reconsider passes

I MOVE TO award \$_____ to the Alaska Longline Fisherman's Association.

Wein suggested the Assembly explore alternatives for solid waste disposal to reduce costs. Assembly members reiterated the political and social pressures felt by increasing rates.

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

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

No: 1 - Eisenbeisz

Absent: 1 - Bean

Additional New Business Items

K 18-110 **Consideration and award of the request for proposals submitted for the available funds (\$42,000) in the Fisheries Enhancement Fund**

Matt Donohoe and Pat Kehoe spoke to the proposal submitted by Chinook Futures Coalitions, Inc., Linda Behnken provided an overview of the Alaska Longline Fisherman's Association proposal, and Lisa Busch of Sitka Sound Science Center explained their proposal.

Knox wondered of the definition of enhancement. Municipal Attorney, Brian Hanson, stated there was no statutory definition of enhancement. However, in his research he had found only references made to aquaculture. He stated the history of the Assembly, and past Assemblies, was to include all these applicants as eligible for the program. He found no research to preclude the Assembly from doing so.

A motion was made by Knox to make \$42,000 in the Fisheries Enhancement Fund available for disbursement. The motion PASSED by the following vote.

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

Absent: 1 - Bean

A motion was made by Eisenbeisz to award \$10,000 to Alaska Longline Fisherman's Association. The motion PASSED by the following vote.

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

No: 1 - Hunter

Absent: 1 - Bean

A motion was made by Wein to award \$9,500 to Chinook Futures Coalition, Inc. The motion PASSED by the following vote.

Yes: 4 - Miyasato, Eisenbeisz, Potrzuski, and Wein

No: 2 - Hunter, and Knox

Absent: 1 - Bean

Pat Kehoe, Matt Donohoe, and Sherri Aitken spoke in support of full funding for the Chinook Futures Coalition, Inc. Charles Bingham suggested the Assembly compromise and award \$5,000.

A motion to AMEND the award to Chinook Futures Coalition, Inc. to \$2,500 was made by Eisenbeisz. The motion FAILED by the following vote.

Yes: 2 - Potrzuski, and Hunter

No: 4 - Miyasato, Eisenbeisz, Knox, and Wein

Absent: 1 - Bean

A motion was made by Eisenbeisz to award the remaining \$22,500 to the Sitka Sound Science Center. The motion PASSED by the following vote.

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

Absent: 1 - Bean

Assembly Member Knox gave notice to reconsider the amounts awarded to Sitka Sound Science Center (\$22,500) and Alaska Longline Fisherman's Association (\$10,000) at the June 26 Assembly meeting.

- L 18-114** Approve a lease agreement between Trident Seafoods Corporation and the City and Borough of Sitka for Block 4, Lot 6 of the Gary Paxton Industrial
No action taken, item pulled from agenda.

- M RES 18-06A** Increasing Grid, Eliason Harbor Load Zone, and Work Float Charges and Fees (*this amends Resolution 2018-06 approved on April 25, 2018*)
Harbormaster, Stan Eliason, stated he recommended the elimination of fees for the work float and drive down load zone from September 15 through March 15 thereby encouraging boat owners to conduct major repairs during the off season. This resolution replaces Resolution 2018-06 approved in April 2018.

A motion was made by Miyasato to APPROVE this Resolution on FIRST AND FINAL READING. The motion PASSED by the following vote.

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

Absent: 1 - Bean

- N 18-112** Direct the Administrator to explore Pittman-Robertson funding opportunities and prepare a grant application for potential cabin development on City and Borough of Sitka property
Cosponsors Hunter and Eisenbeisz summarized the item. Hunter explained Representative Jonathan Kreiss-Tomkins had notified him of a surplus of federal Pittman-Robertson funds available to build infrastructure that improved access to hunting and wildlife viewing. The funds, administered by the Alaska Department of Fish and Game, were collected through taxes on the sale of firearms and ammunition. At a

★ Right now, the official U.S. time is:

03:31:02 p.m.

12-hr 24-hr

Thursday, May 10, 2018
Alaska Time (DST)
Corrected for network delay 65.5 m



Sun is shining in light region
It is night in dark region

THE U.S. TIME IS PROVIDED BY NIST & USNO

[PRIVACY POLICY & SECURITY NOTICE](#) [TIME EXHIBITS](#)

Also, try the [alternate Flash page](#) or see [About This Site](#)

Fisheries Enhancement Fund
Gutha Sound Science Center
5-10-18 3:31 pm SP

SITKA SOUND SCIENCE CENTER

834 Lincoln Street, Suite 200
Sitka, Alaska 99835
Admin Phone: 907.747.8878
www.sitkascience.org



May 9, 2018

Dear City and Borough Assembly members,

It is a great pleasure to send this proposal request for the Fisheries Enhancement Fund on behalf of the Sitka Sound Science Center (SSSC). The City of Sitka has been a strong supporter and partner in moving our community forward in salmon enhancement, science research and science education. In addition to our hatchery adding to the common property fishery of Sitka Sound, our visitor programs educate thousands of people about salmon enhancement, fisheries, and marine and terrestrial science issues.

The voters approved the Enhancement Funds to be used in part for fisheries enhancement in the Sitka area. Our proposal does exactly what the voters had in mind. SSSC has utilized the dollars from this Fund to provide salmon to the common property fishery in Sitka Sound and Deep Inlet through its operation of the Sheldon Jackson Salmon. In addition, the Sitka Sound Science Center trains people to work in the salmon enhancement sector and provide support to the aquaculture industry. The requirement to submit a proforma, a standard part of hatchery operation, is because the Assembly expected the funds to be allocated for fishery enhancement which benefits the users who pay the tax.

The funds will be used to operate our hatchery and help support the Mill Building project which is a critical structure for hatchery operations and a National Historic Landmark.

Thank you for your past support and for helping us build an organization that is adding to the fishing sector of our community.

Thank you also for your careful consideration of this proposal. I welcome your interest in our organization and invite you to tour the facility with me when it is convenient for you.

All the best,

A handwritten signature in black ink, appearing to read 'Lisa Busch', with a stylized flourish at the end.

Lisa Busch
Executive Director
Sitka Sound Science Center

Application City and Borough of Sitka Fisheries Enhancement Fund

Sitka Sound Science Center

2018

The Sitka Sound Science Center respectfully requests the City and Borough of Sitka consider providing the Sheldon Jackson Salmon Hatchery \$42,000 from the Fisheries Enhancement Fund. The SJ salmon hatchery work aligns perfectly with the purpose of the Fisheries Enhancement Fund. Our facility is permitted for 12 million chums, 3 million pink and 250,000 coho eggs. The Sitka Sound Science Center produces these fish for the charter, commercial, sport and subsistence harvest in Sitka Sound and Deep Inlet. We have a partnership with the Northern Southeast Regional Aquaculture, for whom we provide 9 million chum eggs, returning \$7.1 million total value to the commercial fishing fleets of Sitka over the past ten years and millions to the guided sport industry. The salmon Sitka Sound Science Center release in front of our facility are valued at another \$2 million over the last 10 years just for the commercial catch. In 2017, SSSC contributed \$1.2 million to the commercial salmon fleet, and (though undocumented) enhanced the guided sport fishery. Our hatchery fish are also caught by recreational, and subsistence fishermen in Sitka Sound and surrounding waters and our return site adjacent to the Sage Beach provides a unique opportunity for anglers of all ages to catch salmon.

History of the Organization: Sitka Sound Science Center

The Sitka Sound Science Center (SSSC) is a **non-profit 501c3** organization formed in 2007. The Sitka Sound Science Center is dedicated to increasing understanding and awareness of terrestrial and aquatic ecosystems of Alaska through education and research. Our vision is to build on Sitka's legacy and potential as an educational and scientific community. We have 15 year-round staff members and 14 additional summer employees. We own the 1929-era Sage building that at one time housed the Sheldon Jackson College science classrooms and laboratories. Today we operate the Molly O Ahlgren Aquarium and the Sheldon Jackson Salmon Hatchery. Our hatchery contributes to the guided sport and recreational fisheries, Sitka Sound common property fishery, the Deep Inlet chum fishery and towards training people in the UAS Fisheries Technology Training Program as well as in the Sitka School District and Mt. Edgecumbe High School. Students in these programs are the future of salmon enhancement and fisheries management. This year we provided a new aquaculture class with hands-on, experiential learning to Pacific High School students.

The Sheldon Jackson Salmon Hatchery was the first hatchery permitted in the State of Alaska. The hatchery was a production facility and a training location where students learned fisheries biology, natural resource management and fisheries enhancement techniques. Graduates from the fisheries program at Sheldon Jackson College from 1975 to 2007 are now professionals and leaders in fisheries enhancement, management and policy around the State of Alaska. When the Science Center took over operation of the hatchery in 2007, our board remained committed to contributing to the common property fishery and the continuation of the unique training program our location and facility affords.

Today, SSSC delivers high quality science education programs and conducts collaborative research with a number of research institutions from around the nation. SSSC works to conduct research that reflects

Sitka's locally relevant scientific questions and in close partnership with fishing interests such as NSRAA, Silver Bay Seafoods, and the Alaska Longline Fishermen's Association.

Our programs:

What's new? We instituted **an aquaculture class for Pacific High School** in which PacHigh students receive exposure to aquaculture issues, visit aquaculture facilities and do hands on activities with SSSC hatchery and education department staff. Our dive programs have also grown as the state and the nation become more interested in ocean acidification (OA) and mariculture. University of Santa Cruz conducts dive research on kelp and OA educational programs and held a winter dive field course for undergraduates in February.

We continued our strong partnerships with the University of Alaska Southeast Fish Tech program, NSRAA, Sitka School District, Alaska Longline Fishermen's Association, Mt. Edgecumbe High School, National Institute of Health, University of Alaska Fairbanks, Stanford University, University of San Francisco, U.S. Coast Guard Academy, Mote Marine Laboratory, NOAA, US Geologic Survey, National Park Service, U.S. Forest Service, and the Alaska Department of Fish and Game.

We provide salmon culture workshops for students in the University of Alaska Fisheries Technology Program. Our after-school, and summer camps have become enormously popular and our Scientists in the Schools program, integrated into the K-12 curriculum for the Sitka School District and Mt. Edgecumbe High School, has been credited for raising science test scores and closing the academic achievement gap in science between Alaska Natives and non Natives. Our other education programs include our Sprouts program for 3-5 years olds, a natural history seminar series, and Sitka WhaleFest. We institute community programs with Sitka Tribe of Alaska, the National Park Service, and Sitka Conservation Society.

Enhancement

Sitka Sound Science Center is part of the almost \$1 billion aquaculture industry in Alaska. Southeast Alaska hatcheries contribute millions of pounds of fish to commercial, charter, sport, personal use and subsistence fisheries, resulting in the injection of millions of dollars into the Sitka economy. The McDowell study (May 2010) demonstrates how important hatcheries are to our community and regional economy. The SJ Hatchery facility is permitted by the State for 12 million Chums, 3 million Pinks, and 250,000 Coho that return to Crescent Bay, providing important local sport, commercial and charter fishing opportunities near town. Sitka has 81 guided sport businesses and employs more than 160 people.(with Sitka residencies). While we don't know the exact numbers of fish taken by non resident guided anglers, we know that a McDowell study done 7 years ago in Ketchikan shows that the industry there (with similar numbers of businesses) contributes \$15 million to the economy each year. A chance to fish in Sitka Sound is the basis for the experience. In addition, visitors target our fish when fishing near the sea walk and Sage Beach (adjacent to our facility). Our nonprofit organization provides 9 million chum eggs for the Deep Inlet remote release site. **The value of SSSC's S.J. Hatchery returning chum salmon to the Deep Inlet fishery in 2017 was valued at \$225,000 to the commercial fleet, and the chum salmon on the SSSC permit that were released by NSRAA was valued at \$1.028 million.** Because of our location, SSSC-reared salmon are easily accessible to commercial fishermen, recreational and guided sport fishermen including land-based sport fishing. The return site adjacent to Sage Beach provides a unique opportunity for anglers to catch salmon from the shore, an opportunity used by

children, family and elders during the salmon return. We also provide salmon carcasses for locals to use for dog food and gardening. In addition, SSSC is training people to work in fisheries enhancement. We have a formal Memorandum of Understanding with the University of Alaska Southeast to provide hands on training to people in the University of Alaska Fisheries Technology Program. **We are the only working training facility hatchery in the State of Alaska, and one of only two in the Pacific Northwest.**

We are part of the State of Alaska \$20 million long term study on the interaction between wild and hatchery chum salmon overseeing the Southeast field crews conducting the research. SSSC continues to conduct controlled research experiments for the hatchery feed company Skretting in which we are testing alternative fish food ingredients. We continue to collaborate on doing research in partnership with University of Alaska Southeast and University of Alaska Fairbanks School of Fisheries, on humpback whales feeding on hatchery released smolt and fry.

SSSC conducts longline fishery research, funded by NOAA, and in partnership with Scripps Institution of Oceanography, the University of Alaska Southeast, the Central Bering Sea Fishermen's Cooperative, and the Alaska Longline Fishermen's Association.

Our facility receives approximately 18,000 visitors annually, including many charter clients in town for fishing as well as cruise ship passengers, students and scientists. As part of the visitor experience, we provide them with a history of salmon enhancement and commercial, sport and subsistence fishing in Alaska. We teach visitors about the salmon life cycle, how our community depends on fishing for an economic base and the importance of culture in our relationship with the natural world.

Community Support

Sitka Sound Science Center has a wide breadth of community support as represented by our donation and in-kind support from fish processors such as Silver Bay Seafoods, and Sitka Sound Seafoods; private foundations including the Sitka Permanent Charitable Trust, the Boat Company, Rasmuson Foundation, members, and a breadth of individual donations. We are also supported by Douglas Island Pink and Chum (DIPAC) and the Northern Southeast Regional Aquaculture Association (NSRAA). Our Board of Directors represents a cross section of Sitka. Our board members are: Trish White (chair, owner, White's Pharmacy); Kitty LaBounty (vice chair, UAS); Justin Penny (Wells Fargo), Linda Waller (co-secretary, Sitka Sound Seafoods); Steve Clayton (building contractor); Rob Allen (Sitka Community Hospital administrator, treasurer); Randy Lantaigne (Silver Bay Seafoods) Madison Kosma (UAF graduate student)

Dollars Requested: Sitka Sound Science Center respectfully requests the balance of the fisheries enhancement fund \$42,000

Statement of what will be achieved with the funding: Fisheries Enhancement funding will enable Sitka Sound Science Center to maintain its hatchery production and enhancement operations. The monies from the Fisheries Enhancement Fund go directly into supporting hatchery operations and staffing the hatchery. These positions are responsible for overseeing fish health, spawning, daily fish culture, tagging fish, water quality monitoring, research operations, facility issues and other essential hatchery tasks that support strong, healthy fish releases. Because of the small size of our facility, cost recovery fishing does not pay all the bills for operations. The funds provided by the fish box tax are vital for our organization, particularly this year with diminished federal and state opportunities for grants and contracts. **Also, this**

year funds will be used for the renovation of the Mill Building which houses much of our aquaculture equipment and fish food.

Explanation of how this will enhance the fisheries within the City and Borough of Sitka: Sitka Sound Science Center provides fisheries enhancement in many ways. We directly contribute to salmon fishing opportunities for all users in Sitka by:

- Enhance the quantity of fish stocks returning to Sitka Sound by releasing 250,000 Coho, 3 million Chum and 3 million Pink salmon that return to Crescent Bay.
- Enhance and contribute to the Deep Inlet terminal fishery in partnership with NSRAA to release 9 million Chum salmon.

Additionally, we ensure fisheries enhancement into the future by:

- Train adults and students to become competent aquaculture technicians for work at NSRAA or other hatcheries/salmon enhancement projects through on-the-job training and UAS Fisheries Technology class laboratories.
- Introduce K-12 students to fisheries enhancement, science and other marine related disciplines as options for their future careers by providing hands-on laboratories and supporting science curriculum at all Sitka Schools.
- Educate visitors (including charter clients) about hatcheries and how salmon enhancement works in conjunction with wild salmon management and conservation in Southeast Alaska and the important role of commercial, sport and subsistence fishing to Sitka's economy, lifestyle and culture.
- Provide internship opportunities for college students studying science and to work in science education and hatchery operations during the summer.
- Provide summer employment opportunities for Sitka High School students to work in science education and hatchery operations.

ATTACHED:

Hatchery Pro Forma(and narrative)

SSSC recent Balance Sheet

Support Letter from NSRAA and Southeast Alaska Guide Organization

May 9, 2018

RE: Support for Sitka Sound Science Center 2018 Fish Box Tax Request

Dear Mayor Hunter & Sitka Assembly,

The Sitka Sound Science Center through its operation of the Sheldon Jackson Hatchery fully meets the criteria for receiving the 2018 Fish Box Tax funds in the category for salmon enhancement. SSSC conducts and is committed to salmon enhancement programs that benefit common property fisheries in Sitka. No other entity in Sitka, applying for the funds, fulfills that mission. In addition, SSSC provides several functions that support enhancement programs in important and fundamental ways, including kindergarten to college science education and aquaculture research, as well as providing student/employee salmon hatchery training.

Commercial fishermen have benefited directly from the 12 million chum eggs (increased from 10 million in 2013) associated with the Sheldon Jackson Hatchery permit. If it were not for SSSC operating the hatchery there would be 125,000 fewer adult chum salmon to catch in Sitka Sound each year. The total value of the SJ hatchery chum caught in Deep Inlet by the commercial fleet from 2007 to 2017 is \$7,300,000. These dollars flow through Sitka's economy. While the ex-vessel value accrues to fishermen and the community, it doesn't pay for the SJ hatchery program which is why the box tax is significant and important to SSSC.

NSRAA is a private non-profit fisheries enhancement organization based in Sitka. We have several large salmon production facilities that benefit commercial, sport, subsistence, and personal use fishermen in the region. The NSRAA board is comprised of 15 commercial fishermen representing the three salmon gear groups, one crew seat, and 9 non-commercial seats including subsistence, conservation, municipality, Native organization, and sport fishermen. NSRAA has a strong partnership with Sitka Sound Science Center that began at its inception. NSRAA believes SSSC is ideally suited for receipt of the fish box tax, and wholly deserves the funds.

The SJ hatchery was one of the very first permitted enhancement facilities in the State of Alaska. It has been producing salmon for common property fisheries in Sitka Sound since 1975. Importantly, SSSC has improved the hatchery infrastructure, staff, and programs. Fishermen depend on SSSC's 12 million permitted chum eggs.

A final comment regarding the origin of the 'box tax' that you may find relevant. The sponsors of the 'box tax' specifically wanted a tax levied on entities that were benefiting from enhanced salmon, particularly coho and chinook, but not paying or contributing to salmon enhancement costs. Commercial fishermen via NSRAA were and are footing 99% of local production costs for chinook, silver brites (chum) and coho through the 3% SET tax. In discussions with the 'box tax' sponsors, they expected the tax money to flow to NSRAA as a way to offset some of the costs. Subsequent to the 'box tax' implementation the NSRAA board established a policy prohibiting acceptance of sport charter derived money in order to maintain clean accounting of commercial

fishermen paying for 100% of the production costs. Therefore, it is logical that the only other producer of enhanced salmon in the Sitka area, SSSC should receive the 'box tax' funds for its intended purpose.

Please support this important enhancement operation in Sitka.

Sincerely,



Steve Reifentuhl, General Manager

Northern Southeast Regional Aquaculture Association



Sitka Assembly Members
City of Sitka
100 Lincoln St.
Sitka, AK 99835

May 9, 2018

RE: Sitka Sound Science Center Application
Fisheries Enhancement Fund Grant

Dear Sitka Assembly Members,

The Southeast Alaska Guides Organization (SEAGO) is a non-profit dedicated to the sustainability of the sport fishing industry in Southeast Alaska. We work to promote the tradition of sport fishing in Southeast Alaska through reasonable regulations that ensure the long-term sustainability of our members' businesses and fish resources. SEAGO supports the Sitka Sound Science Center's (SSSC) mission to increasing understanding and awareness of aquatic ecosystems of Alaska through education and research. The SSSC's dedication to fisheries and to Sitka is one reason SEAGO supports fully funding the SSSC's grant request at its historic levels.

SSSC research encompasses its hatchery program, which enhances the pink and chum fisheries around Sitka while supporting Alaska's mandate to protect wild stocks. The original intent of the fish box tax revenue was to help sustain the guided sport fleet by spending the funds on fishery enhancement. The guided sport industry contributes a great deal to the Sitka economy. The most recent economic study from Institute of Social and Economic Research (ISER) in 2006 demonstrates that the charter industry annually brings over \$28 million into Sitka's economy as gross revenue. According to the Alaska Department of Fish and Game, there are 81 businesses and 161 Sitka residents operating as guides. This does not include the deckhands, lodge staff, restaurant owners and employees, gift shops, and various other residents and businesses who benefit from healthy charter operations.

Enhancing fisheries in Sitka Sound is critical to maintaining these jobs and businesses. We know that the SSSC is important to your community and the work of its hatchery contributes greatly to the common property fishery. We wholeheartedly support their request.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Samantha', is located below the 'Sincerely,' text.

Samantha Weinstein
SEAGO, Executive Director
Samantha@seagoalaska.org

PROJECTED FINANCIAL STATUS												
RETURN YEAR FISCAL YEAR	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
INCOME:												
PINK GROSS REVENUES	\$ 34,659	\$ 81,500	\$ 40,370	\$ 46,480	\$ 39,298	\$ 37,842	\$ 46,223	\$ 47,377	\$ 48,561	\$ 49,774	\$ 51,017	\$ 52,292
CHUM GROSS REVENUES	\$ 1,994	\$ 6,900	\$ 92,836	\$ 61,284	\$ 66,682	\$ 61,350	\$ 70,710	\$ 75,309	\$ 77,186	\$ 79,259	\$ 81,234	\$ 83,259
COHO GROSS REVENUES	\$0	\$7	\$230	\$1,070	\$1,114	\$1,142	\$1,170	\$1,199	\$1,229	\$1,260	\$1,292	\$1,324
CHINOOK GROSS REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grants	\$39,765	\$27,900	\$28,000	\$90,000	\$80,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
Loans	\$0	\$0	\$0		\$600,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Contract income	\$1,362	\$2,005	\$2,775	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
NSRAA agreement	\$162,400	\$167,200	\$172,144	\$150,000	\$154,500	\$159,135	\$163,909	\$168,826	\$173,691	\$179,108	\$184,481	\$190,016
Donation income/ 1 cent for science	\$30,000	\$70,010	\$16,350	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
TOTAL REVENUE	\$ 270,180	\$ 355,522	\$ 352,704	\$ 376,334	\$ 949,094	\$ 326,968	\$ 349,512	\$ 360,212	\$ 368,367	\$ 376,901	\$ 385,524	\$ 394,390
EXPENSES:												
OPERATING	\$252,345	\$217,603	\$219,620	\$225,111	\$230,738	\$236,507	\$242,419	\$248,480	\$254,692	\$261,059	\$267,586	\$274,275
- FISH FOOD/other supplies	\$44,412	\$41,535	\$37,770	\$38,714	\$39,682	\$40,674	\$41,691	\$42,733	\$43,802	\$44,897	\$46,019	\$47,170
CAPITAL IMPROVEMENTS	\$0	\$37,900	\$50,915	\$75,000	\$625,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$10,000
TOTAL EXPENSES	\$296,757	\$297,038	\$308,305	\$338,825	\$895,420	\$302,181	\$309,110	\$316,213	\$323,493	\$330,956	\$338,605	\$331,445
Net Income/ Loan repayment	\$ (26,577)	\$58,484	\$44,096	\$37,509	\$53,674	\$24,787	\$40,401	\$43,999	\$44,874	\$45,945	\$48,919	\$62,945

SJ Hatchery Proforma Narrative - updated March 30, 2018, Angie Bowers


- For the SSSC both the return year and fiscal year are the same. The SSSC works on the calendar year for its fiscal year.
- Assumptions for egg to fry/smolt release survivals and adult returns can be found within each species block
- In 2013, ADF&G approved a PAR for an additional 2 million chum at the SJ Hatchery. This will mean 3 million eggs and a resulting ~2.7 million fry. Increased adult chum salmon returns were observed in 2017 with the first returning 4 year olds. The first return year for fully increased chum production will be this year when all broodyears will be represented at the new 3 million egg permitted capacity.
- Price per pound for each species was updated for 2017 and projected 2018 prices and are then increased each year by 2.5%
- The hatchery operating budget assumes an annual increase of 2.5% per year including fish food
- The SJ Hatchery currently has agreements with our fish feed suppliers to offset costs. Skretting donates 4,000kg/year and this year Cargill (EWOS) has started donating a kilo for each kilo purchased. This is 42% of our fish feed that is donated.
- The current fish food budget is increased by 2.5% each year based on recent historical pricing.
- Part of the grant funding each year comes from the City of Sitka Fish Box Tax; the rest of the grant funding is done through the grant application process for capital improvements.
- Contract income is received each year for workshops and classes that are held through the hatchery.
- SSSC receives most of its donation income from the "One Cent for Science" program through Silver Bay Seafoods each year. Other donation income is received from businesses that are directly involved in the fishing industry.
- 2018 net income is predicted to be less because SSSC Hatchery is working on several capital improvement projects that are only partially funded through grants.
- SSSC currently has 2 State FELP loans, one for \$222,500 that will be paid in full by the end of 2018 and one for \$413,000 that will have yearly installments of \$37,069 starting in 2021. SSSC is applying for a \$600,000 FELP in 2018 that is expected to be received and used in 2019 for a major capital improvement project. The projected payments for the 2019 FELP are predicted to be yearly payments of \$42,000 starting in 2025. SSSC currently reserves the yearly net income from the hatchery to be able to pay each FELP loan down in full by the time the yearly installments start. This pro forma is based on the option that SSSC will choose to make yearly payments instead of paying the loans in full.

★ Right now, the official U.S. time is:

03:20:15 p.m.

12-hr 24-hr

Friday, May 25, 2018
Alaska Time (DST)
Corrected for network delay 251 m



Sun is shining in light region
It is night in dark region

THE U.S. TIME IS PROVIDED BY NIST & USNO

PRIVACY POLICY & SECURITY NOTICE TIME EXHIBITS

Also, try the [alternate Flash page](#) or see [About This Site](#)

Rec'd by: Renee Wheat

Date: 5-25-18

Time: 3:20pm

From: Alaskan Longline Fishermen's Association

For: Fisheries Enhancement Fund RFP



Alaska Longline

FISHERMEN'S ASSOCIATION

Application to Fisheries Enhancement Fund City and Borough of Sitka

Organization Name: Alaska Longline Fishermen's Association

Street 1: 834 Lincoln Street Room 23

City: Sitka

State: AK

Country: USA

Zip Code: 99835

Telephone No.: 907 747 3400

Extension:

Mobile: 907 738 3615

Fax: 907 747 3462

Email: alfafish@acsalaska.net; alfastaff@gmail.com

Website: www.alfafish.org

Summary of ALFA mission:

The Alaska Longline Fishermen's Association (ALFA) is a non-profit association of independent vessel owners and crewmembers who promote sustainable harvest of marine fisheries, thriving coastal communities, and healthy marine ecosystems. ALFA represents fishermen in local, state and national marine management forums and actively engages fishermen in marine research, conservation and management to strengthen marine stewardship and improve the economic viability of small scale fisheries.

Fisheries Enhancement Fund: Overview of Proposal

Respectfully submitted by: Alaska Longline Fishermen's Association

Summary

The Sitka-based Alaska Longline Fishermen's Association (ALFA) is an alliance of small scale commercial fishermen committed to sustainable fisheries and thriving coastal communities. Our members support science-based fisheries management through collaborative research, advocacy and innovation. We work to safeguard ocean health and improve the economic viability of small boat fishing.

This grant application is divided into the following 5 sections:

- History of our Organization (pages 2-3)
- What we achieved with last year's Sitka Fisheries Enhancement Funds
- What we will achieve with 2018 Funding (pages -)
- How the project will enhance Sitka's Fisheries (pages)
- Timeline and Evaluation of Project (pages 7-8)
- Project Staff (page 8-9)
- Budget (page 1)
- Enclosures (page 1)

The History of our Organization:

ALFA Timeline:

- ALFA was launched in 1978 by fishermen dedicated to protecting fish stocks from foreign fishing and directing the economic benefits of commercial fishing to Alaska fishermen and coastal communities.
- ALFA led a successful campaign to rebuild Alaska sablefish and rockfish stocks in the early 1980s, foregoing harvest until stocks rebuilt.
- When U.S.-based factory boats replaced the foreign fleet, ALFA again worked to protect the local fishing fleet and the communities that depend on it.
- In 1991, when the current ALFA executive director was hired, ALFA launched what became a six-year battle to eliminate trawling from the Southeast Alaska fishing grounds that support the local fishing fleet.
- During development of the Alaska halibut/sablefish catch share program, ALFA successfully championed measures designed to promote sustained participation by Alaska's small boat fleet.
- At the local level, ALFA actively participated in creating and championing the Sitka Local Area Management Plan, which prioritizes access for Sitka's non-commercial fishing residents to local halibut stocks.
- At the national level, ALFA has actively advocated for resource and community provisions during the last two and current reauthorizations of the Magnuson-Stevens Act.
- ALFA is engaged in multiple national networks and willingly shares lessons learned regarding effective policy advocacy with community-based fishing groups from around the nation through the Fishing Communities Coalition, the Marine

Fish Conservation Network (MFCN) and the Community Fisheries Network (CFN).

- In 2009, ALFA launched a Fishery Conservation Network that engages scientists and fishermen in collaborative research to improve best fishing practices and the economic viability of small scale fisheries.
- Since 2009, ALFA has received over \$2 million in federal and private foundation grants in support of our marine conservation and fishery enhancement initiatives.
- In 2016, ALFA, and ALFA's director Linda Behnken, received a White House award as Champion for Change of Sustainable Seafood.
- In 2017, Linda and ALFA were awarded an Alaska legislative honorarium.

Organizational Capacity: ALFA operated with a single staff member supported by fishermen and processor membership dues from 1978 until the late 1990s. In the '90s, ALFA began to build a stronger statewide presence and ALFA staff engaged in national policy development. After deliberative strategic planning in the early 2000s, ALFA expanded staff capacity, formed collaborative partnerships, secured additional grant support, and engaged fishing members in marine research and conservation initiatives. This collaborative research, which was formalized into the Fishery Conservation Network (FCN) in 2009, now attracts grant invitations from scientists and fishing organizations that recognize the skills and expertise that the organization brings to the table. Core ALFA operations are supported by fishing industry memberships, local and marine businesses, and an annual seafood raffle/fundraiser.

Staffing: ALFA currently has six staff members, 5 FTE, 1 part-time.

Standing: ALFA does not hold any debt and is well recognized as a force for sustainable community-based fisheries at both the state and national level.

Supporting Sitka's Young Fishermen: ALFA is deeply engaged in supporting the next generation of fishermen. Thirty years ago, a young person who wanted to fish commercially needed a boat, some fishing gear, and a sense of adventure to get started in the business. Today young fishermen face staggering entry level costs, high operating costs, and a level of risk that is equivalent to buying a starter hotel, instead of a starter house, as a first step in home-ownership.

Between 1975 and 2014, Alaska's rural communities experienced a net loss of over 2,300 limited entry permits.¹ Federal quota has also become concentrated into fewer hands and migrated from rural communities. Because few alternative employment opportunities exist in these communities, losing access means losing livelihood and, ultimately, losing community. Central to the mission of ALFA is the belief that Alaska needs a vibrant and sustainable fishing industry supporting economically empowered and self-sufficient communities. This includes ensuring that emerging fishermen have access to a career in the fisheries, including a path towards direct ownership of permits and quota. We are committed to helping young fishermen overcome obstacles to entry, and to ensuring that Sitka continues to have a strong economic base in commercial fisheries.

What we achieved with funding from the Sitka FEF in 2017

With the generous support of CBS, ALFA achieved objectives identified in our 2017 FEF proposal. In 2017, our objectives included: 1) expansion of ALFA's deckhand apprentice program; 2) inter-generational transfer of permits and quota to Sitka residents; 3) mentorship and training/education of young fishermen; and, 4) market expansion of our Community Supported Fishery program, Alaskans Own. We successfully leveraged funds from the CBS to secure outside funding in each of the four target areas and grew our young fishermen programs to new levels. Our success, and CBS support for our community's young fishermen, did not go unnoticed: at the end of 2017, **Sitka was named "Town that best promotes fishing futures" by the Alaska Fisheries Report**, which highlighted ALFA's work to train local fishermen, market local catches, improve fish quality, support buy-in opportunities for new entrants, and invest in future fishing careers for Sitka residents.²

In the body of this grant request, we have provided an update on progress made toward each of the four 2017 objectives, but by way of overview: in 2017 ALFA engaged 105 fishermen working on 100 different fishing vessels in seven collaborative projects with 19 scientists or engineers from 13 agencies, leveraging \$00,000 and more than 1,000 sea days, the later donated as an in-kind contribution by involved fishermen. These projects enhance Sitka's fisheries both ecologically and economically.

What we will achieve with funding from the Sitka FEF in 2018

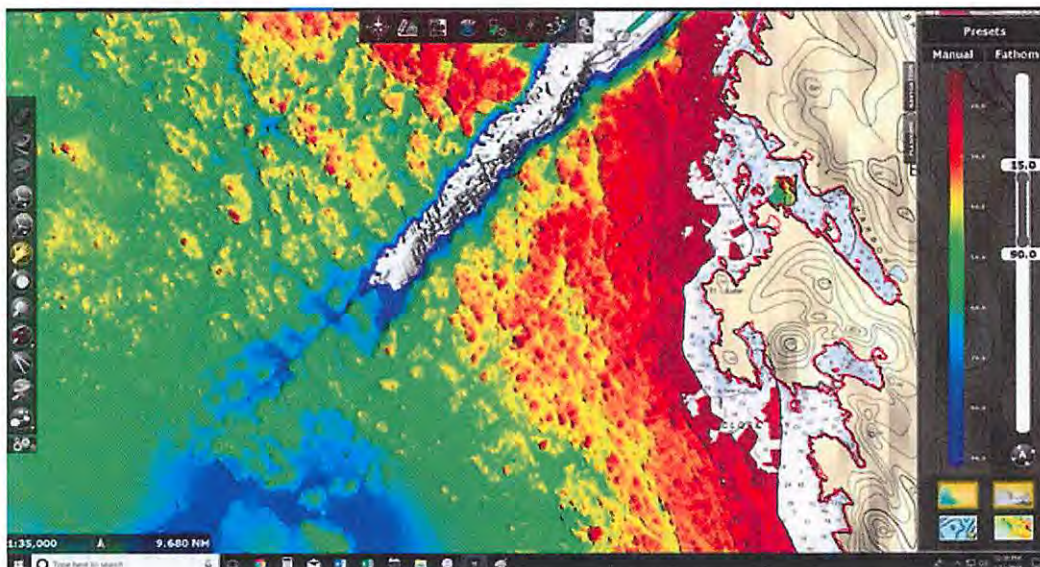
ALFA is again requesting \$10,000 from the FEF to enhance Sitka's fisheries through our Young Fishermen's programs. As you will recognize through the report below, local support is critical to unlocking outside investment in these programs. In 2018, ALFA's Young Fishermen's goals include: 1) ongoing expansion of our commercial deckhand apprenticeship program; 2) inter-generational transfer of permits and quota to Sitka residents; 3) mentorship of new fishermen through Sitka-based education and training programs; and, 4) launch of an affordable entry level fishery for under-utilized pelagic rockfish stocks.

Objective 1- Continue to expand ALFA deckhand apprentice program: Last year we shared with the Assembly our objective to expand ALFA's deckhand apprentice program, which until that time had engaged one vessel (the *FVI Gotta*) in taking first time deckhands commercial fishing, to include 4-5 host vessels and additional opportunity for young people. We described our intent to create and share curriculum to support other communities in launching similar programs, and to apply for funding from the National Fish and Wildlife Foundation (NFWF) to support this work. In Fall, ALFA was awarded a \$70,000 NFWF grant (\$140,000 with required matching funds) to implement at scale our deckhand apprentice program. In the first year of this two-year grant, ALFA received over 100 applicants for our deckhand apprentice program! This spring we trained and added host vessels to our program (more than twice our identified goal), and we expect to place crewmembers on these host boats in 2018. ALFA project coordinator Alyssa Russell worked with skipper Eric Jordan to create a curriculum to prepare young

fishermen for success in their first job, and training materials to ensure host skippers provide a safe and rewarding first time experience. Alyssa and Eric also visited Blatchley Middle School classes to talk to students about preparing for a future in commercial fishing. In May, ALFA will co-host with AMSEA a safety training for our apprentices, and over the summer we will be monitoring both host skippers and apprentices to provide support as needed. This fall, we will work with UAS to create a college level intern apprentice opportunity and offer a "Fisheries Management 101" course during our Sitka Fishermen's Expo to help engage the next generation in fisheries management and marine stewardship. Over the winter/spring we will recruit additional skippers and apprentices as we continue to increase capacity in our program, and ALFA staff will participate in forums to share lessons learned. Our apprentice program materials are available on ALFA's website (alfafish.org). This NFWF grant required a 50% match; Sitka's support through the Fisheries Enhancement Fund provides a critical match for this two-year grant and the support we need to build a sustainable program.

Objective 2: Facilitate inter-generational transfer of QS and entry-level opportunity for Sitka residents: Over the past year, ALFA worked with project partners at the Alaska Sustainable Fisheries Trust, The Nature Conservancy and NatureVest to advance Local Fish Fund LLC, an innovative financing program to recapture fishery access in Sitka and other Alaska communities. We explored a number of potential loan administrators for the Trust, eventually selecting Craft3 (Craft3.org) in March as the best fit. In April 2018, all project partners convened for a successful Sitka site visit. The NatureVest team is now actively working to raise the program related investment funding for a July 2018 launch. Sitka Fishery Enhancement funds provided the necessary match to allow project partners to access \$180,000 in committed grant funds, and to secure an additional \$25,000 in capacity funding from a national non-profit. While the complexity of quota share financing has caused this program launch to take longer than anticipated, the added time has ensured the right project partners and program structure are in place to ensure success. We anticipate lending \$1.5 million to support local fishermen in accessing quota through an innovative approach that reduces down payment and risk faced by new entrants.

Objective 3: Mentor new fishermen through Sitka-based education and training programs: Over the past year, ALFA's Fishery Conservation Network mentoring program involved 110 fishermen. Most FCN members are engaged in our bathymetric mapping initiative, which assists fishermen in successfully and efficiently harvesting target species while controlling bycatch of non-target species, such as rockfish. Others are engaged in ALFA's fuel efficiency project, electronic monitoring, or whale avoidance work. In January 2018 we hired Sitka fisherman and GIS expert Jacquie Foss to update the ALFA bathymetric maps to include the 240 million data points contributed to date by ALFA members as well as the NOAA and ADFG sonar data. ALFA's bathymetric maps are now the most accurate and detailed bathymetry maps of the Eastern Gulf of Alaska. By way of example, below is a screen shot of the bathymetry off Whale Bay, which is 30 miles south of Sitka on Baranof Island.



In 2017, ALFA leveraged FEF resources with industry sponsorships to host two Sitka Fishermen Expos, providing workshops and on-board troubleshooting support to local fishermen on new gear types, technology innovations, business and financial planning, fishery projections, marketing insights, and safety equipment. The Fishermen's Expos featured gear manufacturers, software designers, stock assessment scientists and financial experts from Seattle, Homer, Juneau and Sitka, who shared information with the approximately 100 fishermen participants. Strong positive feedback emphasized the ongoing need for these trainings. With continued support, ALFA will plan and host annual or twice annual Expos with trainings focused on topics identified by fishermen, processors, managers and staff.

We are also proud to report that the Young Fishermen's Development Act, which will provide support for education and training programs such as ALFA's Sitka Fishermen's Expo, has steadily gained co-sponsors in the House and Senate. If passed and signed into law, the [Young Fishermen's Development Fund](#) created by the Act will provide grants of up to \$200,000 to academic, tribal and fishermen organizations to host education and training opportunities for young fishermen. The bill, which was introduced in both the House and Senate by Alaska's Congressional members, is based on legislation currently in place to support young farmers, ranchers and aquaculturists. With ongoing support from the City, we will continue to educate lawmakers of the importance of establishing this fund that invests in the future of young fishermen and, once the bill is passed, we will leverage City funds to access the YFDF to provide additional support and training to Sitka fishermen.

Objective 4: Build connections between Alaska fishermen and consumers through Alaskans Own (AO) Community Supported Fishery program

AO is a Sitka-based Community Supported Fishery (CSF) program, similar to Community Supported Agriculture programs, that forges stronger consumer-producer relationships by sharing with costumers the story behind the seafood and the commitment of ALFA fishermen to sustainable fisheries and the next generation of young fishermen.

By forward-funding a season of seafood, consumers invest in sustainable harvest and the community-based fishermen who catch their fish. Profits from AO support ALFA's Fishery Conservation Network. AO has a steadily growing subscriber and bulk customer base, and every opportunity for exposure has yielded tangible impacts in increased number of subscriptions.

With the support of 2017 CBS FEF funding, AO leveraged \$12,000 in grant funds from the Alaska Southwest Municipal Conference to create three video shorts that promote Sitka's value-added seafood manufacturing. You can view these stunning videos, produced by talented filmmaker Alyssa Russell, on the ALFA home page (alfafish.org). The videos feature AO, Seafood Producers Cooperative and Sitka Sound Seafood, highlighting the fishermen behind the fish and the high quality of locally produced seafood. ALFA also leveraged 2017 FEF to secure a two-year \$99,000 USDA grant to increase the availability of and consumer enthusiasm for fresh frozen seafood at Alaska Farmers Markets. Again, documenting local support for our work is key to unlocking non-local funding.

Objective 5 Launch a new entry level fishery for Sitka fishermen- In 2003, ALFA piloted tested fishing gear to harvest under-utilized pelagic rockfish stocks. With the help of local fishermen, ALFA identified a type of fishing gear that efficiently and "cleanly" caught pelagic rockfish. Until this year, strong salmon prices and weak rockfish markets limited interest in the fishery. All that changed in 2017 when the Alaska Board of Fisheries declared four Southeast Chinook salmon runs "stocks of concern" and noted low returns in other Southeast river systems. The Board and industry recognize that recovering Chinook stocks is a multi-year project with an uncertain outcome. This realization triggered significant reductions in Chinook catch limits and fishing opportunities for the 1000 vessels that depend of the salmon troll fishery. Alternative fishing opportunities are critical for Southeast trollers while Chinook stocks recover. At the same time, consumer demand for rockfish and the development of niche markets, such as Alaskans Own CSF, now support improved ex-vessel prices for rockfish. These changing circumstances have triggered the strong potential to launch a successful pelagic rockfish fishery.

This spring ALFA has submitting a grant pre-proposal to the National Fish and Wildlife Foundation to: 1) adapt and improve the pelagic rockfish gear ALFA's pilot project developed to increase fleet compatibility, fishing efficiency and ergonomic success; 2) integrate value added pelagic rockfish products into Alaskans Own, ALFA's community supported fishery (CSF) program; and, 3) launch a viable and local-fleet compatible new fishery to provide entry-level and regional diversification opportunities. The grant requires a 1:1 match. **If funded, ALFA will pledge FEF toward the required NFWF grant match to support the launch of this new entry level Sitka fishery.** While the funds will not provide the entire match, they will establish strong support from the Sitka community to provide local fishermen with this affordable and fleet compatible entry level opportunity.

How the project will enhance Sitka fisheries:

Funding ALFA's young fishermen's initiative will benefit Sitka's fisheries by ensuring Sitka fishermen continue to have access to adjacent fisheries and that fishing jobs and revenue remain a cornerstone of Sitka's economy. Entry-level opportunities, expanded fishery access, and adequate training will strengthen Sitka's stake in the future of fisheries which will, in turn, strengthen Sitka's economic base. Fishing in Alaska has traditionally offered a way of life that many choose for the tangible connection to the ocean, the independence and self-determination it provides, and the opportunity to work alongside family. This way of life engenders a strong sense of place and a deep commitment to community and resource stewardship.

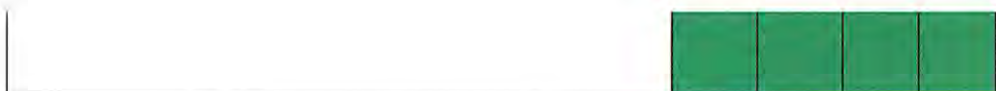
Limited access programs have significantly raised the cost of entry to Alaska's fisheries and are changing the character of the fishing fleet. As the cost of entry to fisheries rises, fishing is increasingly dominated by a more industrial and corporate model of extraction. Bigger operations pressure the system to allow increased consolidation of access privileges and to foster policy that marginalizes small operations. Corporate fishing operations seek profits now while overlooking long-term costs to ecosystem and community health. ALFA's mission is to hold space in Alaska and the nation's fisheries for small, community-based operations; to ensure policy is scaled to meet the needs of this conservation-minded fleet; and to create market forces that support the economic success and political leverage of community-based fishermen. We consider ALFA's Young Fishermen Initiative to be crucial to accomplishing our mission.

Project Timeline and Evaluation (green denotes quarter when activity will be carried out/achieved)**TIMELINE:**

TIMELINE: July 2018-June 2019	201		201	
	Q3	Q4	Q1	Q2
Objective 1) Expand apprentice or entry-level deckhand opportunities on commercial fishing boats				
Task 1: Mentor apprentices and collect feedback from all program participants				
Task 2: Evaluate program and course correct as indicated				
Task 3: Release call for applicants and host skippers				
Task 4: Train additional host skippers and select 20-30 individuals for apprentice opportunity				
Task 5: final report to Sitka Assembly				
Activity 2) Facilitate inter-generational transfer of permits and quota to Sitka residents				
Task 1: Finalize terms with a regional fiscal agent that will guide program expansion as we				

take Local Fish Fund to scale				
Task 2: Activate \$1.2 million in capital pledged by fishermen and finalize \$1.5 million in program related investment capital pending through NatureVest				
Task 3. Work with project partners and local impact committee to select fishermen borrowers and support intergenerational quota transfer.				
Activity 3) Mentor new fishermen through Sitka-based education and training programs				
Task 1: Identify topics for future training/education				
Task 2: Select and invite educators, industry sponsors				
Task 3: Engage young and established fishermen to enhance training/mentorship				
Task 4: Host Expo events, including young fishermen's "mixer/job fair"				

[illegible]



Overall progress will be monitored relative to achieving the metrics and expected results/outcomes identified above.

ALFA Management Team

Linda Behnken, ALFA	Ms. Behnken is the Executive Director of ALFA and has served in this capacity since 1991. Ms. Behnken has a BA from Dartmouth College and a Masters in Environmental Science from Yale University. Ms. Behnken served on the North Pacific Fishery Management Council (NPFMC) from 1992-2001 and currently serves as a U.S. Commissioner to the International Pacific Halibut Commission. Ms. Behnken received an honorarium from the Alaska State Legislature in 2017, was recognized as a White House Champion of Change for Sustainable Seafood in 2016, and awarded the National Fisherman Highliner award in 2009 for her work promoting healthy marine ecosystems and strong coastal communities, and was a keynote speaker. Ms. Behnken has been a Sitka resident since 1985 and fished commercially since 1982. Ms. Behnken be responsible for project oversight and reporting.
Daniel Falvey,	Mr. Falvey has a BA in resource management and policy from Western Washington University and training in Geographic Information Systems

ALFA	analysis from Penn State World Campus. He has owned/operated commercial fishing vessels in Alaska since 1984. Mr. Falvey served on the Advisory Panel to the NPFMC from 1991-2004, and currently serves as a member of the Council's electronic monitoring workgroup and Observer Advisory Committee. Mr. Falvey is a member of the International Pacific Halibut Commission's Management Strategy Advisory Board and served on the Advisory Panel of the North Pacific Research Board from 2010-2017. In 2011, Mr. Falvey was awarded the National Fisherman Highliner. Mr. Falvey has worked with ALFA in a number of capacities since 1993, and has successfully coordinated multiple cooperative research projects. Mr. Falvey will serve as the project's financial manager.
Willow Moore, ALFA	Ms. Moore is the Deputy Director of ALFA. Ms. Moore joined the dynamic ALFA team in 2016. Ms. Moore holds a degree in nursing, an undergraduate degree in psychology and a Masters of Public Administration in Natural Resource Management degree, all from University of Alaska. In 2013 Ms. Moore was the recipient of the Rasmuson educational award for Emerging Leaders and in 2014 was a Rasmuson Foundation Sabbatical award winner. Ms. Moore is currently working on her doctorate degree in fisheries ecology and oceanography. Throughout her 20 years of work in the nonprofit sector, Ms. Moore has specialized in executive management and program development and sustainability, working to build and support business strategies and objectives through effective marketing plans, increased partnerships, developing performance-measurement systems, and improved integration of quality, operational, and financial information. Ms. Moore has lived in Sitka since 2001 and is deeply committed to locally and sustainably harvested seafood. Ms. Moore and her family were among the program's first subscribers when the Alaskan's Own program was founded.
Alyssa Russell	Alyssa Russell is the Communications Director at the Alaska Longline Fishermen's Association (ALFA). In her work, she focuses on using media (including film, writing, photography, and traditional outlets) to communicate stories and information surrounding best fishing practices, small boat fisheries, and sustainable, local seafood. Alyssa's background is in communications, graphic design, and resource conservation, and prior to working with ALFA she was a communications associate with Conservation International's Policy Center for Environment and Peace. Because of her interest in issues relating to equitable access to local fisheries, she recently joined the steering committee for the Alaska Young Fishermen's Network and currently serves as the project director for ALFA's deckhand apprentice program. Ms. Russell crews part-time in Southeast Alaska on a commercial troller. She was named a summit scholar at the 2017 Seaweb Sustainable Seafood Summit. Alyssa is a graduate of Boston University and holds a BS in Public Relations and a BA in International Relations.

Budget

Staff Time (for all 4 objectives)

Description	# of Units	Per Unit Cost	Total
Alfa Staff Time	250	\$40.00	\$10,000.00
Total Staff Time			\$7,000.00

ALFA staff time to coordinate stakeholder and marketing involvement and outreach, grant reporting, and administration requirements. Duties will be assigned to ALFA staff members as appropriate.

Marketing and Promotion/Printing

Description	# of Units	Per Unit Cost	Total
Outreach materials	4 (1 per each project)	\$750.00	\$3,000.00

Total Printing **\$3,000.00**

For all four objectives outlined in this proposal, ALFA will conduct outreach to consumers, partners, fishermen and local producers in all four objectives outlined above, and will include project updates on the ALFA and AO websites as well as in ALFA newsletters. ALFA/AO will communicate at least monthly with subscribers and businesses carrying AO product via email, email and printed material; and will host events in each subscriber community to build awareness and thank subscribers for their participation as well as to provide outreach opportunities for new subscribers.

*Marketing estimates are based on 3 different quotes from local and state printing vendors.

Enclosed:

ALFA contracts with a third-party bookkeeper and at this time does not have pro forma financial statements. ALFA is audited yearly and if appropriate, ALFA would like to submit extra financial documentation to provide the necessary documentation for the project. Please see enclosed the following attachments, we are happy to provide any necessary further information:

¹ Rachel Donkersloot & Courtney Carothers (2016) The Greying of the Alaskan Fishing Fleet, Environment: Science and Policy for Sustainable Development.

² <http://www.alaskafishradio.com/ak-fishing-picks-pans-2017/>

- IRS Non-Profit Status
- ALFA 990
- ALFA Balance Sheet as of 2018
- ALFA Income Statement as of April 2018
- Latest available ALFA Audited financials (we are very happy to provide the last five years of audited financial statements if appropriate.)

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: **APR 09 2010**

ALASKA LONGLINE FISHERMEN'S
ASSOCIATION
PO BOX 1229
SITKA, AK 99835

Employer Identification Number:
01-0951115

DLN:
600098021

Contact Person:
DENISE L. TAMAYO ID# 95120

Contact Telephone Number:
(877) 829-5500

Accounting Period Ending:
December 31

Form 990 Required:
Yes

Effective Date of Exemption:
January 6, 2009

Contribution Deductibility:
No

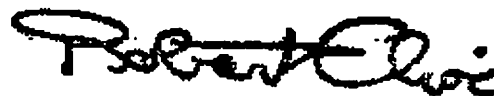
Dear Applicant:

We are pleased to inform you that upon review of your application for tax-exempt status we have determined that you are exempt from Federal income tax under section 501(c)(6) of the Internal Revenue Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Please see enclosed Publication 4221-NC, Compliance Guide for Tax-Exempt Organizations (Other than 501(c)(3) Public Charities and Private Foundations), for some helpful information about your responsibilities as an exempt organization.

We have sent a copy of this letter to your representative as indicated in your power of attorney.

Sincerely,



Robert Choi
Director, Exempt Organizations
Rulings and Agreements

Enclosure: Publication 4221-NC

ALASKA LONGLINE FISHERMEN'S ASSOCIATION
FINANCIAL STATEMENTS
December 31, 2016

ALASKA LONGLINE FISHERMEN'S ASSOCIATION

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CHRISTINE E. HARRINGTON

Certified Public Accountant, LLC

329 Harbor Drive, Suite 210, P.O. Box 1328 Sitka, Alaska 99835 (907) 747-5500

Independent Auditor's Report

Board of Directors
Alaska Longline Fishermen's Association
Sitka, Alaska

I have audited the accompanying financial statements of the Alaska Longline Fishermen's Association (a nonprofit organization), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

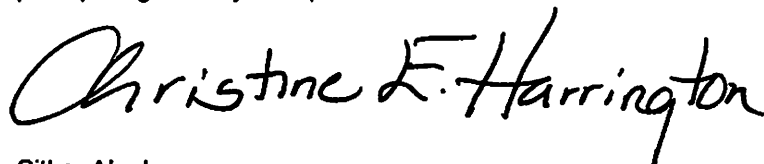
My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Alaska Longline Fishermen's Association as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Sitka, Alaska
July 22, 2017

ALASKA LONGLINE FISHERMAN'S ASSOCIATION

STATEMENTS OF FINANCIAL POSITION

December 31, 2016 and 2015

Assets	2016	2015
Current assets:		
Cash and cash equivalents	\$ 187,439	\$ 284,848
Grants receivable	38,610	15,308
Other receivables	11,317	10,000
Retail inventory	6,294	7,600
Prepays and deposits	350	950
	<hr/>	<hr/>
Total current assets	244,010	318,706
	<hr/>	<hr/>
	\$ 244,010	\$ 318,706
	<hr/>	<hr/>
 Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 2,748	\$ 891
Accrued liabilities	3,599	2,133
Deferred revenue	119,682	173,608
	<hr/>	<hr/>
Total current liabilities	126,029	176,632
 Net assets:		
Unrestricted, undesignated	117,981	142,074
	<hr/>	<hr/>
Total net assets	117,981	142,074
	<hr/>	<hr/>
	\$ 244,010	\$ 318,706
	<hr/>	<hr/>

ALASKA LONGLINE FISHERMAN'S ASSOCIATION

STATEMENTS OF ACTIVITIES

For the Year Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Revenues, gains and other support:		
Grant revenue	\$ 331,960	\$ 234,679
Contract revenue	198,996	50,353
Product sales	106,371	11,725
Membership dues	40,972	44,480
Interest	479	236
Fundraising	6,046	5,495
Donations	<u>2,507</u>	<u>6,154</u>
Total revenues, gains and other support	687,331	353,122
Expenses and losses:		
Marine conservation and protection	505,609	228,863
Information outreach to public policy forums	22,001	49,975
Direct support to consumers	110,220	-
Management support	<u>73,594</u>	<u>53,678</u>
Total expenses	<u>711,424</u>	<u>332,516</u>
Change in net assets	(24,093)	20,606
Net assets, beginning of year	<u>142,074</u>	<u>121,468</u>
Net assets, end of year	<u><u>\$ 117,981</u></u>	<u><u>\$ 142,074</u></u>

ALASKA LONGLINE FISHERMEN'S ASSOCIATION

STATEMENTS OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2016 and 2015

December 31, 2016						December 31, 2015			
	Marine Conservation and Protection	Information Outreach to Public Policy Forums	Direct Support to Consumers	Management Support	Total	Marine Conservation and Protection	Information Outreach to Public Policy Forums	Management Support	Total
Expenses:									
Cash operating activities:									
Personal services	\$ 93,814	\$ 1,793	\$ 14,036	\$ 40,094	\$ 149,737	\$ 62,053	\$ -	\$ 26,084	\$ 88,137
Direct support to target population	50,845	3,649	111	-	54,605	29,159	4,864	-	34,023
Professional services	214,264	-	1,459	16,735	232,458	35,800	12,482	11,897	60,179
Travel and conferences	29,522	16,559	-	-	46,081	14,363	14,482	-	28,845
Small equipment	64,306	-	541	-	64,847	26,665	-	-	26,665
Other direct costs	52,858	-	94,073	16,765	163,696	60,823	18,147	15,697	94,667
	<u>\$ 505,609</u>	<u>\$ 22,001</u>	<u>\$ 110,220</u>	<u>\$ 73,594</u>	<u>\$ 711,424</u>	<u>\$ 228,863</u>	<u>\$ 49,975</u>	<u>\$ 53,678</u>	<u>\$ 332,516</u>

ALASKA LONGLINE FISHERMEN'S ASSOCIATION

STATEMENTS OF CASH FLOWS

For the Year Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Cash received from granting and contracting agencies	\$ 453,728	\$ 415,890
Cash received from members and contributors	49,525	56,129
Cash received from product sales	106,371	11,725
Interest received	479	236
Cash paid to suppliers	(559,242)	(250,273)
Cash paid to employees	<u>(148,270)</u>	<u>(87,345)</u>
Net cash provided (used) by operating activities	(97,409)	146,362
Cash flow from investing activities:		
Cash advances to other organizations	<u>-</u>	<u>(10,000)</u>
Net cash used by investing activities	<u>-</u>	<u>(10,000)</u>
Net change in cash and cash equivalents	(97,409)	136,362
Cash and cash equivalents, beginning of year	<u>284,848</u>	<u>148,486</u>
Cash and cash equivalents, end of year	<u><u>\$ 187,439</u></u>	<u><u>\$ 284,848</u></u>
Reconciliation of change in net assets to net cash used by operating activities:		
Change in net assets	\$ (24,093)	\$ 20,606
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Changes in assets and liabilities		
(Increase) decrease in grants receivable	(23,302)	19,928
(Increase) decrease in inventory	1,306	(510)
(Increase) in prepaids and deposits	600	(450)
(Increase) in other receivables	(1,317)	-
Increase (decrease) in accounts payable	1,857	(4,934)
Increase in payroll taxes payable	1,466	792
Increase (decrease) in deferred revenue	<u>(53,926)</u>	<u>110,930</u>
Total adjustments	<u>(73,316)</u>	<u>125,756</u>
Net cash provided (used) by operating activities	<u><u>\$ (97,409)</u></u>	<u><u>\$ 146,362</u></u>

ALASKA LONGLINE FISHERMEN'S ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

Note 1. Organization and Summary of Significant Accounting Policies

A. Organization

Alaska Longline Fishermen's Association ("ALFA") is a non-profit association of independent commercial longline vessel owners and crewmembers who are committed to continuing the sustainable harvest of sablefish, halibut, and groundfish, while supporting healthy marine ecosystems and strong coastal communities through resource stewardship and participation in federal, state, and local forums.

ALFA's income includes membership dues, donations, and grant and contract revenue. During 2016, ALFA administered the following grants and contracts:

A core capacity grant from the Oak Foundation to support the ongoing work of ALFA including sustainable fisheries policy development at the state, federal and national level; stewardship innovation through support of ALFA's Fishery conservation network, and maintaining local access through development of the Alaska Sustainable Fisheries Trust.

A grant from the National Fish and Wildlife Foundation related to at-sea electronic monitoring ("EM") of the Alaskan halibut and sablefish IFQ (individual fishing quota) fisheries. This grant supported Alfa continued engagement of stakeholders in the process of transitioning at-sea monitoring of the Alaskan halibut and sablefish IFQ fisheries from the pilot program stage to an operational program, and to support EM hardware and field service requirements during the 2016 and 2017 pre-implementation period.

A contract with the Central Bering Sea Fishermen's Association to continue development and testing of active and passive deterrent strategies for sperm and killer whales, and to conduct tagging operations on sperm whales to track their location and movement.

Two contracts with the Sitka Sound Science Center to coordinate fishing vessel participation in whale deterrent testing programs. The first contract was to deploy underwater cameras to record whale depredation events; the second was to develop a reporting network and tagging program to evaluate whale avoidance measures.

A contract with the Alaska Fisheries Development Foundation to coordinate field work related to collecting base line fuel efficiency data on small Alaskan commercial fishing vessels and developing outreach materials to engage fishery stakeholders on fuel saving techniques.

A contract with the Marine Fisheries Conservation Network to engage young fishermen with fisheries management policy issues at the National level.

A contract with the City of Sitka to develop a young fishermen's apprentice program.

Grants and contracts were approximately 80% of ALFA's total revenue for each of the years ended December 31, 2016 and 2015.

ALASKA LONGLINE FISHERMEN'S ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

Note 1. - continued

B. Basis of Presentation

The accounting records of the ALFA are maintained on the accrual basis of accounting under which revenues are recognized when earned and liabilities and expenses when incurred. Grant revenues are recorded as earned after allowable costs related to the grant have been incurred.

ALFA is required to report information regarding its financial position and activities according to three classes of net assets as follows:

Unrestricted net assets represent the portion of the net assets of ALFA that are neither permanently nor temporarily restricted.

Temporarily restricted net assets are that portion of net assets restricted by the donor, grantor or other outside parties whose restriction either expires by the passage of time or can be fulfilled and removed by the actions of ALFA. When the restriction expires temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets represent the portion of the net assets from contributions and grants whose use by ALFA is limited by donor-imposed stipulations which neither expire by the passage of time nor can be removed by an action of ALFA.

ALFA has no permanently or temporarily restricted net assets.

C. Revenue Recognition

Grants funds restricted by the donor, grantor, or other outside party for a particular purpose are deemed to be earned when ALFA has incurred expenditures in compliance with the specific restrictions. However, any advance payments on grants received but not used in accordance with the requirements of the grants are reflected as deferred revenue until the grant restriction has been released.

D. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

E. Subsequent Events

ALFA has evaluated subsequent events through the date of the Independent Auditor's Report, which is commensurate with the date the financial statements were available to be issued.

F. Assets, Liabilities and Net Assets

Cash and Cash Equivalents

Cash and cash equivalents are stated at cost, which approximates market. For the purposes of the statement of cash flows cash equivalents include cash in bank and savings accounts.

ALASKA LONGLINE FISHERMEN'S ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

Note 1. - continued

Other Receivables

Other receivables include a short-term advance to the Alaska Sustainable Fisheries Trust (ASFT), a nonprofit organization, to provide operating cash. The advance will be repaid with amounts due to ASFT under the terms of a grant.

Property and Equipment

The Organization's only property and equipment is used office furniture and computer equipment. None of these items meet the criteria for capitalization and have been recognized as an expense when purchased

Deferred Revenue

Deferred revenue represents amounts for which the revenue recognition criteria have not been met. In the case of ALFA, deferred revenue results from grant funds received prior to incurring allowable grant costs or contract advances received prior to fulfilling the terms of the contract.

Income Taxes

The Corporation is exempt from federal income taxes under Section 501(c)(6) of the U.S. Internal Revenue Code. The organization's Form 990s, *Return of Organizations Exempt from Income Tax* are subject to possible examination by the Internal Revenue Service until the expiration of the related statute of limitation on those tax returns, which, in general, is three years.

Advertising Costs

Advertising costs are expensed as incurred.

Functional Allocation of Expenses

The cost of providing ALFA's programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited based on an estimate by management of time spent supporting each function.

Note 2. Cash and Cash Equivalents

Cash and cash equivalents includes the following at December 31,:

	<u>2016</u>	<u>2015</u>
Demand deposits	\$ 183,178	\$ 284,227
Paypal deposits	3,922	500
Petty cash	<u>339</u>	<u>121</u>
	<u>\$ 187,439</u>	<u>\$ 284,848</u>

ALASKA LONGLINE FISHERMEN'S ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

Note 2. - continued

Demand deposits are guaranteed under the Federal Deposit Insurance Corporation (FDIC) up to a maximum of \$250,000 of total deposits in a bank. At December 31, 2016 the bank balance was \$194,866. The entire amount was insured by the FDIC.

At December 31, 2015 the bank balance was \$364,482. The amount in excess of the FDIC limit was \$114,482, which is uninsured.

Paypal deposits are held by FDIC insured banks. Individual customer balances are subject to FDIC pass-through deposit coverage up to a total of \$100,000.

Note 3. Grants Receivable

At December 31, 2016 grants receivable included amounts due from the National Fish and Wildlife Foundation and the Sitka Sound Science Center. Grants receivable at December 31, 2015 include amounts due from the National Fish and Wildlife Foundation. All receivables in both years were for allowable expenses under the terms of grants. Management considers grants receivable to be fully collectible at both year-ends. Accordingly, no allowance for doubtful accounts has been recorded.

Note 4. Deferred Revenue

Deferred revenue includes both advances from granting agencies which were not spent or otherwise obligated at the end of the year and advances on contracts with third parties. ALFA recognizes contract income based on the estimated percent of completion at year end.

Deferred revenue includes the following at December 31,:

		<u>2016</u>		<u>2015</u>
Advances from granting agencies	\$	79,910	\$	155,710
Unearned contract revenue		<u>39,772</u>		<u>17,898</u>
	\$	<u>119,682</u>	\$	<u>173,608</u>

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05/24/18

Accrual Basis

ALFA

Balance Sheet

As of April 30, 2018

	<u>Apr 30, 18</u>
ASSETS	
Current Assets	
Checking/Savings	
First Bank Checking 9212	79,608.59
First Bank Savings	66,309.99
Gaming Account	6,814.88
PayPal	4,965.55
Petty Cash	22.00
Total Checking/Savings	157,721.01
Accounts Receivable	
11000 · Accounts Receivable	-51.38
Total Accounts Receivable	-51.38
Other Current Assets	
Square Up Deferrals	131.69
1220 · Loan to ASFT	10,000.00
1500 · Security Deposit	50.00
Total Other Current Assets	10,181.69
Total Current Assets	167,851.32
Fixed Assets	
15000 · Furniture and Equipment	7,090.00
Total Fixed Assets	7,090.00
Other Assets	
18700 · Rent Deposit	300.00
Total Other Assets	300.00
TOTAL ASSETS	<u>175,241.32</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	1,085.85
Total Accounts Payable	1,085.85
Other Current Liabilities	
Payroll Tax Liability	4,343.63
Total Other Current Liabilities	4,343.63
Total Current Liabilities	5,429.48
Total Liabilities	5,429.48
Equity	
32000 · Retained Earnings	154,345.17
Net Income	15,466.67
Total Equity	169,811.84
TOTAL LIABILITIES & EQUITY	<u>175,241.32</u>

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Accrual Basis

ALFA
Income Statement
 January through April 2018

	<u>Jan - Apr 18</u>
Ordinary Income/Expense	
Income	
4000 · Grant Income	275,749.25
4005 · Contract Income	33,761.19
4010 · Individual Membership Dues	12,250.00
4020 · Business Membership	14,100.00
4030 · Donation Income	600.50
4035 · FCN Donations	100.00
4040 · Fundraising Income	613.00
4050 · Retail Sales	259.50
4060 · Alaskans Own Fish Sales	22,595.90
Total Income	<u>360,029.34</u>
Cost of Goods Sold	
5000 · Cost of Goods Sold	-2,600.00
5002 · Credit Card Merchant Fees	925.79
5020 · Shipping Supplies/Packaging	92.23
5030 · Freight/Shipping/Air Cargo	848.49
Total COGS	<u>-733.49</u>
Gross Profit	<u>360,762.83</u>
Expense	
100 · Personnel Services Expense	
110 · Payroll Tax Expense	5,586.83
120 · Director Salary	15,000.00
130 · Salary & Wages	49,587.53
140 · Worker's Comp	1,517.00
Total 100 · Personnel Services Expense	<u>71,691.36</u>
200 · Direct Supp to Target Pop	
250 · Dues, Subscript. & Memberships	3,000.00
Total 200 · Direct Supp to Target Pop	<u>3,000.00</u>
300 · Consultants & Contracted	
330 · Accounting	3,984.09
360 · Professional Services	238,883.00
390 · Other Contractual/Professional	3,150.00
Total 300 · Consultants & Contracted	<u>246,017.09</u>

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05/24/18

Accrual Basis

ALFA
Income Statement
 January through April 2018

	<u>Jan - Apr 18</u>
400 · Travel & Conferences	
410 · NPFMC	4,955.27
420 · IPHC	2,370.60
430 · Outreach Travel	8,050.22
460 · Other Travel	275.44
	<u>15,651.53</u>
Total 400 · Travel & Conferences	15,651.53
500 · Equipment & Capital Expenditure	99.99
600 · Other Direct Costs	
601 · Postage, Shipping, PO Rental	414.44
602 · Rent	2,647.50
603 · Telephone/Internet	1,016.98
605 · Office	1,734.47
607 · Program	-255.56
609 · Promotion/Outreach Costs	2,656.34
610 · Advertising/Printing	381.25
630 · Insurance	500.00
650 · Grant Expense	60.56
680 · Meeting Expense	145.30
695 · Taxes, Licenses & Permit	-30.00
699 · Bank Charges	74.00
	<u>9,345.28</u>
Total 600 · Other Direct Costs	9,345.28
Total Expense	<u>345,805.25</u>
Net Ordinary Income	14,957.58
Other Income/Expense	
Other Income	
720 · Interest/Div Income	79.46
	<u>79.46</u>
Total Other Income	79.46
Other Expense	
899 · Unknown Transactions	-429.63
	<u>-429.63</u>
Total Other Expense	-429.63
Net Other Income	509.09
Net Income	<u><u>15,466.67</u></u>

4.09.010 Levy of sales tax.

A. There is levied a consumer's sales tax on sales, rents, and leases made in the city and borough of Sitka. This tax applies to sales, rentals, and leases of tangible personal property; sales of services sold within the city and borough of Sitka; sales of services performed wholly or partially within the city and borough of Sitka when the provision of such services originates or terminates within the city and borough of Sitka; and rentals and leases of real property located within the city and borough of Sitka. Notwithstanding any provision of law, air or sea charter services, provided a person or entity in the business of providing such charter services, are exempt from sales tax by the city and borough of Sitka if the charter does not commence and end within the city and borough of Sitka.

B. The rate of levy of the sales tax levied under subsection A of this section is five percent on sales made during the months of October, November, December, January, February, and March. The rate of levy of the sales tax levied under subsection A of this section is six percent on sales made during the months of April, May, June, July, August, and September.¹

C. A flat rate of ten dollars per fish box shall be levied on the packaged fish and/or seafood caught or taken and retained by fish charter customers as part of the fish charter. This tax shall be paid by the fish charter customer, collected by whoever packages the fish and/or seafood caught or taken by the fish charter customer, and is in addition to any sales tax paid based on the cost of the charter. This tax is effective January 1, 2007. For purposes of this subsection, a "fish box" means any packaging by a fish charter operator or processor of fish and/or seafood caught or taken as part of the charter by a fish charter customer. The sales tax collected from this levy on fish boxes shall be deposited by the finance director in the following funds in the following ratios:

1. Thirty percent in the harbor fund;
2. Thirty percent in a fisheries enhancement fund, available to be used for any fisheries enhancement proposal upon approval of the proposal by the assembly; and
3. Forty percent in the general fund.

D. Except as provided in subsection C of this section, all moneys accumulated under the terms of this chapter shall be deposited by the finance director in the general fund of the city and borough of Sitka and shall be used for the general operating expenses of the city and borough of Sitka in such a proportion as deemed advisable from time to time by the assembly.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2006-38

-AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING SITKA GENERAL CODE SECTION 4.09.010 ENTITLED "LEVY OF SALES TAX" TO IMPOSE A FLAT SALES TAX RATE TO BE PAID BY FISHING CHARTER CUSTOMERS ON THE VALUE OF PACKAGED FISH AND/OR SEAFOOD CAUGHT OR TAKEN BY FISHING CHARTER CUSTOMERS.

1. **CLASIFICATION.** 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 upon election certification.

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.** Sitka General Code Section 4.09.030, entitled "Presumption of taxability—sales price and purchase price," recognizes that "in a sale which the amount of money paid does not represent the value of the property or service purchased, the sales tax must be imposed on the value of property or service purchased." Under the current Sitka General Code sales tax provisions, the value of the packaged fish and/or seafood obtained by fish charter customers as part of a charter has not been taxed. Fish charter customers are charged the same charter fee regardless if they obtain fish and/or seafood as part of a charter, and is then packaged for the customer. The purpose of this ordinance is to impose a sales tax on the value of the packaged fish and/or seafood caught or taken and retained by fish charter customers as a result of their charter.

The proposed amendment to Sitka General Code Section 4.09.010 would impose a flat rate charge of \$10 per fish box as a reasonable sales tax levy rate for the value of the packaged fish and/or seafood of fishing charter customers. This flat rate levy and the amount of the tax takes into consideration that each fish box may contain a varied amount, type, and size of fish and/or seafood which makes it difficult to precisely calculate its value. Additionally, since the fish and/or seafood has been caught and/or taken by the charter customer, the value of the packaged fish and/or seafood cannot be directly correlated with retail sales prices of fish and/or seafood. Thus, the City and Borough of Sitka, Alaska finds that the flat rate charge of \$10 per fish box is a reasonable sales tax rate.

Additionally, the sales tax collected from this levy on fish boxes shall be deposited by the finance director in the following funds and in the following rations:

- a. 20% in the harbor fund;
- b. 30% in the Sitka Permanent Fund;
- c. 20% in a fisheries enhancement fund, available to be used for any fisheries enhancement proposal upon approval of the proposal by the Assembly; and
- d. 30% in the general fund.

4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED By the City and Borough of Sitka that Sitka General Code Section 4.09.010, entitled "Levy of Sales Tax," is amended by adding a new subsection to read as follows (new language underlined, deleted language stricken):

4.09.010 Levy of sales tax.


- A. There is levied a consumer's sales tax on sales, rents, and leases made in the City and Borough of Sitka. This tax applies to sales, rentals, and leases of tangible personal property; sales of services sold within the City and Borough of Sitka; sales of services performed wholly or partially within the City and Borough of Sitka when the provisions of such services originates or terminates within the City and Borough of Sitka; and rentals and leases of real property located with the City and Borough of Sitka. Notwithstanding any provision of law, air or sea charter services, provided a person or entity in the business of providing such charter services, are exempt from sales tax by the City and Borough of Sitka if the charter does not commence and end within the City and Borough of Sitka.
- B. The rate of levy of the sales tax levied under subsection A of this section is five percent on sales made during the months of October, November, December, January, February, and March. Effective April 1, 2004, the rate of levy of the sales tax levied under subsection A of this section is six percent on sales made during the months of April, May, June, July, August, and September. The rate of levy of the sales tax shall become five percent all year around three days after the Administrator certifies in writing to the Assembly that either (a) any and all bonds issued pursuant to the ratification by the voters on March 18, 2003, of propositions set out in Ordinances Nos. 02-1707 and 02-1712 are entirely paid off or (b) the seasonal sales tax increase of one percentage point on sales made during the months of April, May, June, July, August, and September described in the previous sentence has generated (or-based on historical projections-will generate in the next succeeding quarter) sufficient revenues to pay off any and all bonds issued pursuant to the ratification by the voters on march 18, 2003, of propositions set out in Ordinances Nos. 02-1707 and 02-1712, whether or not such bonds have been paid off.

- C. A flat rate of \$10 per fish box shall be levied on the packaged fish and/or seafood caught or taken and retained by fish charter customers as part of the fish charter. This tax shall be paid by the fish charter customer,
- D. collected by whoever packages the fish and/or seafood caught or taken by the fish charter customer, and is in addition to any sales tax paid based on the cost of the charter. This tax is effective January 1, 2007. For purposes of this subsection, a fish box means any packaging by a fish charter operator or processor, of fish and/or seafood caught or taken as part of the charter by a fish charter customer. The sales tax collected from this levy on fish boxes shall be deposited by the finance director in the following funds in the following ratios:
1. 20% in the harbor fund;
 2. 30% in the Sitka Permanent Fund;
 3. 20% in a fisheries enhancement fund, available to be used for any fisheries enhancement proposal upon approval of the proposal by the Assembly; and
 4. 30% in the general fund.
- E. Except as provided in subsection C above, all moneys accumulated under the terms of this chapter shall be deposited by the Finance Director in the general fund of the City and Borough of Sitka and shall be used for the general operating expenses of the City and Borough of Sitka in such a proportion as deemed advisable from time to time by the Assembly.

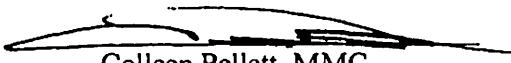
5. **EFFECTIVE DATE.** This ordinance shall become effective immediately on certification of the election results that show a majority of qualified voters approved the enactment.

PASSED BY A MAJORITY VOTE OF THE ELECTORATE AT A REGULAR MUNICIPAL ELECTION HELD OCTOBER 3, 2006.

**Results: YES = 2,011
NO = 1,000**


Marko Dapcevich, Mayor

ATTEST:


Colleen Pellett, MMC
Municipal Clerk

Sponsors: Cavanaugh and Westover

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2009-55

**AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING
SITKA GENERAL CODE SECTION 4.09.010 ENTITLED "LEVY OF SALES
TAX" TO REALLOCATE THE PERCENTAGES OF THE FISH BOX SALES
TAX REVENUES IN THE VARIOUS CITY AND BOROUGH OF SITKA FUNDS**

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

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.** Sitka General Code Section 4.09.010, entitled "Levy of Sales Tax," is amended to reallocate the percentages of the revenues from the "Fish Box Sales Tax" in the various City and Borough of Sitka ("CBS") funds as follows:

- a. 30% instead of 20% in the harbor fund;
- b. Removal of revenue percentage formerly applied to Sitka Permanent Fund;
- c. 30% instead of 20% in a fisheries enhancement fund, available to be used for any fisheries enhancement proposal upon approval of the proposal by the Assembly; and
- d. 40% instead of 30% in the general fund.

4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that SGC Chapter 4.09.010 "Levy of Sales Tax" is amended as follows (new language underlined; deleted language stricken):

4.09.010 Levy of Sales Tax.

* * *

- C. A flat rate of ten dollars per fish box shall be levied on the packaged fish and/or seafood caught or taken and retained by fish charter customers as part of the fish charter. This tax shall be paid by the fish charter customer, collected by whoever packages the fish and/or seafood caught or taken by the fish charter customer, and is in addition to any sales tax paid based on the cost of the charter. This tax is effective January 1, 2007. For purposes of this subsection, a "fish box" means any packaging by a fish charter operator or processor of fish and/or seafood caught or taken as part of the charter by a fish charter

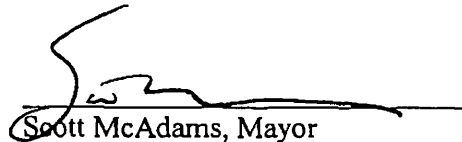
customer. The sales tax collected from this levy on fish boxes shall be deposited by the finance director in the following funds in the following ratios:

1. ~~Thirty Twenty~~ percent in the harbor fund;
2. ~~Thirty percent in the Sitka permanent fund;~~
- 2 3. ~~Thirty Twenty~~ percent in a fisheries enhancement fund, available to be used for any fisheries enhancement proposal upon approval of the proposal by the assembly; and
- 3 4. ~~Forty Thirty~~ percent in the general fund.

D. Except as provided in subsection C above, all moneys accumulated under the terms of this chapter shall be deposited by the Finance Director in the general fund of the City and Borough of Sitka and shall be used for the general operating expenses of the City and Borough of Sitka in such proportion as deemed advisable from time to time by the Assembly.

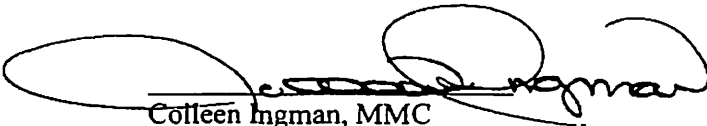
5. **EFFECTIVE DATE.** This ordinance shall become effective on April 1, 2009, after passage by the City and Borough of Sitka Assembly.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska on this 24th day of March 2009.



Scott McAdams, Mayor

ATTEST:



Colleen Ingman, MMC
Municipal Clerk

Fisheries Enhancement Fund Request for Proposal History

[illegible]



City and Borough of Sitka

100 Lincoln Street Sitka, Alaska 99835

Coast Guard City, USA

Memo

To: Mayor Hunter and Members of the Assembly
From: P. Keith Brady, Municipal Administrator *PKB*
Date: June 1, 2018
Re: FY2018 Fisheries Enhancement Fund Proposals

The Fisheries Enhancement Fund was established by Ordinance 2006-38 and approved by voters in 2006.

The amount available for disbursement from the FY2018 budget is \$42,000. Our office received two timely proposals from:

- Sitka Sound Science Center
- Chinook Futures Coalition, Inc.

By the terms of the advertisement the two proposals meet the requirements.

Our office received one proposal after the deadline. In addition, the proposal does not include pro forma financials as indicated on page 12 of the proposal:

- Alaska Longline Fishermen's Association

By the terms of the advertisement the proposal does not meet the requirements.

FY18 Fisheries Enhancement Grant Requests

Applicant	FY 2018 Requested	To be Used For	Amount Recommended
Sitka Sound Science Center	\$42,000.00	Continue its hatchery production and support the Mill Building project.	
Chinook Futures Coalition, Inc.	\$9,500.00	Pacific Salmon Treaty Chinook catch limit legal expenses.	
Alaska Longline Fishermen's Association	\$10,000.00	1) Expand apprentice or entry-level deckhand opportunities on commercial fishing boats; 2) facilitate inter-generational transfer of permits and quota to Sitka residents; 3) mentor new fishermen through Sitka-based education and training programs; and 4) launch of an affordable entry level fishery for under-utilized pelagic rockfish stocks.	
TOTAL	\$61,500.00		\$0.00

Note: \$42,000 is available for disbursement from the Fisheries Enhancement Fund

To: Susan McFadden

From: Renee Wheat

Publish: April 27, May 4, 11, 18, 23

Thanks!

**Request for Proposals
By the City and Borough of Sitka, Alaska
Fisheries Enhancement Fund**

Request for Proposals for the disbursement of the available \$42,000 in the Fisheries Enhancement Fund, established by Ordinance 2006-38 and approved by voters in the regular election held October 3, 2006, will be received at the office of the Municipal Clerk, City Hall, City and Borough of Sitka, 100 Lincoln Street, Sitka, Alaska until Friday, May 25, 2018, 2:00 pm. Proposals received after the time fixed for receipt will not be considered.

The proposal should contain the following information:

- History of the organization
- Current balance sheet
- Pro forma financial statements
- Dollars requested from funds
- Statement of what will be achieved with the funding
- Explanation of how this will enhance the fisheries within the City and Borough of Sitka

Questions may be directed to Renee Wheat, Admin. Coordinator, 100 Lincoln St., Sitka, Alaska, 747-1808.



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 18-29 Version: 1 Name:
Type: Ordinance Status: AGENDA READY
File created: 6/6/2018 In control: City and Borough Assembly
On agenda: 6/26/2018 Final action:
Title: Amending Title 18 "Property Acquisition and Disposal" and Title 19 "Building and Construction" of the Sitka General Code by authorizing an advisory vote and modifying Chapter 18.12 "Real Property Disposal", Chapter 18.16 "Tideland lease Procedure", and Chapter 19.07 "Demolition or Removal of Municipally Owned Buildings"

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Ord 2018-29.pdf](#)
[Ord 2018-29.pdf](#)

Date	Ver.	Action By	Action	Result
6/12/2018	1	City and Borough Assembly		
6/12/2018	1	City and Borough Assembly		
6/12/2018	1	City and Borough Assembly		

POSSIBLE MOTION

I MOVE TO approve Ordinance 2018-29 on
second and final reading.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2018-29

**AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING TITLE 18
“PROPERTY ACQUISITION AND DISPOSAL” AND TITLE 19 “BUILDING AND
CONSTRUCTION” OF THE SITKA GENERAL CODE BY AUTHORIZING AN ADVISORY
VOTE AND MODIFYING CHAPTER 18.12 “REAL PROPERTY DISPOSAL”, CHAPTER 18.16
“TIDELAND LEASE PROCEDURE”, AND CHAPTER 19.07 “DEMOLITION OR REMOVAL
OF MUNICIPALLY OWNED BUILDINGS”**

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 amend Title 18 and Title 19 by modifying language in sections of the identified chapters to authorize an advisory vote to replace the current requirement of voter ratification for the sale or disposal of real property valued over five hundred thousand dollars, or upon lease of real property, including tidelands, of a value of more than seven hundred fifty thousand dollars. This amendment will change the mandatory voter ratification to an advisory vote when authorized by the assembly, and will increase the value of sale or disposal of real property valued over five million dollars and the lease of real property valued over seven million five hundred thousand dollars.

4. ENACTMENT. NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that the Sitka General Code be amended as follows by deleting and/or adding language in the following sections: 18.12.010.A; 18.12.010.B; 18.12.010.C; 18.12.010.F; 18.12.014.A; 18.16.030; 18.16.170; 18.16.200; 18.16.220; and 19.19.040 (deleted language stricken, new language underlined):

**Title 18
PROPERTY ACQUISITION AND DISPOSAL**

Chapters:

- 18.04 General Provisions**
- 18.08 Personal Property Acquisition and Disposal**
- 18.12 Real Property Disposal**
- 18.16 Tideland Lease Procedure**
- 18.20 Tideland Permits**
- 18.24 Abandoned Property**
- 18.32 Public Improvements Bonding Requirements**

* * *

Chapter 18.12
REAL PROPERTY DISPOSAL

Sections:

18.12.010 Real property disposal.

18.12.014 ~~Requirement for a public~~ Advisory vote and disclosure of information for land disposals related to a dock or vessel transfer facility that could be used by large cruise ships.

18.12.015 Street and public area vacations.

18.12.010 Real property disposal.

A. Real property, including tidelands, and land acquired from the state, may be sold or leased only when authorized by ordinance. Lease of space within municipal buildings that are of a value of less than one thousand dollars shall be treated as disposals of personal property without ordinance. All other leases of space within a municipal building shall be treated as disposal of real property under this chapter.

Note: The value of a lease shall be determined by multiplying the monthly or annual rent by the term of the lease.

B. Upon sale or disposal of real property valued over five ~~hundred thousand~~ million dollars, or upon lease of real property, including tidelands, of a value of more than seven million five hundred ~~fifty thousand~~ dollars, the ordinance authorizing the sale, lease, or disposition ~~shall~~ may provide that the ordinance ~~be receive an advisory vote ratified by a majority of the qualified voters voting at a general or special election. The assembly shall stay its decision on~~ Any such sale, lease, or disposition ~~shall be revocable pending the outcome of the election. This~~ subsection shall not apply to leases at the former Alaska Pulp Corporation mill site, now known as the Gary Paxton Industrial Park, and the property leased under Ordinance 99-1539.

C. ~~No election, advisory vote ratification by the electorate,~~ or competitive bid is required for exchange of municipal property, both real and personal, including tidelands, or any interest in property, with the United States, the state of Alaska, or a political subdivision.

Such disposals to other governmental units, shall be done by ordinance.

All leases of real property and tidelands approved by the assembly and signed by the lessee prior to the date of enactment of the ordinance codified in this title are confirmed and ratified and voter ratification required under the former ordinance is waived. (Enactment date September 27, 1983).

D. The lease of any municipal property on a temporary basis may be made by the administrator upon motion of the assembly without ordinance. Temporary shall be defined as any lease terminable at the will of the municipality where no more than thirty days prior notice of intent to terminate is required.

E. Sale or lease of municipal real property, including tidelands shall be by competitive bid, unless the assembly finds that competitive bidding is inappropriate, due to the size, shape, or location of the parcel, rendering it of true usefulness to only one party, or is waived by

subsection C of this section. The assembly may also find that competitive bidding is inappropriate due to the nature of the property or the circumstances surrounding its disposal to include possible unjust results with regard to the existing lessee, or adjacent or neighboring property owners.

F. When it is deemed advantageous to the municipality, it may trade uplands or tidelands for other land of approximately equal size or value. Should the municipal property in question be of such size or value or to such a class of grantee as to permit require an advisory vote, an advisory vote may be authorized by the assembly election before conveyance of title can be made, and the requirements and procedures concerning such election shall apply.

G. The administrator is authorized to sign all municipal lease and conveyance documents.

18.12.014 Requirement for a public Advisory vote and disclosure of information for land disposals related to a dock or vessel transfer facility that could be used by large cruise ships.

A. Notwithstanding Sections 2.38.080(A)(7) and 2.38.090 or any other provision of law, the assembly may authorize an advisory vote for any ordinance authorizing the sale, lease or disposal of any real property of the city and borough for a dock or vessel transfer facility that could be used by cruise ships exceeding three hundred feet in length, shall be effective only after an affirmative vote of the electorate. The assembly shall stay its decision on any such sale, lease, or disposition pending the outcome of the election. If an advisory vote is authorized, Not less than thirty days prior to the election, the city and borough shall make available to the electorate the terms of the proposed sale, lease or disposal of real property and a summary of the direct anticipated costs to the city and borough.

B. This section applies to tidelands and other real property owned by the city and borough, including any real property in Sawmill Cove.

* * *

**Chapter 18.16
TIDELAND LEASE PROCEDURE**

Sections:

- 18.16.010 Generally.
- 18.16.020 Leases and permits.
- 18.16.030 Government leases and permits.
- 18.16.040 Classes of approval for permits and leases.
- 18.16.050 Procedures and fees for Class I, Class II, and Class III approvals.
- 18.16.060 Class IIA, Class IIB, and Class IIC approvals – Application requirements.
- 18.16.070 Class IIA, Class IIB, and Class IIC – Notification requirements.
- 18.16.080 Class IIA, Class IIB, and Class IIC review – Planning commission.
- 18.16.090 Class IIA and Class IIB review – Assembly.
- 18.16.100 Class III – Pre-application advice.
- 18.16.110 Class III – Formal application.
- 18.16.120 Class III – Plat requirements.
- 18.16.130 Class III – Lease preference rights and nonpreference rights.
- 18.16.140 Class III – Notification of upland owner.

- 18.16.150 Class III – Preliminary approval.
- 18.16.160 Class III – Notice of auction and intended lease.
- 18.16.170 Class III – ~~Ratification~~ Advisory vote by the voters.
- 18.16.180 Class III – Protest.
- 18.16.190 Class III – Determination of lease price.
- 18.16.200 Class III – Lease by ordinance.
- 18.16.210 Class III – Annual lease payments and terms.
- 18.16.220 Class III – Direct lease by municipality.
- 18.16.230 Execution of permit and lease documents.

* * *

18.16.030 Government leases and permits.

When leases or permits are issued to other local, state, or federal governmental units or a corporation or agency through which the governmental unit acts, there is no limit to the front footage obtainable, or valuation limit and no ~~permitted advisory requirement of an election as~~ set out by Sections 18.12.010 and 18.16.110, and no consideration for such a lease shall necessarily be required.

* * *

18.16.170 Class III – ~~Ratification~~ Advisory vote by the voters.

Lease of tidelands to other than preference right holders for areas which have more than two hundred fifty feet of frontage along the upland meander line, or lease of any tidelands valued above seven ~~million five hundred fifty thousand dollars, shall~~ may be submitted to the voters for ~~an advisory vote, election ratification. The assembly shall stay its decision on any such sale, lease, or disposition pending the outcome of the election.~~ This section shall not apply to leases at the former Alaska Pulp Corporation mill site, now known as Gary Paxton Industrial Park, and the property leased under Ordinance 99-1539.

* * *

18.16.200 Class III – Lease by ordinance.

Should the auction be held and a bid accepted by the assembly, the lease shall be executed subject to passage of an ordinance authorizing the lease. If the lease is subject to ~~ratification~~ an advisory vote and the assembly authorizes an advisory vote, the assembly shall stay its decision on the ordinance authorizing the lease pending the outcome of the election. by the voters, the authorizing ordinance should also authorize putting the question to the voters at the next regular or special municipal election.

* * *

18.16.220 Class III – Direct lease by municipality.

By ordinance the municipality may elect to lease tidelands upon its own initiative upon such terms as are set out in the ordinance.

Tidelands leased by the direct lease procedure ~~shall~~ may be subject to an advisory vote if approved by the assembly ~~ratification election~~ whenever applicable by other sections of the Sitka General Code.

* * *

Title 19
BUILDING AND CONSTRUCTION

* * *

Chapter 19.19
DEMOLITION OR REMOVAL OF MUNICIPALLY OWNED BUILDINGS

* * *

Sections:

- 19.19.010 Assembly authority.
- 19.19.020 Bidding.
- 19.19.030 Buildings considered personal property.
- 19.19.040 Authorization by ordinance ~~or election~~.
- 19.19.050 Value determination.
- 19.19.060 Scope.

* * *

19.19.040 Authorization by ordinance ~~or election~~.

If the value of the building exceeds twenty-five thousand dollars, its removal or demolition shall be authorized by ordinance. If the value is more than one hundred thousand dollars, the assembly may authorize an advisory vote ~~removal must be approved by the voters at a general or special election and the assembly shall stay its decision pending outcome of the election.~~

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 26th day of June, 2018.

Matthew Hunter, Mayor

ATTEST:

Sara Peterson, MMC
Municipal Clerk

1st reading 6/12/18
2nd reading 6/26/18



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 18-26 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 6/5/2018 In control: City and Borough Assembly

On agenda: 6/26/2018 Final action:

Title: Amending Title 15 "Public Utilities" of the Sitka General Code to increase water rates at Section 15.05.240 "Service Connection Charge" and Section 15.05.620 "Rates and Fees"

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Ord 2018-26.pdf](#)
[Memo 2018-26 Water Fund rates FY2019.pdf](#)
[Ord 2018-26 2018 Water Fee Increase Final Legal.pdf](#)

Date	Ver.	Action By	Action	Result
6/12/2018	1	City and Borough Assembly		

POSSIBLE MOTION

I MOVE TO approve Ordinance 2018-26 on
second and final reading.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

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

From: Jay Sweeney, Chief Finance and Administrative Officer, Melissa Haley, Controller,
Michael Harmon, Public Works Director

Date: 5 June 2018

Subject: Approval of Ordinance 2018-26 FY2019 Rate increase for Water Service

The rate increase for the Water fund is the highest increase proposed for FY2019. The increase is driven by the need for significant investment in a backup water supply, as our former backup supply (Indian River) can no longer be used under federal regulations. In order to secure the funding (via low interest loans through the state of Alaska) necessary to undertake this project, we must demonstrate that the fund can generate the revenue necessary to pay the debt service on the loans needed to fund this project. The 22% increase this year will be followed by much lower future year increases (barely above the rate of inflation). As with other funds, the proposed rate structure leads us towards a future in which we must still rely on debt financing, but the level of debt does slowly decrease as we go further out.

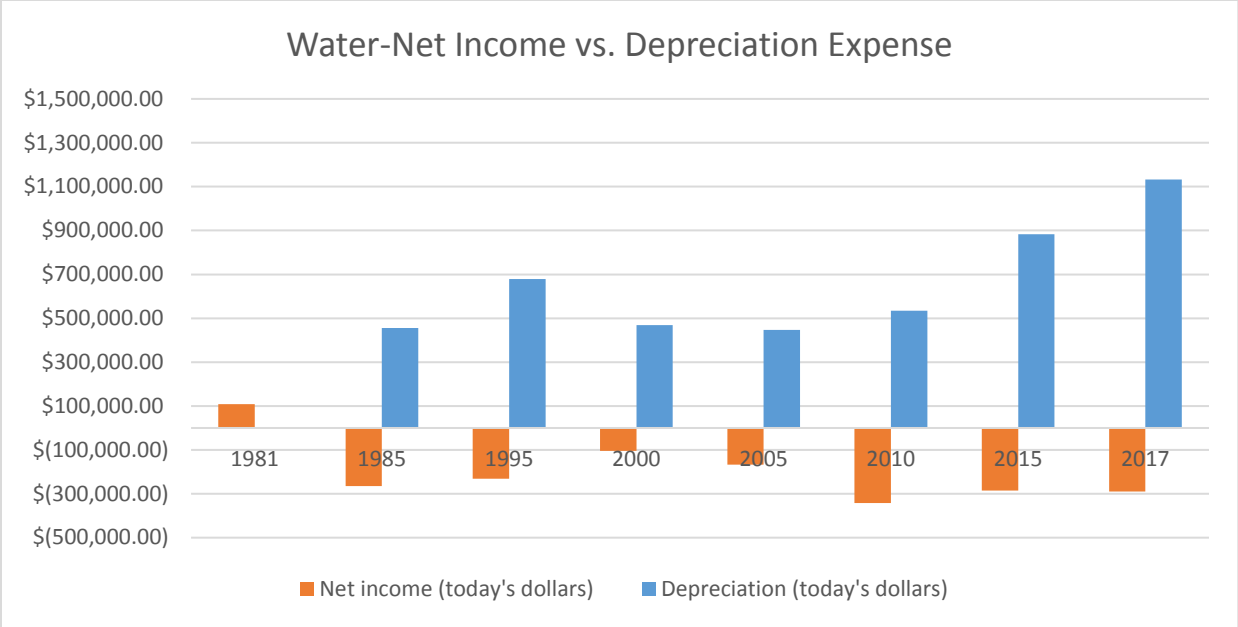
The primary goals for the Water Fund during the next year are to:

- Refine plans, cost estimate, and financing for critical secondary water supply.
- Continue to identify infrastructure that is most at risk of failure and plan for needed improvements.

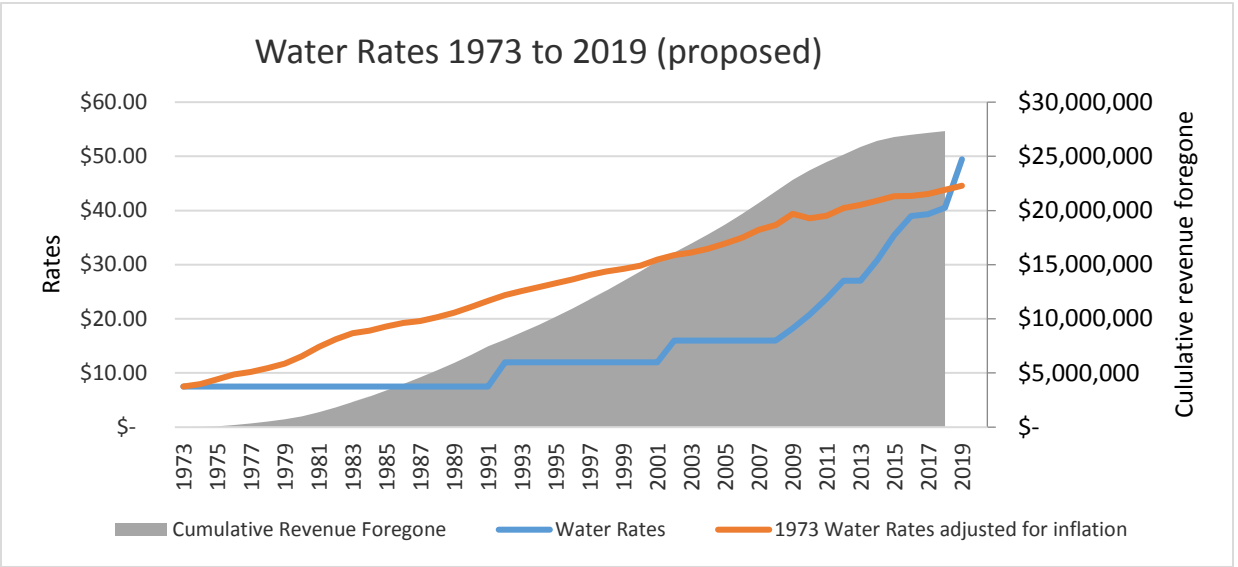
Below is an example demonstrating the total increased cost of a scenario which could be applicable to an average family in Sitka:

Example of typical household service	Total additional cost
Monthly service fee for water	\$8.92
Total cost	\$8.92
Average monthly recurring cost	\$8.92

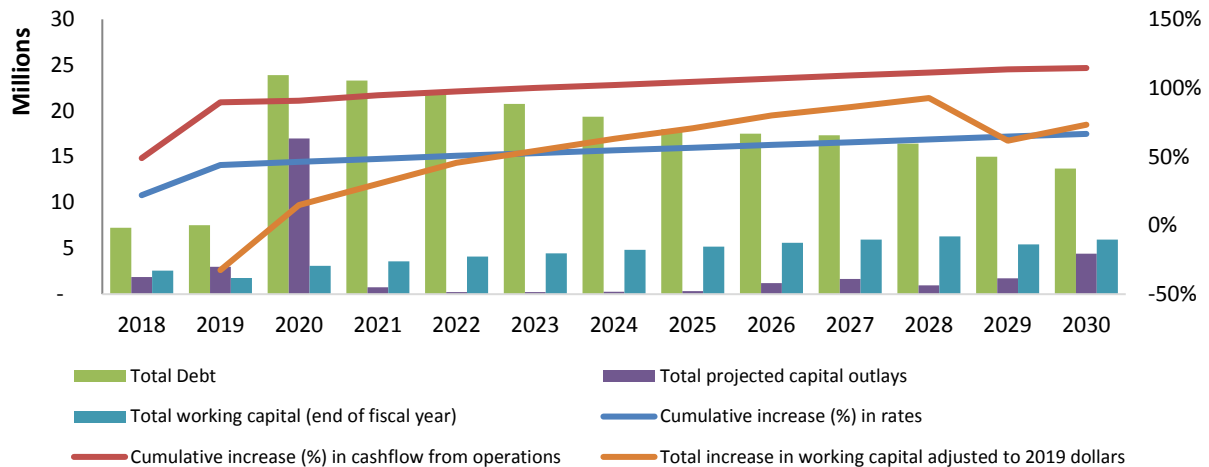
As is illustrated in the following chart, in the past, water rates have been structured so that general operations are covered by the revenue generated, but not much has been set aside for future infrastructure needs (as can be roughly estimated by using the rate of depreciation). In order to be truly setting aside an amount that would bring the fund closer to generating enough working capital to replace aging assets, the net income (which includes depreciation expense) would need to be positive. In addition, some assets are allowed to stay in use beyond their usable life, thus, in many cases, using annual depreciation expense as a goal for asset replacement may be understating the true need.



Rates for water services, until quite recently, have remained quite low with increases being passed quite infrequently. Had rates from 1973 been adjusted (just to keep up with inflation) the water fund would now have lower rates and would also be able to fund a significant portion of its infrastructure through working capital (as demonstrated by the level of cumulative revenue forgone in the chart below). As with other funds, long periods in which rate stay flat, mean that (due to inflation) the service becomes less expensive and unrealistic expectations are set.



As noted above, the upfront 22% increase this fiscal year (rather than, for example, an increase of 11% this year and 11% next year) is necessary as it demonstrates to lenders that the Water Fund is capable of generating the revenue necessary to pay the fund’s debt service. Our fiscal models help ensure that key metrics, such as the debt to equity ratio and debt service as a percentage cash flow from operations stay at healthy levels.



As always, our fiscal models evolve every year as new and changing information comes to light. New federal and state legislation or regulations or changes to market forces (such as increased costs to borrow) will impact the models, which use a “middle-of-the road” approach. In the water fund, the fiscal model shows a future in which levels of debt peak in the near future but stay higher than currently levels as we pay down the debt for the secondary water supply.

Category	Service Type	Monthly increase	Notes
Residential	Residential/Dwelling unit	\$8.92	monthly
Commercial	Commercial (General)	\$8.92	monthly
Commercial	Restaurant , bar, lounge, snack bar	\$17.84	20 seats
Commercial	Bed and Breakfast	\$14.27	4 rooms
Commercial	Barber/beauty shop	\$24.98	3 stations
Commercial	Bowling alley	\$44.60	4 lane
Commercial	Church	\$17.84	100 seats
Commercial	Office space-over 10 employees	\$10.70	
Commercial	Hospital	\$115.96	15-bed hospital
Commercial	Meat market	\$35.68	
Commercial	Supermarket/grocery store	\$80.28	
Commercial	Rest home	\$44.60	20 beds
Commercial	Hotel/Motel	\$303.28	100 rooms
Commercial	Dorm/Boarding house	\$62.44	20 rooms
Commercial	RV park	\$62.44	20 spaces
Commercial	Commercial Laundry	\$11.60	guest access to two rooms with sewer connection
Commercial	Launderette (Laundromat)	\$187.32	20 wet machines
Commercial	Schools, college, day care	\$26.76	50 students enrolled
Commercial	Theater	\$26.76	100 seats
Commercial	Car Wash	\$26.76	1 stall
Metered	15,000 allowance	\$12.71	
Metered	General metered over allowance	\$0.28	per 1000 metered gallons
Connection Fee	Water connection fee	\$20.00	increase per connection

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2018-26

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING TITLE 15 "PUBLIC UTILITIES" OF THE SITKA GENERAL CODE TO INCREASE WATER RATES AT SECTION 15.05.240 "SERVICE CONNECTION CHARGE" AND SECTION 15.05.620 "RATES AND FEES"

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 amend Chapter 15.05 of the Sitka General Code to increase water service connection and water fees.

4. ENACTMENT. NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that Sitka General Code Sections 15.05.240 and 15.05.620 are amended to read as follows (new language underlined; deleted language stricken):

**Title 15
PUBLIC UTILITIES**

* * *

**Chapter 15.05
WATER SYSTEM**

15.05.240 Service connection charge.

A. At the time the applicant files for a connection permit where no service previously existed; or, if the applicant is filing for a change in service location, or size, or to serve a new structure, the applicant shall submit with this application the service connection charge of seven hundred ~~forty~~ sixty dollars. This charge is to cover permit fees, inspection, and administrative costs.

* * *

15.05.620 Rates and fees.

A. Unmetered Water. Base rate: ~~forty-nine~~ dollars and ~~fifty-three~~ forty-five cents per unit.

UNIT DESCRIPTION	UNIT
Residential/Dwelling Unit ⁽¹⁾	1.0 ⁽²⁾
Commercial (General, Miscellaneous) ⁽³⁾	1.0
Clubs and lodges without bar or restaurant	

UNIT DESCRIPTION		UNIT
Garages, service stations		
Offices including medical (10 or less employees)		
Shops and stores without food processing		
Commercial Specifics⁽³⁾ (1 Minimum) Plus	Per Each	
Bar, lounge, restaurant, snack bar	seat or stool	0.05
Barber, beauty shop (one station = 1.0)	station	0.6
Bowling alley	lane	1.0
Church	10 seats	0.1
Office/office space	over 10 employees	0.2
Hospital	bed	0.8
Meat market		3.0
Supermarket, grocery store with food process		8.0
Rest home	bed	0.2
Hotel, motel ⁽⁴⁾	bed or room	0.3
Dormitory, boardinghouse ⁽⁴⁾	bed or room	0.3
RV park ⁽⁴⁾⁽⁶⁾	RV space	0.3
Bed and breakfast ⁽⁴⁾	bed or room	0.15
Commercial laundry	wet machine	8.0
Launderette	wet machine	1.0
Schools, college, day care ⁽⁵⁾	10 students	0.4
Theater	10 seats	0.2
Car wash (no minimum)	stall	2.0

44

45 Notes:

46

(¹) Including apartments and trailers, per each. (Apartments shall be assessed as if on a separate meter.)

(²) Base rate.

(³) Business in homes shall be assessed for the additional appropriate commercial rate.

(⁴) Hotel, motel, B&B may count rooms only. Dormitory or boardinghouse must count beds or rooms. RV parks count RV spaces with utility hookups. (Vacation rates do not apply.)

(⁵) Approximate enrollment—may be reviewed annually.

(⁶) RV parks have all mobile units able to be underway on the road with a minimal amount of time and not require special permits to drive on the road. Underway can be under its own power, pulled by a vehicle or in the bed of a pickup. Rental rates are based on the day and utilities are included.

B. Metered Water Service.

1. General Metered Water Service

Meter Size	Allowance (GAL)	Minimum Charge
Up to 1"	15,000	\$57.79 <u>\$70.50</u>
2"	50,000	\$126.74 <u>\$154.62</u>
3"	100,000	\$190.10 <u>\$231.92</u>
4"	250,000	\$380.18 <u>\$463.82</u>
6" and above	500,000	\$760.38 <u>\$927.66</u>

All over allowance charged at minimum charge plus ~~one dollar twenty six cents~~ one dollar fifty-four cents per one thousand gallons. The over allowance charged at minimum charge plus ~~fifty nine cents~~ seventy-two cents per one thousand gallons will apply to major fish processing plants (Seafood Producers Cooperative, Sitka Sound Seafoods, Inc., aka North Pacific Seafoods, and Stikine Holdings, LLC, aka Silver Bay Seafoods).

2. Gary Paxton Industrial Park.

a. Metered water: ~~one hundred twenty six dollars and seventy four cents~~ one hundred fifty-four dollars and sixty-two cents per month minimum.

i. Treated water: ~~two dollars and fifty three cents~~ three dollars and nine cents per one thousand gallons.

ii. Treated water, fish processing use: ~~one dollar and ninety two cents~~ two dollars and thirty-four cents per one thousand gallons.

iii. Raw water for heating: ~~eighty cents~~ ninety-eight cents per one thousand gallons.

iv. Raw water for industrial processing: ~~one dollar and fourteen cents~~ one dollar and thirty-nine cents per one thousand gallons.

v. Raw water for water bottling at Gary Paxton industrial park: in container sizes of five gallons or less: two dollars and two cents per one thousand gallons.

vi. Raw water for bottling at Gary Paxton industrial park in container sizes greater than five gallons: one cent per gallon.

C. Curb Stop/Service Valve Operation Fee. Except for the initial turn-on that occurs when property is first connected to the municipal water system, each customer or applicant for service shall pay a fee of ~~fifty-eight dollars and five cents~~ fifty-nine dollars and fifty cents for turning on or turning off the water service to the property. The fee shall be paid for each turn-on and turn-off whether at the customer's or applicant's request or due to nonpayment for water services. The water service to a property may not be turned on unless all water system fees associated with the property have been paid in full.

D. Fire Hydrant Use Fee. Provided in Section 15.05.590.

E. Connection Fee. ~~Seven hundred forty dollars~~ Seven hundred sixty dollars per connection.

* * *

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 26th day of June, 2018.

Matthew Hunter, Mayor

ATTEST:

Sara Peterson, MMC
Municipal Clerk

1st reading 6/12/18

2nd reading 6/26/18



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 18-27 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 6/5/2018 In control: City and Borough Assembly

On agenda: 6/26/2018 Final action:

Title: Amending Title 15 "Public Utilities" of the Sitka General Code to increase wastewater treatment rates at Section 15.04.100 "Service Connection Charge" and Section 15.04.320 "Rates and Fees"

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Ord 2018-27.pdf](#)

[Memo 2018-27 Wastewater Fund rates FY2019 MH MH.pdf](#)

[Ord 2018-27 2018 Wastewater Fee Increase Final Legal.pdf](#)

Date	Ver.	Action By	Action	Result
6/12/2018	1	City and Borough Assembly		

POSSIBLE MOTION

I MOVE TO approve Ordinance 2018-27 on
second and final reading.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

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

From: Jay Sweeney, Chief Finance and Administrative Officer, Melissa Haley, Controller,
Michael Harmon, Public Works Director

Date: 5 June 2018

Subject: Approval of Ordinance 2018-27 FY2019 Rate increase for Wastewater

As is the case with other enterprise funds, the Wastewater Fund needs significant levels of capital investment in order to avoid catastrophic failures similar to the one we saw earlier this year when the Thomsen Lift station failed. Both the underground infrastructure as well as the wastewater treatment plant are overdue for very significant repairs. The wastewater treatment plant and much of the underground infrastructure, funded by grants, were put into service in the early to mid-1980's, meaning that this critical infrastructure is nearing the 40-year mark. Thus it is the need for investment in infrastructure that drives the rate increases, rather than just operations (though operational expenses have also increased faster than the rate of inflation). Unfortunately, for decades, the rates charged were structured to cover the cost of operations, not to set aside any significant amount of funding for future infrastructure replacement. Now that we are facing the need to make critical repairs to our infrastructure with no available grant support, we find ourselves in a situation in which we have very little capital available to invest in our infrastructure and must rely on debt to finance the necessary infrastructure repairs. The rates that we propose for FY2019 and forward are structured to slightly increase the amount of working capital available in the fund in order to be able to fund some investments in infrastructure from working capital, but in no way eliminate the need to continue using debt to finance key infrastructure repairs.

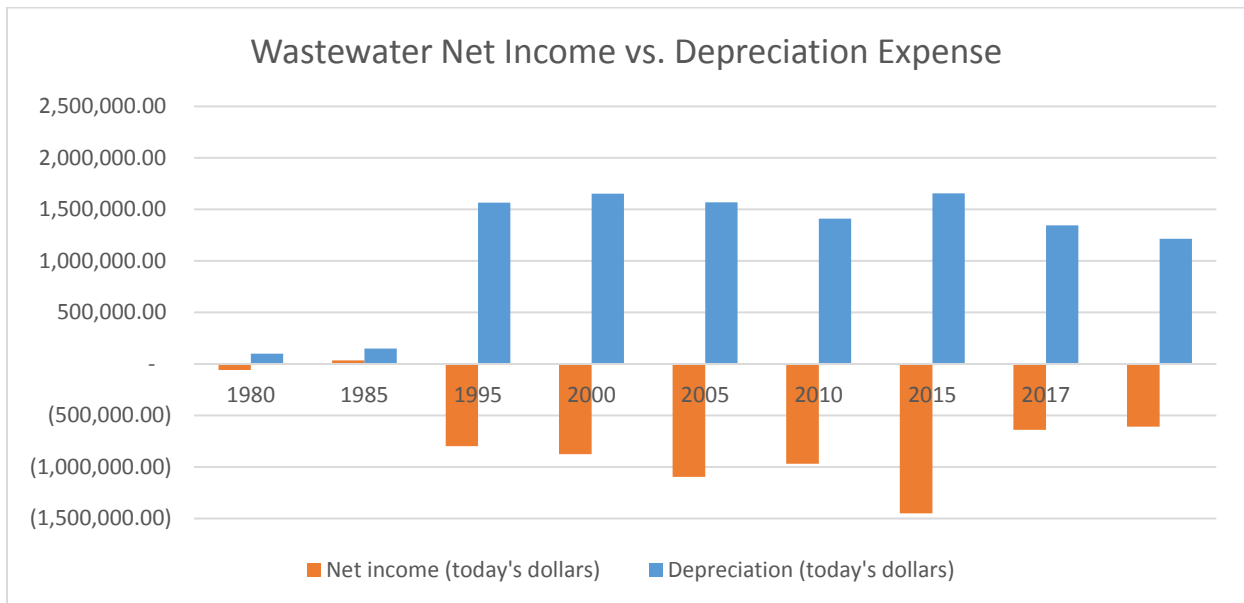
The primary goals for the Wastewater Fund during the next year are to:

- Identify critical repairs to wastewater treatment plant for the longevity of the facility, health and safety of staff, and determine how the project will be funded.
- Continue to identify infrastructure that is most at risk of failure and plan for needed improvements.

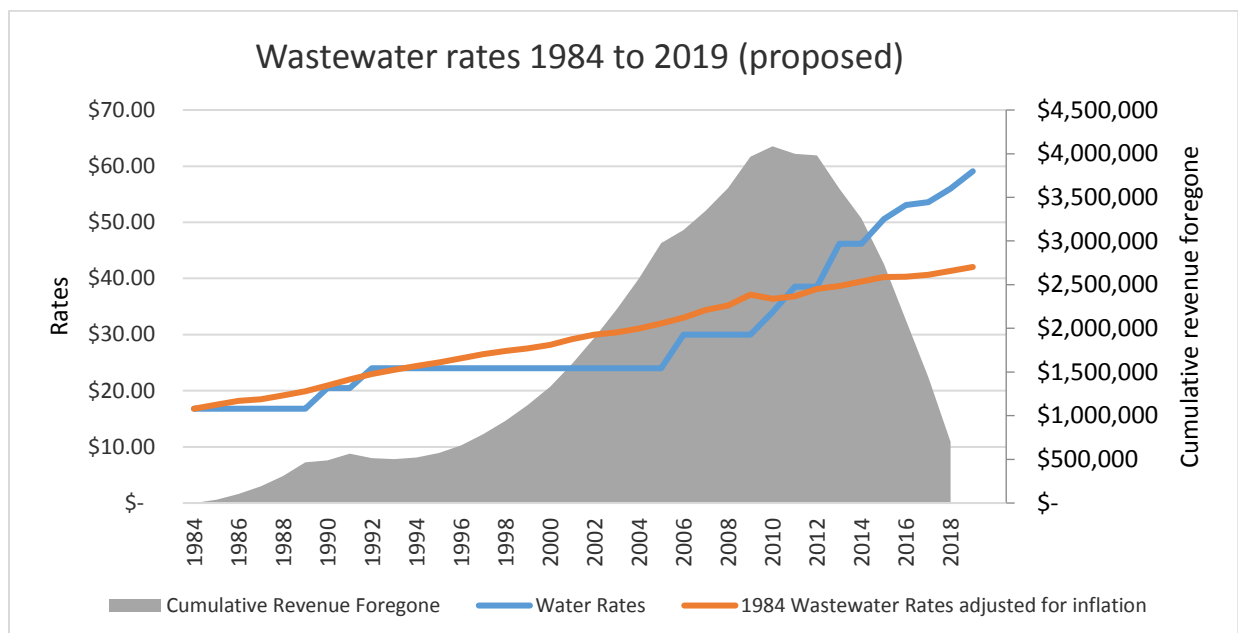
Below is an example demonstrating the total increased cost of a scenario which could be applicable to an average family in Sitka:

Example of typical household service	Total additional cost (proposed rate increase)
Wastewater monthly service fee	\$3.08
Total cost	\$3.08
<i>Average monthly recurring cost</i>	<i>\$3.08</i>

As is illustrated in the following chart, in the past, wastewater rates (similar to other utility rates) have been structured so that general operations are covered by the revenue generated, but not much has been set aside for future infrastructure needs (as can be roughly estimated by using the rate of depreciation). In order to be truly setting aside an amount that would bring the fund closer to generating enough working capital to replace aging assets, the net income (which includes depreciation expense) would need to be positive. In addition, some assets are allowed to stay in use beyond their usable life, thus, in many cases, using annual depreciation expense as a goal for asset replacement may be understating the true need.

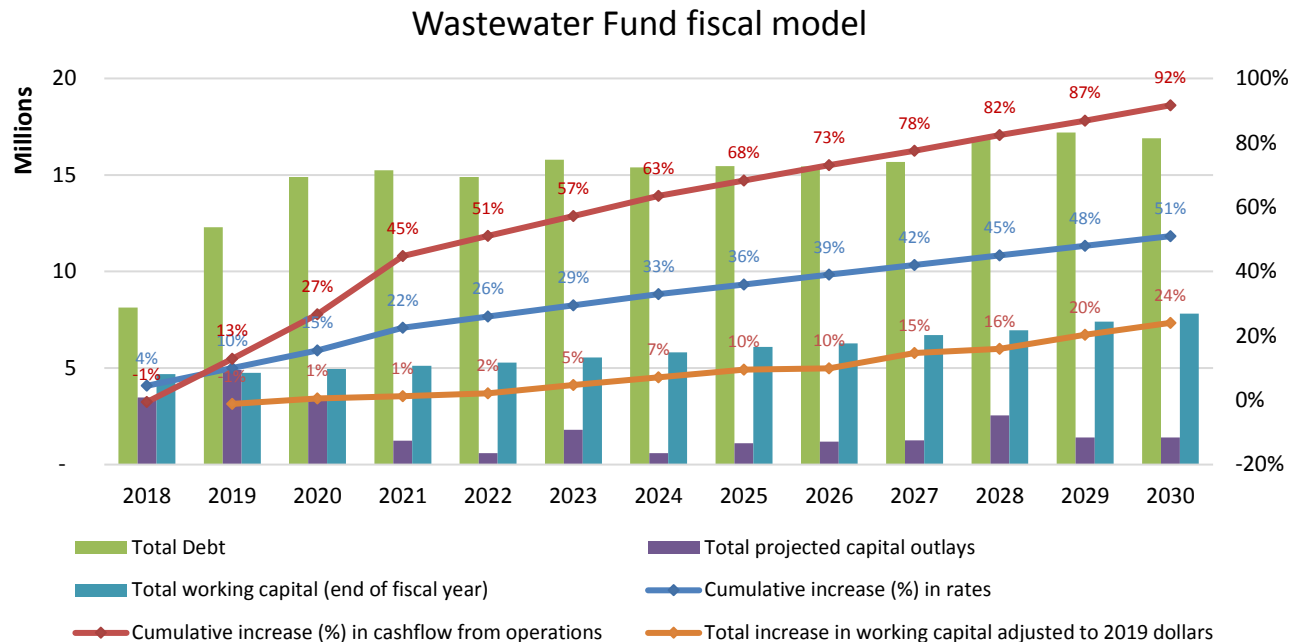


Due to the rapidly ageing infrastructure and the minimal working capital available, current rates are higher now than if the rates at the time the wastewater treatment plan went online had been adjusted for inflation. Yet at the same time, net income still is not covering depreciation expense, meaning that we are still not setting aside significant funds for future capital investment and will continue to rely significantly on debt into the future.



As the chart above demonstrates, there was a significant period of time (1992-2005) where rates were not raised, even by the rate of inflation. Had those increases been made, the more recent and steeper increases likely could have been lessened, though given the ageing of the infrastructure it is likely that rates would still need to be adjusted beyond where the 1984 rates adjusted for inflation would have been as those initial rates only covered operations, not future capital needs.). Finally, by not increasing rates (in some cases for longer than a decade), services actually become cheaper (due to inflation) and unrealistic expectations are set.

Below is the graphical presentation of the fiscal model that staff used to determine the rates necessary today to ensure the future viability of the fund:



As the chart above shows, future rate increases are necessary to maintain our current infrastructure and also to ensure that debt levels remain fairly steady.

As we have mentioned before, the fiscal models which guide our rates are ever-evolving and generally take a “middle-of-the-road” approach. It is important to note that the April 2018 facility assessment report for the treatment plant identifies an additional \$3-million not currently programed in the rate model. This will not impact the FY2019 rates, but will put more pressure on higher rates in the future. Costs related to this project will remain fluid until the design details are complete and we ultimately receive bids for the work.

Category	Service Type	Monthly Price increase	Notes
Residential	Residential/Dwelling unit	\$3.08	
Commercial	Commercial (General)	\$3.08	
Commercial	Restaurant , bar, lounge, snack bar	\$6.08	20 seats
Commercial	Bed and Breakfast	\$4.93	4 rooms
Commercial	Barber/beauty shop	\$8.62	3 stations
Commercial	Bowling alley	\$15.40	4 lane
Commercial	Church	\$6.16	100 seats

Commercial	Office space-over 10 employees	\$3.70	
Commercial	Hospital	\$40.04	15-bed hospital
Commercial	Meat market	\$12.32	
Commercial	Supermarket/grocery store	\$27.72	
Commercial	Rest home	\$15.40	20 beds
Commercial	Hotel/Motel	\$104.72	100 rooms
Commercial	Dorm/Boarding house	\$21.56	20 rooms
Commercial	RV park	\$21.56	20 spaces
Commercial	Launderette (Laundromat)	\$64.68	20 wet machines
Commercial	Commercial Laundry	\$27.72	1 wet machine
Commercial	Schools, college, day care	\$9.24	50 students enrolled
Commercial	Theater	\$9.24	100 seats
Commercial	Car Wash	\$9.24	1 stall
Metered	General metered	\$3.25	per 1000 metered gallons
Connection Fee	Sewer connection fee	\$20.00	

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2018-27

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING TITLE 15 "PUBLIC UTILITIES" OF THE SITKA GENERAL CODE TO INCREASE WASTEWATER TREATMENT RATES AT SECTION 15.04.100 "SERVICE CONNECTION CHARGE" AND SECTION 15.04.320 "RATES AND FEES"

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 amend Chapter 15.04 of the Sitka General Code to increase wastewater service connection and wastewater treatment fees.

4. ENACTMENT. NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that Sitka General Code Sections 15.04.100 and 15.04.320 are amended to read as follows (new language underlined; deleted language stricken):

**Title 15
PUBLIC UTILITIES**

* * *

**Chapter 15.04
SEWER SYSTEM**

15.04.100 Service connection charge.

A. At the time the applicant files for a connection permit where no service previously existed; or, if the applicant is filing for a change in service connection, or size, or to serve a new structure, the applicant shall submit with the application the service connection charge of seven hundred ~~forty~~ sixty dollars. This charge is to cover the costs to the CBS of locating the stub-out from the sewer main (if available), inspection of the sewer service line, administrative costs, and permit fees. Upon approval of the connection, the property owner may proceed in accordance with the provisions in Section 15.04.130.

B. The connection of a sewer service line to a sanitary sewer main located in the state highway right-of-way may be subject to state utility permit fees. Said fees shall be paid by the property owner.

* * *

15.04.320 Rates and fees.

A. Base rate: ~~fifty-six dollars and one cent~~ fifty-nine dollars and nine cents per unit per month.

UNIT DESCRIPTION		UNIT
Residential/Dwelling Unit⁽¹⁾		1.0 ⁽²⁾
Commercial (General, Miscellaneous)⁽³⁾		1.0
Clubs and lodges without bar or restaurant		
Garages, service stations		
Offices including medical (10 or less employees)		
Shops and stores without food processing		
Commercial Specifics⁽³⁾ (1 Minimum) Plus	Per Each	
Bar, lounge, restaurant, snack bar	seat or stool	0.05
Barber, beauty shop (one station = 1.0)	station	0.6
Bowling alley	lane	1.0
Church	10 seats	0.1
Office/office space	over 10 employees	0.2
Hospital	bed	0.8
Meat market		3.0
Supermarket, grocery store with food process		8.0
Rest home	bed	0.2
Hotel, motel ⁽⁴⁾	bed or room	0.3
Dormitory, boardinghouse ⁽⁴⁾	bed or room	0.3
RV park ⁽⁴⁾⁽⁶⁾	RV space	0.3
Bed and breakfast ⁽⁴⁾	room	0.15
Commercial laundry	wet machine	8.0
Launderette	wet machine	1.0
Schools, college, day care ⁽⁵⁾	10 students	0.4
Theater	10 seats	0.2
Car wash (no minimum)	stall	2.0

Notes:

⁽¹⁾ Including apartments and trailers, per each. (Apartments shall be assessed as if on a separate meter.)

⁽²⁾ Base rate.

⁽³⁾ Business in homes shall be assessed for the additional appropriate commercial rate.

(4) Hotel, motel, B&B may count rooms only. Dormitory or boardinghouse must count beds or rooms. RV parks count RV spaces with utility hookups.

(5) Approximate enrollment—may be reviewed annually.

(6) RV parks have all mobile units able to be underway on the road with a minimal amount of time and not require special permits to drive on the road. Underway can be under its own power, pulled by a vehicle or in the bed of a pickup. Rental rates are based on the day and utilities are included.

B. Sewer Service in Conjunction with Metered Water.

1. General Sewer Service in Conjunction with Metered Water. Minimum charge: one times the unmetered sewer base plus three dollars and ~~two~~ nineteen cents per one thousand metered gallons.

Note: Special provisions may be made for facilities such as fish processors, which do not discharge all wastewater into the municipal sewer system. These facilities may be assessed on their equivalent employee loads, such as with offices, dormitories, etc.

a. The charge for any establishment not herein designated will be either:

i. As metered if a meter has been installed; or

ii. The minimum charge as outlined for sewer service, if a meter has not been installed; or

iii. As determined administratively by the public works director.

b. A commercial enterprise consisting of more than one facility shall be charged the sum of the applicable rates for each facility.

c. Partial charges for services are prorated based on a thirty-day month.

2. Gary Paxton Industrial Park. Treated wastewater, metered: minimum charge of ~~one hundred ten dollars and seventy-two cents~~ one hundred sixteen dollars and eighty-one cents per month.

a. Treated wastewater, metered: three dollars and ~~thirty-one~~ forty-nine cents per one thousand gallons water use.

C. Connection Fee. Seven hundred ~~forty~~ sixty dollars per connection.

* * *

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 26th day of June, 2018.

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ATTEST:

Matthew Hunter, Mayor

Sara Peterson, MMC
Municipal Clerk

1st reading 6/12/18
2nd reading 6/26/18



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 18-28 Version: 1 Name:
Type: Ordinance Status: AGENDA READY
File created: 6/5/2018 In control: City and Borough Assembly
On agenda: 6/26/2018 Final action:
Title: Amending Title 15 "Public Utilities" of the Sitka General Code to increase solid waste collection rates at Sections 15.06.020 "Solid Waste Disposal Policy and Rates", 15.06.035 "Rates for Treatment and Collection", 15.06.045 "Special Refuse and Treatment Charges" and changing the title of 15.06.045 to "Transfer Station Drop-Off Charges and Special Refuse Collection Charges"

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Ord 2018-28.pdf](#)
[Memo 2018-28 Solid Waste Fund rates FY2019.pdf](#)
[Ord 2018-28 2018 Solid Waste Fee Increase Final Legal.pdf](#)

Date	Ver.	Action By	Action	Result
6/12/2018	1	City and Borough Assembly		

POSSIBLE MOTION

I MOVE TO approve Ordinance 2018-28 on
second and final reading.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

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

From: Jay Sweeney, Chief Finance and Administrative Officer, Melissa Haley, Controller,
Michael Harmon, Public Works Director

Date: 5 June 2018

Subject: Approval of Ordinance 2018-28 FY2019 Rate increase for Solid Waste

The Solid Waste Fund operates somewhat differently than our other funds, as the City and Borough of Sitka's waste operations are largely contracted out. For that reason, while still maintaining a long-term outlook for the fund and ensuring that any infrastructure needs are properly planned for, it is the funds operations that have the biggest impact on the rates that must be charged to ensure that waste collection and disposal services can be provided at the same level they are now. Currently, the fund is in a negative financial position as outside costs (particularly off-island shipping) have increased faster than revenues.

The primary goals for the Solid Waste Fund during the next year are to:

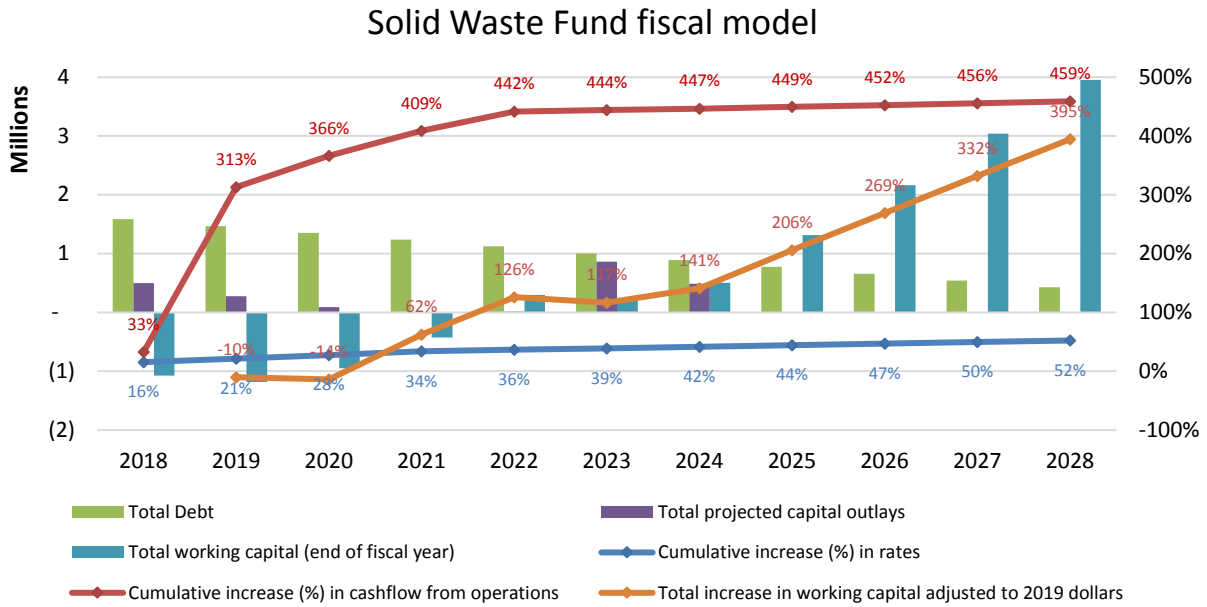
1. Return the fund to a financial position in which outlays are less than revenue. Prior year rate increases have proved to be insufficient to bring the fund back to a point where working capital is positive. This is largely due cost increases, such as shipping, that are out of our control.
2. Adjust transfer station and scrapyard rates so that revenue covers the cost of shipping off-island.
3. Gain efficiencies by taking over operation of the scrapyard.
4. Continue to closely monitor revenues and expenses at a more detailed level, in order to ensure that nuanced rate increases are made where most needed.

Over the past year, detailed analysis of our operations and revenue, has led staff to determine that transfer station and scrapyard operations revenues are not keeping up with expenditures, so adjustments have been made accordingly. Of note, the majority of revenue comes from collection services and the rate increase proposed for those services is 6.5%, based on the closer analysis, we are looking at somewhat higher rate increases for the transfer station and scrapyard (in general from \$.08 to \$.13, but with some exceptions for specific waste items), which are more targeted to actual usage, so as to avoid having the collection services subsidize these other services. The transfer station and scrapyard rates have not been adjusted in recent years and without these targeted increases, the rates for collection services would have to be much higher (roughly double) to offset the foregone revenue.

Below is an example demonstrating the total increased cost of a scenario which could be applicable to an average family in Sitka:

Example of typical household service with additional disposal activities	Total additional cost FY2019
96- gallon collection	\$3.38
250 lbs (200 free 50lbs paid)	\$2.50
disposal of 1 freezer	\$2.00
Total cost	\$7.88
Monthly recurring cost	\$3.38

Below is a graphical representation of the fiscal model for the Solid Waste Fund. To achieve the future outlook depicted below, the passage of the rate increases proposed for FY2019 are crucial.



The impact of the rate increases proposed in Ordinance 2018-28 for the Solid Waste fund are as follows:

Category	Service Type	Price increase	Impact of increase*	Notes
Collection	48-gallon container	\$2.01	\$2.01	6.5% increase
Collection	96-gallon container	\$3.38	\$3.38	6.5% increase
Collection	300-gallon container	\$13.68	\$13.68	6.5% increase
Collection	Complex/unique situations	\$3.06	\$3.06	6.5% increase
Collection	Liveaboard harbor	\$3.06	\$3.06	6.5% increase
Collection	Off Baranof Island	\$1.53	\$1.53	6.5% increase
Transfer Station	Free 200 lbs	\$0.00	\$0.00	No change
Transfer Station	Above 200 lbs	\$0.05	\$30.00	Cost increase of disposing 600 lbs outside of monthly 200lb limit
Scrapyard	Junk vehicles three quarter tons or smaller (per lb)	\$0.07	\$70.00	Increased cost to dispose of 1/2 ton vehicle
Scrapyard	Automobiles/ vehicles/ heavy equipment/ old trailers (larger than 3/4 ton) (per lb)	\$0.06	\$120.00	Additional cost to dispose of 1 ton vehicle
Scrapyard	mixed scrap metals (per lb)	\$0.02	n/a	
Scrapyard	sorted scrap metal (excluding steel) (per lb)	-\$0.02	n/a	savings if scrap metal sorted by type
Scrapyard	Freezers, refrigerators, air conditioners (/ unit)	\$2.00	\$2.00	increase to cost of disposing one refrigerator
Scrapyard	All other appliances/white goods other than above (per lb)	\$0.04	\$4.00	Increase to cost of disposing 100lb appliance
Scrapyard	Recyclables delivered to GPIP scrapyard (per lb)	\$0.09	\$9.00	increase to cost to dispose of 100 lbs of recyclables
Scrapyard	Household hazardous waste	\$0.00	\$0.00	no charge-household only
Scrapyard or Transfer Station	Large tires off of heavy equipment (per tire)	\$2.00	\$8.00	Increase to cost to dispose of 4 large tires
Landfill	Construction/demolition debris	\$0.00	\$0.00	as approved by public works director
Other	Concrete and Asphalt disposal (/cubic yd)	\$1.00	n/a	by appt. only
Other	Asbestos disposal (per cubic yd)	\$4.00	n/a	by appt. only

* Monthly, unless otherwise noted

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2018-28

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING TITLE 15 "PUBLIC UTILITIES" OF THE SITKA GENERAL CODE TO INCREASE SOLID WASTE COLLECTION RATES AT SECTIONS 15.06.020 "SOLID WASTE DISPOSAL POLICY AND RATES", 15.06.035 "RATES FOR TREATMENT AND COLLECTION", 15.06.045 "SPECIAL REFUSE AND TREATMENT CHARGES" AND CHANGING THE TITLE OF 15.06.045 TO "TRANSFER STATION DROP-OFF CHARGES AND SPECIAL REFUSE COLLECTION CHARGES"

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 amend Chapter 15.06 of the Sitka General Code to increase solid waste collection and disposal fees; to clarify the applicability of solid waste disposal requirements to multiple customers within a common structure and rental and non-rental spaces within a common structure; to clarify language regarding the drop-off of solid waste directly to the municipal transfer station; and, to change the title of section 15.06.045 to accurately reflect the purpose of this section.

4. ENACTMENT. NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that Sitka General Code sections 15.06.020, 15.06.035 and 15.06.045 are amended to read as follows (new language underlined; deleted language stricken):

**Title 15
PUBLIC UTILITIES**

* * *

**Chapter 15.06
SOLID WASTE TREATMENT AND REFUSE COLLECTION**

Sections:

- 15.06.005 Frequency of collection.
- 15.06.010 Preparation of refuse.
- 15.06.015 Refuse receptacle.
- 15.06.020 Solid waste disposal policy and rates.
- 15.06.030 Receptacles available.
- 15.06.035 Rates for treatment and collection.
- 15.06.040 Deposit required for smaller containers.
- 15.06.045 ~~Special refuse and treatment charges.~~ Transfer station drop-off charges and special refuse collection charges.
- 15.06.050 Construction and demolition debris.

15.06.055 Restrictions on applicability of rates.

15.06.070 Definitions.

* * *

15.06.020 Solid waste disposal policy and rates.

A. In order to promote public health and reduce littering and illegal dumping, every residential unit, business, and live aboard vessel within one mile of the Sitka road system shall be required to pay a waste disposal fee as set by the assembly. This requirement shall apply to each customer within a common structure and combined rental and non-rental spaces within a common structure. There are no exceptions to paying a waste fee under these classifications regardless of the amount of waste generated and/or disposed. Failure to pay any amount of user and/or utility fees owed to the city and borough shall be grounds for disconnection of any or all services and utilities such as electrical service as provided for in Section 15.01.030.

B. Customers shall be permitted to dispose of acceptable waste in collection contractor-provided receptacles. "Acceptable waste" means all putrescible and nonputrescible waste including, but not limited to: garbage; refuse; ashes; paper and cardboard; and approved special waste. "Special waste" means any waste material which, because of its physical characteristics, chemical make-up, or biological nature, requires either special handling procedures and permitting, or poses an unusual threat to human health, equipment, property, or the environment. Customers shall not be permitted to dispose of unacceptable and/or special waste in collection contractor-provided receptacles. "Unacceptable waste" means waste that may not be disposed of at the disposal site under federal, state or local law, regulation, rule, code, permit or permit condition. Special waste shall be disposed of according to subsection (C)(10) of this section or at bi-annual city-sponsored collection events.

C. Fees and Policies Applicable to Specific Solid Waste Categories.

1. Junk automobiles and small trucks (three-quarter ton or smaller) may be delivered to Gary Paxton industrial park (GPIP) scrap yard at a rate of ~~three~~ four cents per pound.

2. Trucks larger than three-quarter ton, larger vehicles, heavy equipment, and old trailers shall be billed at a rate of ~~six~~ seven cents per pound.

3. Mixed scrap metals including steel shall be billed at a rate of eight ~~ten~~ cents per pound. Sorted scrap iron and other metals excluding steel shall be billed at a rate of six cents per pound. Inclusion of any amount of steel within an individual delivery of scrap metal to the Municipal scrap yard shall deem it to be a mixed scrap metal delivery to be billed at the mixed scrap metal rate.

4. Fuel tanks must be cleaned and cut into pieces less than five feet by twelve feet (if over five hundred gallons) prior to delivery to the GPIP scrap yard.

5. Freezers, refrigerators, and air conditioning units shall be billed at a rate of twenty ~~two~~ dollars each.

6. All other appliances or white goods besides freezers, refrigerators, and air conditioning units shall be billed at a rate of ~~six~~ seven cents per pound.

~~7. Recyclables including mixed paper, cardboard, and newsprint that are delivered to the GPIP scrap yard shall be billed at a rate of four cents per pound.~~

~~8.7.~~ Tires off of large trucks and heavy equipment may be delivered to the transfer station or GPIP scrap yard and shall be billed at a rate of ~~twenty-six~~ twenty-eight dollars each.

~~9.8.~~ No construction and demolition debris shall be disposed of at any Sitka landfill unless otherwise authorized by the director of public works.

~~10.9.~~ Household hazardous or special waste may be disposed of during normal business hours at the GPIP scrap yard. Commercially generated household hazardous waste will not be accepted at any time.

~~11.10.~~ Concrete and asphalt disposal shall be billed at a rate of ~~twelve~~ thirteen dollars per cubic yard.

~~12.11.~~ Concrete and asphalt disposal is by appointment only with the public works superintendent.

~~13.12.~~ Asbestos disposal shall be billed at a rate of ~~fifty-five~~ fifty-nine dollars per cubic yard.

~~14.13.~~ Asbestos disposal is by appointment only with the public works superintendent.

* * *

15.06.035 Rates for treatment and collection.

A. The following rates are effective on the day after the day a solid waste user fee ordinance containing such fees is passed:

48-gallon container	\$30.95 <u>\$32.96</u> per month
96-gallon container	\$51.99 <u>\$55.37</u> per month
350 <u>300</u> -gallon container	\$210.45 <u>\$224.13</u> per month

B. These rates are for one container that the refuse collection contractor picks up once a week. For customers that fall into one of the following three categories, the rates for treatment and collection will be:

For those customers in apartment complexes or other unique situations identified on the list maintained by the finance director	\$47.04 <u>\$50.10</u> per month
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For those customers living within the harbor system	\$47.04 <u>\$50.10</u> per month
For those customers living on an island other than Baranof or connected by bridge to Baranof who do not receive any service from the refuse collection contractor	\$23.52 <u>\$25.05</u> per month

C. Rates shall be reviewed annually in January by the assembly.

* * *

15.06.045 Special refuse and treatment charges Transfer Station Drop-Off Charges and Special Refuse Collection Charges.

~~Customers requesting special refuse collection which is over and above the normal quantity and which cannot be collected during the normal schedule may call the collection contractor for a special collection. The collection contractor shall be obligated to collect this refuse as requested. It shall be the responsibility of the collection contractor to notify the customer of all charges prior to collection. All billing and collection for this service shall be administered by the refuse collection contractor CBS from documentation provided by the contractor.~~

~~The customer is not obligated to utilize the refuse collection contractor for special request refuse collection. The customer may elect to haul the material to the transfer station. Customers may take up to two hundred pounds per month to the transfer station. All quantities shall be billed at a rate equivalent to the current disposal contract rate of eight cents per pound. (Ord. 05-15 \$ 4(c) (part), 2005.)~~

A. Refuse may be dropped off directly at the Municipal Transfer Station during operating hours by any individual or entity. Each residential solid waste utility customer receiving Municipal solid waste collection and disposal services shall be entitled to dispose of up to two hundred pounds of solid waste per month at the transfer station free of charge. All other refuse disposed of directly at the Municipal Transfer Station shall be billed the rate of thirteen cents per pound.

B. Customers desiring to have refuse in a quantity exceeding the capacity of their refuse containers collected and disposed of may call the collection contractor for a special collection. The collection contractor shall be obligated to collect this refuse as requested. It shall be the responsibility of the collection contractor to notify the customer of all charges prior to collection. All billing and collection for this service shall be administered by the refuse collection contractor and CBS will bill customers based on documentation provided by the contractor.

* * *

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 26th day of June, 2018.

ATTEST:

2nd reading 6/26/18



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 18-125 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 6/20/2018 In control: City and Borough Assembly

On agenda: 6/26/2018 Final action:

Title: Discussion / Direction of the Sitka Community Hospital RFP process

Sponsors:

Indexes:

Code sections:

Attachments: [Memo SCH RFP Process.pdf](#)
[SCH Assembly Mtg 6-26-18 \(FINAL 62318\).pdf](#)
[RFP Process Timeline \(FINAL 62318\).pdf](#)

Date	Ver.	Action By	Action	Result
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Discussion / Direction of the Sitka Community Hospital RFP process

Note: Hospital RFP Consultants, Steve Huebner and Sarah Cave will be joining by phone.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Mayor Hunter and Assembly Members

From: Keith Brady, Municipal Administrator *KB*

Date: June 20, 2018

Subject: Direction to continue with the Sitka Community Hospital RFP timeline

Summary

At the Special Meeting on June 5, 2018 the Assembly approved a motion that all proposers move to Phase 2, with a requirement to publicly release their proposal in order to advance. We received confirmation from three of the proposers moving forward to Phase 2: Sitka Jet Center, Quorum, and SEARHC. Their proposals have been made public and are available on the City's website.

The timeline for Phase 2 is the following:

- Site visit scheduled for July 11-13, 2018
- Refined proposal due on July 27, 2018
- Oral presentation given to the Assembly in a work session on August 13, 2018
- Final decision of the Assembly set for August 28, 2018

The desire from the Assembly on June 5 was for the proposals to be made public and process to be as transparent as possible. Based on that feedback I recommend the Assembly consider directing me to organize a moderated public forum on Thursday, August 16 to allow the public to provide input on the proposals. This date allows time for the public and the Assembly to receive and review the refined proposals due July 27 and hear oral presentations from the proposers on August 13.

August 16 also gives the Assembly time to assess all that has been presented to them from the proposers and the public before convening on August 28 in regular meeting to make a final decision.

Recommendation

To move forward according to the RFP timeline as prescribed with the additional date for the Assembly to receive input from the public in a moderated public forum on August 16.

Sitka Community Hospital RFP

City and Borough of Sitka, Alaska Assembly

Sarah Cave & Steve Huebner

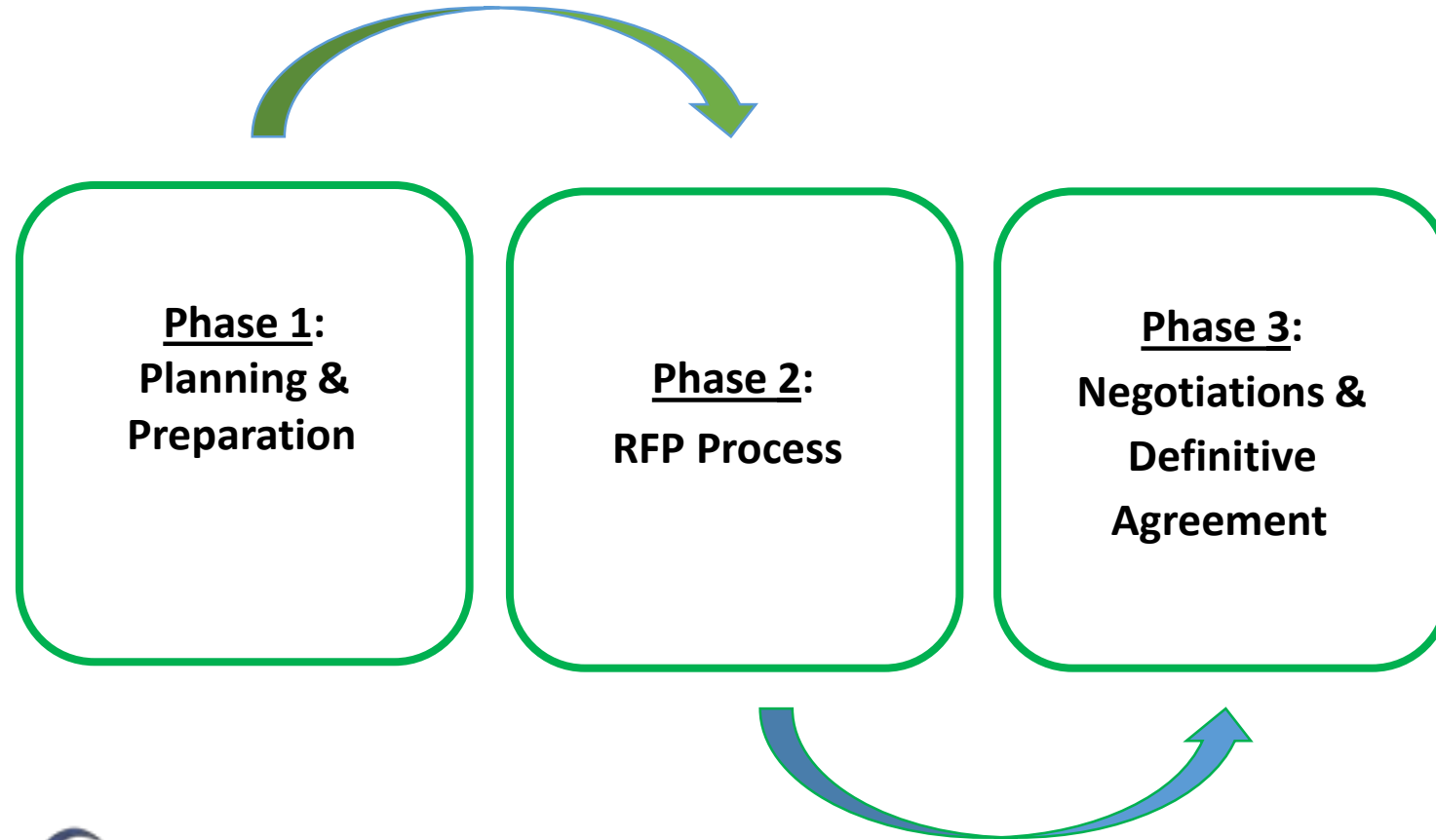
June 26, 2018



Background



Affiliation Process Phasing



Guiding Principles for Affiliation (culture & fit)

Principles to which CBS would adhere and would expect a potential partner to adhere to

1. Alignment of organizational missions and core values.
2. Compatibility of culture embracing quality and accountability.
3. Commitment to serving local community and providing access to appropriate care close to home.
4. Adoption of shared vision for the future.
5. Relationships characterized by trust, integrity, equity and collaborative spirit.



Guiding Principles for Affiliation (culture & fit)

Principles to which CBS would adhere and would expect a potential partner to adhere to

6. Transparency and open communication channels between all parties.
7. Willingness to engage mutually in transition/integration planning.

Prioritized Goals

Goal	Prioritization (# Dots)
Increase quality and scope of healthcare provided in Sitka	7 green
Mitigate current and future liabilities to CBS	7 green
Maintain/expand living wage employment opportunities	5 green
Provide access to capital for future needed improvements	4 green
Participate in governance of future affiliated entity	3 green
Elevate brand status and reputation within our community	0 dots
Be well positioned for success in an era of healthcare reform	1 red

RFP Process and Timeline



RFP Process and Timeline Goals

1. Transparency
2. Participative
3. Consistent, fair, reliable

RFP Competitive Bidding Process

Although remaining proposers have agreed to make their proposals available to the public, we continue to be subject to state of Alaska competitive bidding regulations and code provisions:

- Must be a fair and equitable process
- Must maintain confidentiality of competitive information
 - CBS staff and Assembly members are not to share information that might advantage or disadvantage any party.

We will continue to reinforce these legal requirements as we move forward with the process and will consult with legal counsel to gain necessary and appropriate clarification.

Consultants' Commitment

- Maintain objectivity and adhere to purpose and process adopted by CBS Assembly
- Evaluate and critically review RFP responses and updates against Assembly principles and objectives
- Increase overall level of communication/involvement with CBS Assembly and public
- Solicit input from Assembly members and provide responses/report back to Assembly
- Provide objective feedback to public comments and inquiry

RFP Process & Timeline

- RFP release date: March 30, 2018
 - Preliminary Intent to Respond: April 16, 2018
 - Due date for proposals: May 18, 2018
 - Notice date of selected proposers: June 6, 2018
 - Finalist site visits: July 11-12, 2018
 - Due date for expanded proposals: July 27, 2018
 - Finalist oral presentations: August 13, 2018
 - Town Hall meeting for community members: August 16, 2018
 - Selection date of preferred proposer: August 28, 2018
- } Completed

Finalist Site Visits: July 11-12, 2018

Purpose:

- Introduction and information-gathering for proposers
- Q&A session with SCH management
- Proposers to meet with consultants and CBS staff to debrief and answer questions on process

Participants:

- 3 organizations that have agreed to move to Phase 2
- SCH management and board representative(s)
- CBS consultants and staff

Process:

- Tour of hospital and clinic
- Meetings with management
- Debrief with consultants and CBS staff



Due Date for Expanded Proposals: July 27, 2018

Purpose:

- Respondents refine proposals based on information gathered from site visits
- Proposers to present “best and final offer” by July 27, 2018

Participants:

- Phase 2 proposers
- Consultants and CBS management
- CBS Assembly

Process:

- Consultants communicate w/proposing firms to answer any questions through proposal refinement process
- Proposing firms to revise and submit “best and final offer” (subject to further Phase 3 negotiations)
- Consultants to summarize and report proposal changes to CBS management and Assembly
- Assembly to discuss terms and conditions of final proposals



Finalist Oral Presentations: August 13, 2018

Purpose:

- Presentation by 3 proposers to CBS Assembly highlighting proposal terms and conditions
- Opportunity for Assembly members to ask questions of proposing firms

Participants:

- Proposing firms
- CBS Assembly (Work Session)
- Public (observer role – active participation in Town Hall to follow)

Process:

- Each proposing firm to present to CBS Assembly highlighting how their proposal responds to the goals and principles established by the Assembly
- Q & A time for CBS Assembly members to ask proposing firms clarifying questions
- Public comment



Town Hall Meeting for Community: August 16, 2018

Purpose:

- Gain public insight into proposing firms proposals

Participants:

- City of Sitka community members
- CBS management and consultants
- CBS Assembly
- External facilitator

Process:

- Facilitated session to gain community input on pros and cons of individual proposals
- Summarize and show side-by-side comparisons of proposals
- Consultants to gather community comments and observations
- Consultants to subsequently submit a report to CBS Assembly related to significant community observations



Selection Date of Preferred Proposer: August 28, 2018

Purpose:

- CBS Assembly to discuss final proposals and community observations
- CBS Assembly to select one proposer to move to Phase 3 negotiations

Participants:

- CBS Assembly
- Public (observer role)

Process:

- Prior to this meeting, CBS management and consultants to submit report to Assembly addressing any questions raised by the Assembly and responding to community comments and observations
- CBS Assembly to discuss all information presented and address overall responsiveness of proposals to Assembly goals and principles
- CBS Assembly to make decision on one proposer to move to Phase 3 negotiations



Sitka Community Hospital RFP For Affiliation
RFP Process & Timeline for CBS Assembly
(June 23, 2018)

RFP Process & Timeline:

- RFP release date: March 30, 2018
- Preliminary Intent to Respond: April 16, 2018
- Due date for proposals: May 18, 2018
- Notice date of selected proposers: June 6, 2018
- Finalist site visits: July 11-12, 2018
- Due date for expanded proposals: July 27, 2018
- Finalist oral presentations: August 13, 2018
- Town Hall meeting for community members: August 16, 2018
- Selection date of preferred proposer: August 28, 2018

(Blue text = completed)

Milestone (Date)	Purpose/Objectives	Participants	Process
Finalist site visits (July 11-12, 2018)	<ul style="list-style-type: none"> • Introduction and information-gathering for proposers • Q&A session with SCH management • Proposers to meet with consultants and CBS staff to debrief and answer questions on process 	<ul style="list-style-type: none"> • 3 organizations that have agreed to move to Phase 2 • SCH management and board representative(s) • CBS consultants and staff 	<ul style="list-style-type: none"> • Tour of hospital and clinic • Meetings with management • Debrief with consultants and CBS staff
Due date for expanded proposals (July 27, 2018)	<ul style="list-style-type: none"> • Respondents refine proposals based on information gathered from site visits • Proposers to present “best and final offer” by July 27, 2018 	<ul style="list-style-type: none"> • Phase 2 proposers • Consultants and CBS management • CBS Assembly 	<ul style="list-style-type: none"> • Consultants communicate w/proposing firms to answer any questions through proposal refinement process • Proposing firms to revise and submit “best and final offer” (subject to further Phase 3 negotiations) • Consultants to summarize and report proposal changes to CBS management and Assembly • Assembly to discuss terms and conditions of final proposals

Milestone (Date)	Purpose/Objectives	Participants	Process
Finalist oral presentations (August 13, 2018)	<ul style="list-style-type: none"> • Presentation by 3 proposers to CBS Assembly highlighting proposal terms and conditions • Opportunity for Assembly members to ask questions of proposing firms 	<ul style="list-style-type: none"> • Proposing firms • CBS Assembly (Work Session) • Public (observer role – active participation in Town Hall to follow) 	<ul style="list-style-type: none"> • Each proposing firm to present to CBS Assembly highlighting how their proposal responds to the goals and principles established by the Assembly • Q & A time for CBS Assembly members to ask proposing firms clarifying questions • Public comment
Town Hall meeting for community members (August 16, 2018)	<ul style="list-style-type: none"> • Gain public insight into proposing firms proposals 	<ul style="list-style-type: none"> • City of Sitka community members • CBS management and consultants • CBS Assembly • External facilitator 	<ul style="list-style-type: none"> • Facilitated session to gain community input on pros and cons of individual proposals • Summarize and show side-by-side comparisons of proposals • Consultants to gather community comments and observations • Consultants to subsequently submit a report to CBS Assembly related to significant community observations
Selection date of preferred proposer: August 28, 2018	<ul style="list-style-type: none"> • CBS Assembly to discuss final proposals and community observations • CBS Assembly to select one proposer to move to Phase 3 negotiations 	<ul style="list-style-type: none"> • CBS Assembly • Public (observer role) 	<ul style="list-style-type: none"> • Prior to this meeting, CBS management and consultants to submit report to Assembly addressing any questions raised by the Assembly and responding to community comments and observations • CBS Assembly to discuss all information presented and address overall responsiveness of proposals to Assembly goals and principles • CBS Assembly to make decision on one proposer to move to Phase 3 negotiations



CITY AND BOROUGH OF SITKA

Legislation Details

File #: RES 18-13 Version: 1 Name:

Type: Resolution Status: AGENDA READY

File created: 6/20/2018 In control: City and Borough Assembly

On agenda: 6/26/2018 Final action:

Title: Increasing permanent and temporary moorage rates and other harbor fees and charges

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and Memo Res 2018-13.pdf](#)
[Res 2018-13.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve Resolution 2018-13 on
first and final reading.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

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

From: Jay Sweeney, Chief Finance and Administrative Officer, Melissa Haley,
Controller, Stan Eliason, Harbormaster

Date: 20 June 2018

Subject: Approval of Resolution 2018-13 FY2019 Rate Increase for Moorage

The harbor fund has more unrestricted working capital available than any other CBS enterprise fund (approximately 5.4 million), but it also has the highest need for capital investment over the next 5 years (approximately 22.7 million) and significant needs beyond that. At one time there was a high expectation that the state would bear a more significant part of the burden of repairing the harbors that were transferred from state to CBS ownership, however, while some funding is still coming through, it is limited and our forward looking fiscal models show a middle-of-the road forecast in which some grant funding is still made available in the future, but not what had been anticipated in the past.

The primary goals for the Harbor Fund during the next year are to:

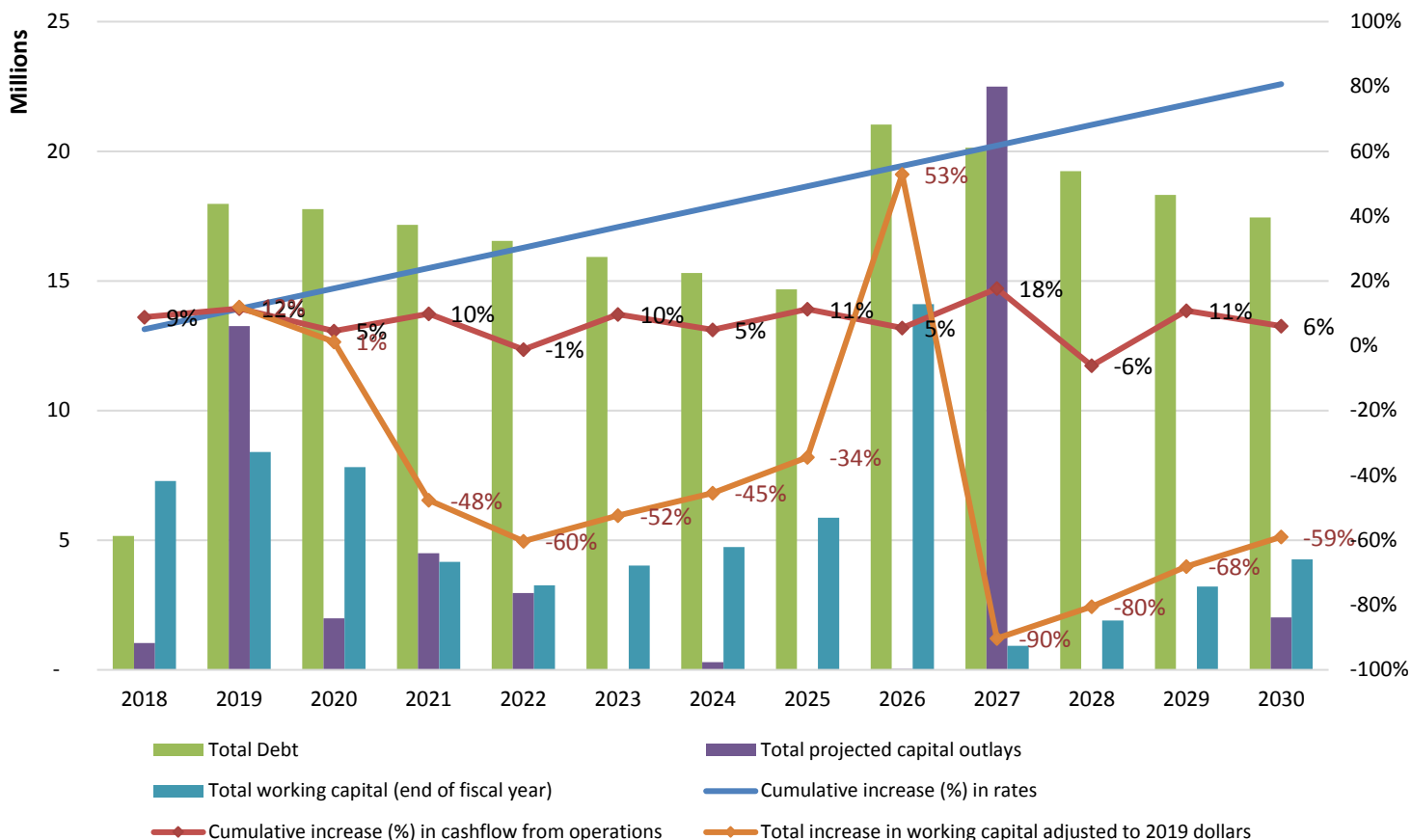
- Move forward with the Crescent Harbor rehabilitation project, for which some grant funding is available, but for which bonding will also be necessary. As we have a limited amount of time to spend the grant funds, we must bond this fall in order to provide the matching grant funds and to meet the timing restrictions of the grant or we will lose grant funding. The proposed rate increase is necessary to demonstrate that we have sufficient cash flow to pay for the debt services of the bond.
- Continue to plan for even more significant future infrastructure needs (especially the eventual replacement of Eliason Harbor).
- Continue to analyze options for revenue generation outside of basic moorage fees.

Below is an example demonstrating the total increased cost of various scenarios which could be applicable to harbor users in Sitka:

Example of typical service	Total additional cost (proposed rate increase)
Monthly moorage of a 20ft skiff	\$4.20
Monthly moorage of a 40ft vessel	\$8.40
Quarterly bill amount for 20ft skiff	\$12.60
Quarterly bill amount for 40ft vessel	\$25.20

Below is the graphical presentation of the fiscal model that staff used to determine the rates necessary today to ensure the future viability of the fund:

Harbor Fund fiscal model



As the chart above shows, future rate increases are necessary to maintain our current infrastructure, be able to contribute some of the fund's own resources to infrastructure needs, and also be able to pay for future debt that will be needed to keep the harbors viable.

The rate increase for most services is 6.3%, as has been planned. However, based from feedback from consultants, the rate per foot for the O'Connell Bridge dock will be doubled (once repairs have been made).

Category	Service Type	Monthly Price increase	Notes
Permanent	Vessels 20 feet and under if paid in advance	\$0.15	Per foot/month
Permanent	All vessels	\$0.21	Per foot/month
Transient	Vessels up to 80 feet	\$0.06	Per foot/day
Transient	Vessels 81-150 feet	\$0.11	Per foot/day
Transient	Vessels greater than 150 feet	\$0.17	Per foot/day
Transient	Monthly permit up to 150 feet	\$1.11	Per foot/month
Transient	Monthly permit over 150 feet	\$1.66	Per foot/month
Reserved	Eliason Harbor end ties	\$0.19	Per foot/day
Reserved	O'Connell Bridge tender dock	\$5.51	Per foot/day

CITY AND BOROUGH OF SITKA, ALASKA

RESOLUTION NO. 2018-13

**A RESOLUTION OF THE CITY AND BOROUGH OF SITKA INCREASING
PERMANENT AND TEMPORARY MOORAGE RATES AND OTHER HARBOR FEES
AND CHARGES**

WHEREAS, Sitka General Code Section 13.06.010 Moorage charges and fees, Subsection (A) states, Moorage fees and charges shall be established by resolution and approved by the Assembly; and

WHEREAS, the FY2019 City and Borough of Sitka Consolidated Operating Budget plans for a 6.3% increase in both permanent and temporary moorage rates in FY2019; and

WHEREAS, proposed increases in permanent and temporary moorage rate were discussed in public hearings on the FY2019 City and Borough of Sitka Consolidated Operating Budget; and

WHEREAS, expense inflation in the national and Alaskan economies has increased the cost of providing certain other harbor-related services and a corresponding adjustment in related user fees is appropriate.

NOW, THEREFORE, BE IT RESOLVED that the Assembly of the City and Borough of Sitka, Alaska, hereby approves the following permanent and temporary moorage charges, and other harbor-related charges, effective as stated:

Permanent Moorage (effective July 1, 2018) –

Vessels 20 feet in length and under \$2.62 per foot per month, if owners pay in advance for one year

All other Vessels \$3.51 per foot per month

Transient Moorage (effective July 1, 2018) –

Vessels up to eighty feet in length \$1.09 per foot per day

Vessels eighty-one feet to one hundred fifty feet in length \$1.86 per foot per day

Any vessel greater than one hundred fifty feet in length \$2.80 per foot per day

A 25% credit in daily transient moorage will be given to any commercial vessel actively loading or unloading fish and which produces a fish ticket or processor contract. The credit will be good for up to 10 days per fish ticket or contract.

Monthly Transient Permit Moorage (effective July 1, 2018) –

Vessels up to one hundred fifty feet in length \$18.69 per foot of overall length

Vessels over one hundred fifty feet in length \$28.02 per foot of overall length

Eliason Harbor end ties (effective July 1, 2018) –

All vessels \$3.22 per foot per day

O'Connell Bridge Facility (effective July 1, 2018) –

All vessels \$11.02 per foot per day, when available

Vessel Wait List

Vessels on the wait list shall be charged \$3.51 per foot of the overall vessel length, per month, payable in advance, quarterly. The fee paid to get on the wait list is equal to a quarter's moorage and is non-refundable and does not get applied to moorage.

Other Fees (effective July 1, 2018):

Water From Port Facility -

- \$0.92 per 1,000 gal. - 0 to 33,300 (\$25.00 minimum)
- \$0.85 per 1,000 gal. - 33,301 to 90,000
- \$0.73 per 1,000 gal. - 90,001 to 270,000
- \$0.61 per 1,000 gal. - 270,001 to 410,000
- \$0.37 per 1,000 gal. - 410,001 to 800,000

Transient Electricity

- 30 amp - \$7.00/day
- 50 amp - \$15.00/day

Solid Waste Dumpster Service - \$210.45 (upon request or if one entity fills it completely)

Harbor Staff labor- \$56.00 per hour ½ hour minimum. Impound Fee - \$51.25

Pumping - \$51.25

Towing - \$102.50 plus labor

Launch Ramp Fees - \$6.00 in, \$6.00 out, or a yearly permit is \$77.00 (calendar year)

87 Emergency dewatering - \$51.25 (gas operated pump or sump pump plus labor)

88 Dewatering pump rental (110 volt sump) \$100.00 deposit, \$6.00 per day, not to
89 exceed 3 days.

90 Other charges:

- 91 • Absorbent materials - Oil pads 1 bale \$66.50 or \$.70 each.
92 • Sausage boom - 5"x10' bale \$118.00

93
94 **PASSED, APPROVED AND ADOPTED** by the Assembly of the City and Borough of Sitka, Alaska
95 on this 26th day of June, 2018.

96
97
98
99
100 _____
101 Matthew Hunter, Mayor

102 ATTEST:

103
104
105 _____
106 Sara Peterson, MMC
107 Municipal Clerk

108
109 1st and final reading 6/26/18



CITY AND BOROUGH OF SITKA

Legislation Details

File #: RES 18-14 Version: 1 Name:

Type: Resolution Status: AGENDA READY

File created: 6/20/2018 In control: City and Borough Assembly

On agenda: 6/26/2018 Final action:

Title: Increasing transient float plane rates and fees

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Memo and Res 2018-14.pdf](#)
[Float plane map.pdf](#)
[Minutes Port and Harbors.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve Resolution 2018-14 on
first and final reading.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

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

KB

From: Stan Eliason, Harbormaster

Date: June 20, 2018

Subject: Approval of Resolution 2018-14

At its regular meeting of May 9, 2018, the Port and Harbors Commission recommended increasing the daily float plane transient rate from \$5.00 per day to \$20.00 per day. There will be no charge if docked under one hour.

Similar to boat stalls, we have float plane pads that are available to transient planes. When the tenant is vacant or if a pad is unassigned, we will use it for visiting planes.

The recommended rate increase is more reflective of what other Alaskan communities charge, as noted below.

Homer \$64.80

Cordova \$33.95

Seldovia \$26.90

Seward \$26.25

Haines \$15.00

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 2018-14

**A RESOLUTION OF THE CITY AND BOROUGH OF SITKA INCREASING
TRANSIENT FLOAT PLANE RATES AND FEES**

WHEREAS, Sitka General Code Section 13.06.010, entitled "Moorage charges and fees", states, "There is established, determined, and levied upon all vessels and waterborne structures moored, tied to, or in any other way attached by rope, cable, gangplank or other means to any float, piling, dock, mooring buoy or other harbor improvement which is owned, constructed, maintained or operated by the city and borough of Sitka a rental charge and/or fee for the privilege and use of such facilities. The charges and fees shall be reviewed annually by the port and harbors commission in the month of January." Subsection A states; "Moorage fees and charges shall be established by resolution and approved by the Assembly"; and

WHEREAS, the Ports and Harbor Commission has reviewed at its regular meeting of May 9, 2018, the transient float plane rates and fees established under SGC 13.06.010 and has established by resolution increased transient float plane rates which it seeks approval by the Assembly.

NOW, THEREFORE, BE IT RESOLVED that the Assembly of the City and Borough of Sitka, Alaska, hereby approves the following moorage charges and fees, effective as stated:

Transient Float Plane rates (effective July 1, 2018):

Float Plane rate is \$20.00 per day or portion of a day
(no charge if moored under one hour)

PASSED, APPROVED AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska on this 26th day of June, 2018.

Matthew Hunter, Mayor

ATTEST:

Sara Peterson, MMC
Municipal Clerk

1st and final reading 6/26/18



Sitka Port and Harbors Commission Minutes

Wednesday, May 9, 2018 6:15PM

Harrigan Centennial Hall

Port and Harbors Commission Members:

Josh Arnold, Ken Creamer, Melissa Greenhalgh, Dave Gordon,
Michael Nurco, Brendan Jones, Shauna Thornton
Aaron Bean: Assembly Liaison

I. CALL TO ORDER

Chair Nurco called the meeting to order at approximately 6:15pm.

II. ROLL CALL

Present: Chair Michael Nurco, Ken Creamer, Shauna Thornton, Dave Gordon, Melissa Greenhalgh, Brendan Jones (excused absence), Josh Arnold (unexcused absence)
Assembly Liaison: Aaron Bean (excused absence)

Staff: Harbormaster Stan Eliason, Office Manager Kristi Jones, Office Assistant, Alicia Soto, Administrative Assistant

III. CORRESPONDENCE

Harbormaster, Stan Eliason informed the commission that he had asked other Harbormaster's in Alaska about their commercial float plane rates. He informed the commission of the findings.

IV. AGENDA CHANGES

None.

V. PERSONS TO BE HEARD

Christina Righter, owner and operator of Cummings Taxi informed the commission that she felt the Harbor Office was showing favoritism toward other Taxi companies, due to the fact that her company was last on the Harbor Department list.

VI. APPROVAL OF MINUTES

M – Creamer/S – Gordon moved to approve the April 11, 2018 minutes. Motion carried unanimously.

VII. REPORTS

- 1) **Harbormaster** – Harbormaster Eliason, Informed the commission that the funding from the State of Alaska harbor matching grant program for Crescent was looking more favorable towards the rebuild of Crescent Harbor. Commissioner, Melissa Greenhalgh asked if the Crescent launch ramp would be part of the rebuild. Harbormaster Eliason, explained that the matching grant program only pays for Crescent Harbor infrastructure, however the City of Sitka could apply for Dingle Johnson funding for the launch ramp to be repaired.
- 2) **City Staff** – None.
- 3) **Chair** – None.
- 4) **Assembly Liaison** – None.
- 5) **Other (s)** – None.

VIII. UNFINISHED BUSINESS

1) Sea Plane Base (Katlian St.):

Harbormaster Eliason informed the commission that the City of Sitka has chosen to rebuild the transition plane section of dock in-house. The dock should be finished by the end of this month.

IX. NEW BUSINESS

1) Commercial/Transient Float Plane rates:

The Commission discussed transit float plane rates should be increased and the need for better signage. Commissioner Shauna Thornton, thought the discussion should be tabled till the fall meeting in September. The commission felt there should be a 1 hour max for transient commercial planes and that signage display the Harbor Department phone number and address.

M- Creamer/S- Gordon made a motion to raise the daily transient float plane rate from \$5.00 per day to \$20.00 a day. Motion carried unanimously.

X. SET NEXT MEETING DATE AND AGENDA ITEMS

- 1) The next regular meeting would be held Wednesday, September 12, 2018 at 6:15pm.
- 2) Agenda Items for the next meeting.

XI. ADJOURNMENT

M – Creamer/S – Gordon made a motion that the meeting be adjourned. Motion carried unanimously. Meeting adjourned at 7:32pm

Attest:
Chuck Hackett, Deputy Harbormaster



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 18-114 Version: 1 Name:

Type: Item Status: AGENDA READY

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

On agenda: 6/26/2018 Final action:

Title: Approve a lease agreement between Trident Seafoods Corporation and the City and Borough of Sitka for Block 4, Lot 6 of the Gary Paxton Industrial Park

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and Memo Trident Lease.pdf](#)
[Lease TRIDENT LOT 6 Final.pdf](#)
[Trident Lot 6 lease exhibit A001.pdf](#)
[Trident Entity details.pdf](#)
[2016useplan 11.02.16.pdf](#)
[GPIPstrategicplan2017approved.pdf](#)
[2018 LOI Business Proposal GPIP 3.pdf](#)
[GPIP Mtg051018Minutes.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve, as recommended by the Gary Paxton Industrial Park Board, a lease agreement between Trident Seafoods Corporation and the City and Borough of Sitka for Block 4, Lot 6 of the Gary Paxton Industrial Park and authorize the Municipal Administrator to execute this document.



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

Tuesday, June 5th, 2018

MEMORANDUM

To: Keith Brady – CBS Administrator
From: Garry White, Director
Subject: Trident Seafoods Lot 6 Lease Request

Introduction

Trident Seafoods Corporation is requesting to lease a portion of Lot 6 of the Gary Paxton Industrial Park (GPIP) for staging and storing of fishing equipment. Please see the attached request from Trident.

The GPIP Board met on May 10th and approved the following motion:

MOTION: M/S Bevan/Jones Moved to recommend the City and Borough of Sitka Assembly lease 34,860 square feet of Lot 6 to Trident Seafoods for a term of 3 years at a rate of \$14,120.00 annually, with no buying option and no extension.

ACTION: Motion PASSED 5/0

Yes: 5 – Finkenbinder, Jones, Bevan, Wagner, Unger.

Background

Trident Seafood Company is a large seafood processing company based out of Seattle, Washington. Trident has processing plants in SE Alaska.

Lease Terms

The GPIP Board of Directors is recommending to lease 34,860 SF of Lot 6 to Trident Seafoods for 36 months for an annual payment of \$14,120 a year.

Lot 6 is a 41,028 SF parcel of raw property located in the northern portion of the park. Currently, 6,165 SF of lot 6 is leased to Sitka Bike and Hike on a month to month basis.

$41,028 \text{ SF} - 6,165 \text{ SF} = 34,863 \text{ SF}$ of remaining space on Lot 6 to lease.

Rent

Lot 6 was appraised in 2014 at a value of \$184,626 or \$4.50/SF. The CBS Assessor suggests an increase in the value of property for 2018 at a value of \$255,200 or \$6.22/SF

$34,863 \text{ SF} @ \$6.22/\text{SF} = \$216,853$

$\$216,853 @ 9\% \text{ return on asset value} = \$19,517 \text{ annually or } \$1,626.40/\text{month}$

The GPIIP Board is recommending leasing the property for \$14,120 based off the property value in 2014.

34,863 SF @ \$4.50/SF = \$156,884

\$156,884 @ 9% return on asset value = \$14,120 annually

(The GPIIP Board typically tries to achieve a 9% return annually on the value of the property asset in rental amount. Rent is adjusted based on activity, business establishment, and job creation.)

Additional Information

The GPIIP Board's 2017 Strategic Plan for the development of the GPIIP calls for Lot 6 to be designated for future private or public development to support maritime industry. The Board is recommended a 3 year term to allow time for the maritime industry to develop at the site and then determine the best use for lot 6 and job creation.

Action

- Assembly approval of the attached lease between the CBS and Trident Seafood Company.



LEASE AGREEMENT

BETWEEN

**THE
CITY AND BOROUGH OF
SITKA, ALASKA**

AND

**TRIDENT SEAFOODS CORPORATION
BLOCK 4, LOT 6, GPIP**

**LEASE AGREEMENT
BETWEEN
CITY AND BOROUGH OF SITKA, ALASKA
AND
TRIDENT SEAFOODS CORPORATION**

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**LEASE AGREEMENT
BETWEEN
CITY AND BOROUGH OF SITKA, ALASKA
AND
TRIDENT SEAFOODS CORPORATION**

PREAMBLE

This Lease Agreement ("Lease") between City and Borough of Sitka, Alaska and Trident Seafoods Corporation is effective upon execution of the Lease by both Parties, City and Borough of Sitka, Alaska, 100 Lincoln Street, Sitka, Alaska 99835 ("Sitka" or "Lessor") and Trident Seafoods Corporation, 5303 Shilshole Avenue NW, Seattle, Washington 98107-4000 ("Lessee"). This Lease consists of the Special Provisions, the General Provisions, and the attached Exhibit A, which is a pictorial representation of the area leased- Block 4, Lot 6, consisting of approximately 34,863 square feet of raw land.

SPECIAL PROVISIONS

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

Section 1.1 Conveyance of Estate in Lease.

Lessor, for and in consideration of the Rents received and of the covenants and agreements made by Lessee, does lease to Lessee, and Lessee leases from Lessor, the "Subject Property" as shown on Exhibit A.

Section 1.2 Lease Term.

The Lease term is for three (3) years and commences on July 1, 2018, and ends on June 30, 2021, unless sooner terminated or extended as provided in this Lease.

Section 1.3 [RESERVED]

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

With the exception of such improvements described in the next sentence, Lessee shall remove from the Subject Property any personal property or improvements constructed, installed, or deposited on the Subject Property at the termination of this Lease or any extension unless Lessee makes a separate written agreement with Lessor to do otherwise. Any improvements or personal property not removed after thirty (30) days have passed after termination of this Lease shall be deemed abandoned, and at Lessor's option, shall become the property of Lessor. Lessee shall repay to Lessor any costs of removing such improvements or personal property from the Subject Property if Lessor does not exercise such option. Subject to Lessor's obligations under Subsection 3.1 below, Lessee agrees to leave Subject Property in a neat and clean condition at the end of the Term of the Lease.

Section 1.5 Covenants to Perform.

This Lease is made upon the above and the following terms and conditions, each of which the Party bound by such covenants and conditions agrees to perform, irrespective of whether the particular provision is in the form of a covenant, an agreement, a condition, a direction, or otherwise, and each Party agrees to provide the other Party with documents or further assurances as may be required to carry out the expressed intentions.

ARTICLE II RENT

Section 2.1 Calculation and Method of Payment of Rent During the Initial Term of the Lease.

The first year of the Lease begins on the commencement date of this Lease set out in Article I. Each successive year of the Lease begins on the corresponding anniversary commencement date of the Lease. Notwithstanding any other provision of this Lease, Lessee shall pay Rent each year in advance on the commencement date of this lease and on each successive year during the term of this Lease on the corresponding anniversary commencement date of this Lease at a rate of \$14,120.00/year. The Rent will be adjusted annually on June 30 of each year based on the change in the previous December's Consumer Price Index for "Urban Wage Earners and Clerical Workers" for Anchorage.

Section 2.2 [RESERVED]

Section 2.3 [RESERVED]

Section 2.4 Property Tax Responsibility.

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

ARTICLE III RESTRICTIONS UPON USE OF SUBJECT PROPERTY

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

(a) Except as otherwise provided in this Lease, Lessee acknowledges the leasehold is in an "as is" condition. At the sole cost and expense of Lessee and in compliance with all legal requirements, and subject to Section 3.2, Lessee may purchase, construct, develop, repair, transfer to the Subject Property, and/or maintain any improvements, personal property, fixtures, and other items on the Subject Property in a first-class manner using materials of good quality.

Lessor shall maintain the Subject Property and any Lessor provided equipment. Lessor reserves the right to expand or modify the Subject Property. In that event, Lessor and Lessee will work together to complete such expansion or modification in a manner that minimizes disruption to Lessee's use of the Subject Property. Some anticipated disruptions could be interruption in utilities (e.g. power, water), and operational disturbances from noise, dust and other construction activities.

(b) Lessee acknowledges that Lessor has made no representation or warranty with respect to Lessee's ability to obtain any permit, license, or approval.

(c) Lessee shall also use the Subject Property and any improvements placed on the Subject Property only for lawful uses and as specified in the Lease and only for permitted and approved conditional uses subject to the Sitka General Code, Title 22.

(d) Lessee shall confine its equipment, storage and operation to the Subject Property.

(e) Lessee shall not permit the accumulation of waste or refuse matter on the Subject Property, and Lessee shall not obstruct or permit the obstruction of the streets, sidewalks, access ways, or alleys adjoining the Subject Property, except as may be permitted by Lessor or other municipal authorities having jurisdiction. Lessee shall do all things necessary during the term of this Lease to remove any dangerous condition from time to time existing on the Subject Property as the result of the use by Lessee.

(f) Lessee may erect outdoor signage at its expense with the written permission of Lessor Building Official and the Public Works Director. The style, size and physical placement location of the sign will be approved on a case-by-case basis.

Section 3.2 Lessor's Approval of Certain Improvements or Alterations.

Lessee shall not make or permit to be made any structural improvements or alteration of, addition to, or change in, structures and improvements, nor demolish all or any part of the structures or improvements without the prior written consent of Lessor, which consent shall not be unreasonably withheld. The phrase "structures and improvements" in the previous sentence includes water and wastewater systems and electrical systems. In requesting consent, Lessee shall comply with all applicable laws and ordinances, and shall submit to the Lessor's Public Works Director, or his or her written designee, detailed plans and specifications of proposed work, an explanation of the needs and reasons for the work, and a plan of full payment of the costs of the work. Lessor shall notify Lessee of its approval or objections no later than 30 days after receiving the information described in the previous sentence. In approving or objecting, Lessor shall be acting in its proprietary function and not its regulatory function, any such approval in this proprietary function does not relieve Lessee of any obligation to obey the law. Nothing in this Section shall be interpreted to prevent Lessee from removing at the termination of this Lease any improvements or personal property as described in Section 1.4.

Section 3.3 Rights of Access to Property

(a) Lessor reserves for itself and any public utility company the right to access the Subject Property at all reasonable times in a reasonable manner for the purposes of opening, inspecting, repairing, replacing, reconstructing, maintaining, or servicing the public utilities, if any, located on the Subject Property, as well as for the purposes of constructing or installing new public utilities. Lessor also reserves for itself and the Alaska Department of Environmental Conservation the right to access the Subject Property at all reasonable times in a reasonable manner for the purposes of regulation and enforcement of this Lease. Lessor also reserves for itself the right to access the Subject Property at all reasonable times in a reasonable manner for the purposes of (1) inspection of all work being performed in connection with the construction of improvements; (2) showing Subject Property or exhibiting Subject Property in connection with renting or leasing Subject Property in a matter that will not unreasonably interfere with Lessee's business; and (3)

placing "For Sale" or "For Rent" signs on Subject Property. Lessee shall not charge for any of the access allowed in the situations described in this subsection.

(b) Lessee shall not construct any permanent improvements over or within the boundary lines of any easement for public utilities without receiving the written prior consent of Lessor and any applicable utility company.

(c) Lessee acknowledges that the Subject Property is or shall be subject to agreements for ingress and egress, utilities, parking, and maintenance. Lessee agrees that it shall comply with the terms of such cooperative agreements, in accordance with the terms of such agreements, those portions of such maintenance expenses that are attributable to the Subject Property, as more fully set forth therein.

Section 3.4 Additional Conditions of Lease.

Lessee recognizes and shall cause all beneficiaries of Lessee and all permitted successors in interest in or to any part of the Subject Property to recognize that:

(a) Lessee will cooperate with Lessor and will notify Lessor of any maintenance deficiencies that require maintenance or repair. Lessee will be provided a 24 hour telephone number to notify Lessor of any event that requires immediate response by Lessor.

(b) Lease payments will be made in annual installments in advance in cash or by check, bank draft or money order made available to the City and Borough of Sitka, Alaska. Lease payments to be delivered or mailed to 100 Lincoln Street, Sitka, Alaska 99835.

(c) Lease payments shall become delinquent if not paid within ten (10) days after the due date. Delinquent payments are subject to a late charge of \$25 and interest accrued from the due date at 12% per annum.

(d) The charges and fees paid by Lessee to Lessor must be separated according to Lessor's accounting standards.

(e) Lessor will only invoice if Lease payments are delinquent. Lessor will only invoice if failure to make Lease payment within thirty (30) days of due date. Lessor, at its option, can terminate the Lease for Lessee's failure to make any delinquent payment within fifteen (15) days of mailing an invoice by Lessor to Lessee, and in accordance with this Lease.

(f) Lessee covenants and agrees that as it relates to use of the Subject Property, it will not, on the grounds of race, color or national origin, discriminate or permit discrimination against any person or group of person in any manner prohibited by Federal, State or local laws or regulations promulgated under such laws, and Lessee further grants Lessor the right to take such action to enforce such covenant as it deems necessary or as it is directed pursuant to any Federal, State or local laws or regulations.

(g) Lessor may, upon at least ten (10) days prior written notice to Lessee, temporarily suspend the supply of water, wastewater service, the supply of electric power, the use of pipelines, or the use

of the Improvements in order to perform routine maintenance and, in all events, subject to unavoidable delays. Such interruptions shall be of as short duration as necessary to perform such maintenance, and Lessor shall not be responsible for any such costs or expenses as a result of suspending such utilities.

(h) Lessee shall timely pay the Lessor Fire Marshal or Building Inspector fees and other building permit fees, and shall also timely file and pay all applicable property taxes and assessments. These include any Local Improvement District costs that may be assessed.

(i) Lessee shall be responsible for taking any measures that Lessee deems necessary to provide security for their property. Lessor is not responsible for theft or vandalism.

(j) Lessor sales tax applies to Rent. Sales tax rates, limits, exemptions, and exclusions are subject to change by Lessor Assembly.

(k) Lessee shall timely pay all other Lessor billings (i.e., utilities, taxes, etc.).

(l) Failure of Lessee to file and pay such Lessor taxes, and pay utilities, assessment payments, and all other Lessor billings, may subject this Lease to be terminated.

Section 3.5 Control of Rodents and Other Creatures on Subject Property.

Lessee shall take reasonable affirmative measures to ensure that its operations do not attract to Subject Property any of the following creatures: rodents, vermin, insects, eagles, crows, ravens, seagulls, mink, otters, or bears.

ARTICLE IV UTILITY SERVICES AND RATES

Section 4.1 Provision of Utility Services.

Lessee will pay for utilities, if available.

Section 4.2 Rates for Utility Services Provided by Lessor.

Utility rates charged by Lessor for utility services shall be those set forth in Sitka's Customer Service Policies and/or Sitka General Code. Lessee acknowledges the requirements of Section 9.4 as to utility lines. The Sitka Assembly may change utility rates from time to time by amending the Customer Service Policies and/or Sitka General Code.

Section 4.3 Lessee to Pay for Utility Services.

Lessee will pay, or cause to be paid, all proper charges for any of the following, if available: electricity and solid waste; sewer and water; and for all other public or private utility services, which shall be used by or supplied to the Subject Property at any time during the Term of this Lease. In the event that any charge, cost, or expense for any of the above-mentioned utility services or for any of the other above-mentioned services shall not be paid when due and payable, Lessor shall have the right, but shall not be obligated, to pay it, with the understanding that amounts paid by Lessor shall constitute additional Rent due and payable under this Lease, and shall be repaid to Lessor by Lessee immediately on rendition of a bill by Lessor. Interest at the highest rate allowable by law shall be added as a charge for unpaid utility bills paid by Lessor on behalf of Lessee. Lessor

reserves the right to suspend utility services if Lessee does not pay for utility services. Failure to timely pay utility services may also result in Lessor terminating this Lease.

Section 4.4 Lessor Not Liable for Failure of Utilities.

Except to the extent that any such failure, injury, or other casualty is due to Lessor's negligence or breach of any obligation under this Lease, Lessor shall not be liable for any failure of water supply, sewer, or electric current, or for any injury or damages to person or property caused by or resulting from any natural disaster, natural condition, gasoline, oil, steam, gas, electricity, or hurricane, tornado, flood, wind or similar storms or disturbances, or water, rain, or snows which may leak or flow from the street, or the Subject Property, or leakage of gasoline or gas from pipes, sewer, or plumbing works or from any other place. Lessor shall not be held responsible or liable for any claim or action due to or arising from any suspension of operation, breakage, unavoidable accident or injury of any kind occurring to, or caused by the sewer mains by an act of God or Nature, beyond Lessor's control, or caused by the elements, strikes, riots, or a terrorist or terrorists.

Section 4.5. Requirement Regarding Potable Water Services.

All potable water services will be metered and protected by approved backflow prevention in accordance with Customer Service Policies and/or Sitka General Code.

ARTICLE V LIABILITY

Section 5.1 Limits on Lessor Liability Limitation.

Lessee agrees to indemnify, defend, and hold harmless Lessor against and from any and all claims by or on behalf of any person, firm, or entity arising, other than due to acts or omissions of Lessor, from the conduct or management of or from any work or thing whatsoever done in or about the Subject Property and structures and improvements, including liability arising from products produced on the property. Lessee also agrees to indemnify, defend, and save Lessor harmless against and from any and all claims and damages arising, other than due to acts or omissions of Lessor, during the term of this Lease from: (a) any condition of the Subject Property or improvements placed on it by Lessee; (b) any breach or default on the part of Lessee regarding any act or duty to be performed by Lessee pursuant to the terms of this Lease; and (c) any act or negligence of Lessee or any of its agents, contractors, servants, employees or licensees. Lessee agrees to indemnify, defend, and hold harmless Lessor from and against all costs, counsel and legal fees, expenses, and liabilities incurred, other than due to acts or omissions of Lessor, in any claim or action or proceeding brought asserting claims of or asserting damages for any alleged act, negligence, omission, conduct, management, work, thing, breach, default, accident, injury, or damage described in the previous two sentences. The above agreements of indemnity are in addition to and not by way of limitation of any other covenants in this Lease to indemnify or compensate Lessor. The agreements of indemnity by Lessee do not apply to any claims of damage arising out of the failure of Lessor to perform acts or render services in its municipal capacity.

Section 5.2 Limits on Lessee Liability.

Except to the extent of liabilities arising from Lessee's acts or omissions, Lessor indemnifies, defends, and holds Lessee harmless for liabilities to the extent that they were incurred by reason of conditions existing on the site as of the date of execution of this Lease or by reasons of Lessor's acts or omissions. Lessor also agrees to indemnify, defend, and save Lessee harmless against and

from any and all claims and damages arising, other than due to acts or omissions of Lessee, during the term of this Lease from (a) any condition of the Subject Property or improvements placed on it; (b) any breach or default on the part of Lessor regarding any act or duty to be performed by Lessor pursuant to the terms of the Lease; and (c) any act or negligence of Lessor or any of its agents, contractors, servants, employees, or licensees. Lessor agrees to indemnify, defend, and save harmless Lessee from and against all costs, counsel and legal fees, expenses, and liabilities incurred, other than due to acts or omissions of Lessee, in any claim or action or proceeding brought asserting claims of or asserting damages for any alleged act, negligence, omission, conduct, management, work, thing, breach, default, accident, injury, or damage described in the previous two sentences. The above agreements are in addition to and not by way of limitation of any other covenants in this Lease to indemnify or compensate Lessee.

Section 5.3 Reimbursement of Costs of Obtaining Possession.

Each Party agrees to pay and to indemnify the other Party prevailing in any dispute under this Lease against, all costs and charges, including but not limited to, full reasonable counsel and legal fees lawfully and reasonably incurred in enforcing any provision of this Lease including obtaining possession of the Subject Property and establishing Lessor's title free and clear of this Lease upon expiration or earlier termination of this Lease.

GENERAL PROVISIONS

ARTICLE VI DEFINITIONS

Section 6.1 Defined Terms.

For the purposes of this Lease, the following words shall have the meanings attributed to them in this Section:

- (a) "Event of Default" means the occurrence of any action specified in Section 14.1.
- (b) "Imposition" means all of the taxes, assessments, fees, utility rates or charges, levies and other governmental charges, levied or assessed against the Subject Property; any part of the Subject Property, or any right or interest or any rent, taxes and income received, including sales taxes on rent.
- (c) "Improvements" or "improvements" means all buildings, structures and improvements of any nature now or in the future located upon the Subject Property, as well as all apparatus and equipment necessary for the complete and comfortable use, occupancy, enjoyment and operation of the Subject Property, including fittings, appliances, machinery, garage equipment, heating equipment, lighting equipment, cooling equipment, air conditioning and ventilating equipment, wiring, controls, communications equipment, plumbing, switchboards, antennae, floor coverings, refrigerating equipment, hot water heating and all other appliances and equipment; excepting only in each case articles of personal property appurtenances and fixtures (including trade fixtures) owned by Lessee, sublessees, or others, which can be removed without defacing or materially injuring the improvements remaining on the Subject Property, with the portion of the Subject Property from which such items are removed being returned to a condition at least as good as that existing on the date of this Lease.

(d) "Personal Property" means tangible personal property owned or leased and used by Lessee or any sublessee of Lessee, in connection with and located upon the Subject Property.

(e) "Premises" means the "Subject Property."

(f) "Rent" means the lease rate, which is the amount Lessee periodically owes and is obligated to pay Lessor as lease payments under this Lease for the use of the Subject Property.

(g) "Subject Property" is the area leased as shown on Exhibit A.

(h) "Sublessee" means any sublessee, concessionaire, licensee, or occupant of space in or on the Subject Property holding by or through Lessee; the term "lease" shall mean any lease, license, concession or other agreement for the use and occupancy of any part of the Subject Property made by any Person holding by or through Lessee, which has been approved by Lessor Assembly.

(i) "Term" means the period of time Lessee rents or leases the Subject Property from Lessor.

ARTICLE VII INSURANCE

Section 7.1 Insurance

Lessee shall have and maintain property damage and comprehensive general liability insurance in the amount of one million dollars (\$1,000,000), including leasehold improvements. Lessor shall be named as an additional insured. Additionally, Lessee shall have the statutory amount of any Worker's Compensation insurance.

Section 7.2 Notification of Claim, Loss, or Adjustment

Lessee shall advise Lessor of any claim, loss, adjustment, or negotiations and settlements involving any loss on the Subject Property under all policies of the character described in Section 7.1.

Section 7.3 Waiver of Subrogation

The Party insured (or so required) releases the other Party from any liability the other Party may have on account of loss, cost, damage or expense to the extent of any amount recoverable by reason of insurance and waives any right of subrogation which might otherwise exist in or accrue to any person on account of the following circumstances: (i) any loss, cost, damage or expense resulting from fire, explosion or any other casualty or occurrence is incurred by either of the Parties to this Lease, or anyone claiming under it in connection with the Subject Property or improvements; and (ii) the Party is then covered in whole or in part by insurance with respect to loss, cost, damage or expense or is required under this Lease to be insured. The release of liability and waiver of the right of subrogation shall not be operative in any case where the effect is to invalidate the insurance coverage or increase its cost. In the case of increased cost, the other Party shall have the right, within thirty (30) days following written notice, to pay the increased cost keeping the release and waiver in full force and effect.

ARTICLE VIII RESTRICTIONS REGARDING ASSIGNMENT, LEASES, AND TRANSFERS OF SUBJECT PROPERTY

Section 8.1 Lessee Without Power to Assign, Lease, or Encumber Subject Property.

Lessee has no power without Lessor Assembly approval under this Lease to assign the Lease. Lessee has no power under this Lease to transfer the Subject Property. Lessee has no power to encumber Subject Property or pledge its interest in Subject Property as collateral for a loan or mortgage, or allow any liens to be filed against the Subject Property. Any such actions under this section may cause termination of the Lease.

Section 8.2 Limitations on Leases.

Lessee shall not sublease the Subject Property or any portion of it without the prior written approval of Lessor Assembly. All subleases entered into demising all or any part of the Improvements or the Subject Property shall be expressly subject and subordinate to this Lease. Lessor's consent to a sublease of the Subject Property shall not release Lessee from its obligations under the Lease. Lessor's consent to a sublease shall not be deemed to give any consent to any subsequent subletting.

ARTICLE IX USE AND PROTECTION OF THE SUBJECT PROPERTY

Section 9.1 Property As Is - Repairs.

Lessee acknowledges that it has examined the Subject Property and the present improvements including any public improvements presently located there, and knows the condition of them, and accepts them in their present condition without any representations or warranties of any kind or nature whatsoever by Lessor as to their condition or as to the use or occupancy which may be made of them. Lessee assumes the sole responsibility for the condition of the improvements located on the Subject Property. The foregoing shall not be deemed to relieve Lessor of its general municipal obligations, or of its obligations under Section 3.1 above.

Section 9.2 Compliance with Laws.

Lessee shall throughout any term of this Lease, at Lessee's sole expense, promptly comply with all the laws and ordinances and the orders, rules, regulations, and requirements of all federal, state, and municipal governments and appropriate departments, commissions, boards, and officers and all other legal requirements that may be applicable to the Subject Property and its use. Nothing in the foregoing sentence shall be deemed to relieve Lessee of its general obligations to Lessor in its municipal capacity.

Section 9.3 Notification of Lessor's Public Works Director of Discovery of Contamination.

Lessee shall promptly notify Lessor's Public Works Director within 24 hours if any contaminated soils or other contaminated materials that require special handling are encountered during construction or other activities.

Section 9.4 Use of Utility Lines.

Lessee shall connect or otherwise discharge to such utility lines as approved by the Lessor's Public Works Director and/or Electric Department, and shall obtain any permits and comply with any

conditions specified by the Lessor's Public Works Director and/or Electric Department for such connections.

Section 9.5 Permits and Approvals for Activities.

Lessee shall be responsible for obtaining all necessary permits and approvals, including food processing, for its activities unless otherwise specifically allowed by Lessor. Not less than ten (10) days in advance of applying for permits to any public entity other than Lessor, Lessee shall provide copies of all permit applications and associated plans and specifications to Lessor's Public Works Director to facilitate review by departments of Lessor. Lessor is not obligated to comment on the permit applications and plans, and the result of any review by Lessor does not affect Lessee's obligation to comply with any applicable laws.

ARTICLE X LESSOR'S RIGHT TO PERFORM LESSEE'S COVENANTS; REIMBURSEMENT OF LESSOR FOR AMOUNTS SO EXPENDED

Section 10.1 Performance of Lessee's Covenants To Pay Money.

Lessee covenants that if it shall at any time default resulting in the Lease being in a condition of default as described in Article XIV or shall fail to timely make any other payment (other than Rent), and the failure shall continue for ten (10) days after written notice to Lessee, then Lessor may, but shall not be obligated so to do, and without further notice to or demand upon Lessee and without releasing Lessee from any obligations of Lessee under this Lease, make any other payment in a manner and extent that Lessor may deem desirable.

Section 10.2 Lessor's Right To Cure Lessee's Default.

If there is a default involving the failure of Lessee to keep the Subject Property in good condition and repair in accordance with the provisions of this Lease, to make any necessary renewals or replacements or to remove any dangerous condition in accordance with the requirements of this Lease or to take any other action required by the terms of this Lease, then Lessor shall have the right, but shall not be required, to make good any default of Lessee. Lessor shall not in any event be liable for inconvenience, annoyance, disturbance, loss of business, or other damage of or to Lessee by reason of bringing materials, supplies and equipment into or through the building during the course of the work required to be done to make good such default. The obligations of Lessee under this Lease shall remain unaffected by such work, provided that Lessor uses reasonable care under the circumstances prevailing to avoid unnecessary inconvenience, annoyance, disturbance, loss of business, or other damage to Lessee.

Section 10.3 Reimbursement of Lessor and Lessee.

All sums advanced by Lessor pursuant to this Article and all necessary and incidental costs, expenses and attorney's fees in connection with the performance of any acts, together with interest at the highest rate of interest allowed by law from the date of the making of advancements, shall be promptly payable to Lessor by Lessee in the respective amounts so advanced. This reimbursement shall be made on demand, or at the option of Lessor, may be added to any Rent then due or becoming due under this Lease. Lessee covenants to pay the sum or sums with interest. Lessor shall have, in addition to any other right or remedies, the same rights and remedies in the event of the nonpayment by Lessee as in the case of default by Lessee in the payment of any installment of Rent.

Conversely, Lessee shall be entitled to receive from Lessor prompt payment or reimbursement on any sums due and owing from Lessor to Lessee, together with interest at the highest rate allowed by law. However, nothing contained in this Lease shall entitle Lessee to withhold any Rent due to Lessor or to offset or credit any sums against rent, except with respect to unpaid Rent due from Lessor to Lessee under any sublease of Subject Property.

ARTICLE XI OTHER COVENANTS AND CONDITIONS

Section 11.1 Covenant of Quiet Enjoyment. As long as Lessee performs all of its obligations under this Lease and is not in an Event of Default, Lessee shall peaceably and quietly hold and enjoy the Property for the Term of this Lease and will not be disturbed by Lessor, or by anyone claiming by, through, or under Lessor.

Section 11.2 Condemnation. If all or a substantial part of the Property should be taken under the power of eminent domain, or by a purchase in lieu thereof, by a public, or quasi-public entity, the Rent payable by Lessee shall be proportionately reduced on an equitable basis following the taking and Lessee may terminate this Lease in its discretion. Otherwise, this Lease shall continue in full force and effect and the Rent shall be equitably reduced based upon the reduction in the value of the Property to Lessee. All compensation for the taking shall belong exclusively to Lessor; provided, however, that Lessee shall be entitled to an award for Lessee's moving expenses or other incidental costs incurred by Lessee as a result of the condemnation.

ARTICLE XII MECHANIC'S LIENS

Section 12.1 Discharge of Mechanics' Liens.

Lessee shall neither suffer nor permit any mechanics' liens to be filed against the title to the Subject Property, nor against Lessee's interest in the Subject Property, nor against the improvements by reason of work, labor, services or materials supplied or claimed to have been supplied to Lessee or anyone having a right to possession of the Subject Property or Improvements as a result of an agreement with or the assent of Lessee. If any mechanics' lien shall be filed against the Subject Property, including the Improvements, Lessee shall cause it to be discharged of record within 30 days after the date that Lessee has knowledge of its filing. Failure to comply may subject the Lease to be terminated.

ARTICLE XIII LIEN FOR RENT AND OTHER CHARGES

Section 13.1 Lien for Rent.

The whole amount of the Rent and each and every installment, and the amount of all taxes, assessments, utility payments, insurance premiums and other charges, fees and impositions paid by Lessor under the provisions of this Lease, and all costs, attorney's fees and other expenses which may be incurred by Lessor in enforcing the provisions of this Lease or on account of any delinquency of Lessee in carrying out any of the provisions of this Lease, shall be and they are declared to constitute a valid and prior lien against property of Lessee, except the Subject Property, and may be enforced by law and equitable remedies, including the appointment of a receiver.

ARTICLE XIV DEFAULT PROVISIONS

Section 14.1 Events of Default.

Each of the following events is defined as an "Event of Default":

- (a) Failure of Lessee to pay any installment of Rent, or any other payments or deposits of money, or furnish receipts for deposits as required, when due and the continuance of the failure for a period of fifteen (15) days after notice in writing from Lessor to Lessee.
- (b) Failure of Lessee to perform any of the other covenants, conditions and agreements under this Lease, including filing tax forms and/or payment of taxes, fees, utilities, and the continuance of failure for a period of thirty (30) days after Lessor's notice in writing. The notice shall specify the respects in which Lessor contends that Lessee has failed to perform any of the covenants, conditions and agreements. With respect to any default which cannot be cured within thirty (30) days, Lessee, or any person holding by, through or under Lessee, in good faith, promptly after receipt of written notice, shall have commenced and shall continue diligently and reasonably to prosecute all action necessary to cure the default within an additional sixty (60) days.
- (c) The filing of an application by Lessee (the term, for this purpose, to include any approved transferee other than a sublessee of Lessee's interest in this Lease): (i) for a consent to the appointment of a receiver, trustee or liquidator of itself or all its assets; (ii) of a voluntary petition in bankruptcy or the filing of a pleading in any court of record admitting in writing of its inability to pay its debts as they come due; (iii) of a general assignment for the benefit of creditors; or (iv) of an answer admitting the material allegations of, or its consenting to, or defaulting in answering, a petition filed against it in any bankruptcy proceeding.
- (d) The entry of an order, judgment or decree by any court of competent jurisdiction, adjudicating Lessee a bankrupt, or appointing a receiver, trustee or liquidator of it or of its assets, and this order, judgment or decree continuing unstayed and in effect for any period of sixty (60) consecutive days, or if this Lease is taken under a writ of execution.

Section 14.2 Assumption or Assignment of Lease to Bankruptcy Trustee.

In the event that this Lease is assumed by or assigned to a trustee pursuant to the provisions of the Bankruptcy Reform Act of 1978 (referred to as "Bankruptcy Code") (11 U.S.C. § 101 et seq.), and the trustee shall cure any default under this Lease and shall provide adequate assurances of future performance of this Lease as are required by the Bankruptcy Code (including but not limited to, the requirement of Code § 365(b)(1)) (referred to as "Adequate Assurances"), and if the trustee does not cure such defaults and provide such adequate assurances under the Bankruptcy Code within the applicable time periods provided by the Bankruptcy Code, then this Lease shall be deemed rejected automatically and Lessor shall have the right immediately to possession of the Subject Property immediately and shall be entitled to all remedies provided by the Bankruptcy Code for damages for breach or termination of this Lease.

Section 14.3 Remedies in Event of Default.

Lessor may treat any one or more of the Events of Default as a breach of this Lease. At its option, by serving written notice on Lessee and each Secured Party and Leasehold Mortgagee of whom

Lessor has notice (such notice not to be effective unless served on each such person) of the Event of Default, Lessor shall have, in addition to other remedies provided by law, one or more of the following remedies:

(a) Lessor may terminate this Lease. In such an event, Lessor may repossess the entire Subject Property and Improvements, and be entitled also to recover as damages a sum of money equal to the value as of the date of termination of this Lease, of the Rent due from Lessee for the balance of the stated term of this Lease, and any other sum of money and damages due under the terms of this Lease to Lessor. Any personal property not removed after such termination shall be addressed as provided for in Section 1.4 above.

(b) Lessor may terminate Lessee's right of possession and may repossess the entire Subject Property and Improvements by forcible entry and detainer suit or otherwise, without demand or notice of any kind to Lessee (except as above expressly provided for) and without terminating this Lease. In such event, Lessor may, but shall be under no obligation to do so, relet all or any part of the Subject Property for rent and upon terms as shall be satisfactory in the judgment reasonably exercised by Lessor (including the right to relet the Subject Property for a term greater or lesser than that remaining under the stated term of this Lease). For the purpose of reletting, Lessor may make any repairs, changes, alterations or additions in or to the Subject Property and Improvements that may be reasonably necessary or convenient in Lessor's judgment reasonably exercised. If Lessor shall be unable, after a reasonable effort to do so, to relet the Subject Property, or if the Subject Property and building are relet and a sufficient sum shall not be realized from reletting after paying all of the costs and expenses of repairs, change, alterations and additions and the expense of reletting and the collection of the Rent accruing from it, to satisfy the Rent above provided to be paid, then Lessee shall pay to Lessor as damages a sum equal to the amount of the Rent reserved in this Lease for the period or periods as and when payable pursuant to this Lease. If the Subject Property or any part of it has been relet, Lessee shall satisfy and pay any deficiency upon demand from time to time. Lessee acknowledges that Lessor may file suit to recover any sums falling due under the terms of this section from time to time, and that any suit or recovery of any portion due Lessee shall be no defense to any subsequent action brought for any amount not reduced to judgment in favor of Lessor. Any personal property not removed after such termination shall be addressed as provided for in Section 1.4 above.

(c) In the event of any breach or threatened breach by Lessee of any of the terms, covenants, agreements, provisions or conditions in this Lease, Lessor shall have the right to invoke any right and remedy allowed at law or in equity or by statute or otherwise as through reentry, summary proceedings, and other remedies not specifically provided for in this Lease.

(d) Upon the termination of this Lease, or upon the termination of Lessee's right of possession, whether by lapse of time or at the option of Lessor, Lessee will at once surrender possession of the Subject Property and dispose of personal property and Improvements as described in Section 1.4. If possession is not immediately surrendered, Lessor may reenter the Subject Property and Improvements and repossess itself of it as of its former estate and remove all persons and their personal property, without being deemed guilty of any manner of trespass or forcible entry or detainer. Lessor may at its option seek expedited consideration to obtain possession if Lessor

determines that the Lease has terminated as described in the first sentence of this paragraph, and Lessee agrees not to oppose such expedited consideration.

(e) In the event that Lessee shall fail to make any payment required to be made provided for in this Lease or defaults in the performance of any other covenant or agreement which Lessee is required to perform under this Lease during the period when work provided for in this Lease shall be in process or shall be required by the terms of this Lease to commence, Lessor may treat the default as a breach of this Lease and, in addition to the rights and remedies provided in this Article, but subject to the requirements of service of notice pursuant to this Lease, Lessor shall have the right to carry out or complete the work on behalf of Lessee without terminating this Lease.

Section 14.4 Waivers and Surrenders To Be In Writing.

No covenant or condition of this Lease shall be deemed to have been waived by Lessor unless the waiver be in writing, signed by Lessor, or Lessor's agent duly authorized in writing and shall apply only with respect to the particular act or matter to which the consent is given. It shall not relieve Lessee from the obligation, wherever required under this Lease, to obtain the consent of Lessor to any other act or matter.

ARTICLE XV LESSOR'S TITLE AND LIEN

Section 15.1 Lessor's Title and Lien Paramount.

Lessor will hold title to the Subject Property.

Section 15.2 Lessee Not To Encumber Lessor's Interest.

Lessee shall have no right or power to and shall not in any way encumber the title of Lessor regarding the Subject Property. The fee-simple estate of Lessor in the Subject Property shall not be in any way subject to any claim by way of lien or otherwise, whether claimed by operation of law or by virtue of any express or implied lease or contract or other instrument made by Lessee. Lessee's interest in the Improvements shall in all respects be subject to the paramount rights of Lessor in the Subject Property.

ARTICLE XVI REMEDIES CUMULATIVE

Section 16.1 Remedies Cumulative.

No remedy conferred upon or reserved to Lessor shall be considered exclusive of any other remedy, but shall be cumulative and shall be in addition to every other remedy given under this Lease or existing at law or in equity or by statute. Every power and remedy given by this Lease to Lessor may be exercised from time to time and as often as occasion may arise or as may be deemed expedient by Lessor. No delay or omission of Lessor to exercise any right or power arising from any default shall impair any right or power, nor shall it be construed to be a waiver of any default or any acquiescence in it.

Section 16.2 Waiver of Remedies Not To Be Inferred.

No waiver of any breach of any of the covenants or conditions of this Lease shall be construed to be a waiver of any other breach or to be a waiver of, acquiescence in, or consent to any further or succeeding breach of it or similar covenant or condition.

Section 16.3 Right to Terminate Not Waived.

Neither the rights given to receive, sue for or distrain from any Rent, moneys or other payments, or to enforce any of the terms of this Lease, or to prevent the breach or nonobservance of it, nor the exercise of any right or of any other right or remedy shall in any way impair or toll the right or power of Lessor to declare ended the term granted and to terminate this Lease because of any event of default.

ARTICLE XVII SURRENDER AND HOLDING OVER**Section 17.1 Surrender at End of Term.**

On the last day of the last Lease year of the original Term, or on the earlier termination of the Term, Lessee shall peaceably and quietly leave, surrender and deliver the entire Subject Property to Lessor, subject to the provisions of Section 1.4, in good repair, order, and condition, reasonable use, wear and tear excepted, free and clear of any and all mortgages, liens, encumbrances, and claims. At the time of the surrender, Lessee shall also surrender any and all security deposits and rent advances of Sublessees to the extent of any amounts owing from Lessee to Lessor. If the Subject Property is not so surrendered, Lessee shall repay Lessor for all expenses which Lessor shall incur by reason of it, and in addition, Lessee shall indemnify, defend and hold harmless Lessor from and against all claims made by any succeeding Lessee against Lessor, founded upon delay occasioned by the failure of Lessee to surrender the Subject Property.

Section 17.2 Rights Upon Holding Over.

At the termination of this Lease, by lapse of time or otherwise, Lessee shall yield up immediately possession of the Subject Property to Lessor and failing to do so agrees at the option of Lessor, to pay to Lessor for the whole time such possession is withheld, a sum per day equal to one hundred and seventy-five percent (175%) times 1/30th of the aggregate of the Rent paid or payable to Lessor during the last month of the term of the Lease. The provisions of this Article shall not be held to be a waiver by Lessor of any right or reentry as set forth in this Lease, nor shall the receipt of a sum, or any other act in apparent affirmance of the tenancy, operate as a waiver of the right to terminate this Lease and the Term granted for the period still unexpired for any breach of Lessee under this Lease.

ARTICLE XVIII MODIFICATION**Section 18.1 Modification.**

None of the covenants, terms or conditions of this Lease to be kept and performed by either Party to this Lease shall in any manner be waived, modified, changed or abandoned except by a written instrument duly signed, acknowledged, and delivered by both Lessor and Lessee.

ARTICLE XIX INVALIDITY OF PARTICULAR PROVISIONS**Section 19.1 Invalidity of Provisions.**

If any provision of this Lease or the application of it to any person or circumstances shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such provision to persons or circumstance other than those as to which it is invalid or unenforceable, shall not be

affected, and each provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

ARTICLE XX APPLICABLE LAW AND VENUE

Section 20.1 Applicable Law.

This Lease shall be construed and enforced in accordance with the laws of the State of Alaska. The forum and venue for any action seeking to interpret, construe, or enforce this Lease shall be only in the Superior Court for the State of Alaska at Sitka, Alaska.

ARTICLE XXI NOTICES

Section 21.1 Manner of Mailing Notices.

In every case where under any of the provisions of this Lease or otherwise it shall or may become necessary or desirable to make or give any declaration or notice of any kind to Lessor or Lessee, it shall be sufficient if a copy of any declaration or notice is sent by United States Postal Service, postage prepaid, return receipt requested, addressed: If to Lessor at: Municipal Administrator, City and Borough of Sitka, Alaska, of 100 Lincoln Street, Sitka, Alaska 99835, with a copy to: Municipal Clerk at address listed above; and if to Lessee, at: the address set out in the Preamble. Each party from time to time may change its address for purposes of receiving declarations or notices by giving written notice of the changed address, to become effective seven (7) days following the giving of notice.

Section 21.2 Notice to Leasehold Mortgagee and Secured Parties.

Lessor shall provide each Leasehold Mortgagee and Secured Party, who has so requested, copies of all notices from Lessor to Lessee relating to existing or potential default under, or other noncompliance with the terms of this Lease. All notices, demands or requests which may be required to be given by Lessor or Lessee to any Leasehold Mortgagee and Secured Parties shall be sent in writing, by United States Postal Service, registered or certified mail or express mail, postage prepaid, addressed to the Leasehold Mortgagee at a place as the Leasehold Mortgagee may from time to time designate in a written notice to Lessor and Lessee.

Section 21.3 Sufficiency of Service.

Service of any demand or notice as in this Article provided shall be sufficient for all purposes.

Section 21.4 When Notice Deemed Given or Received.

Whenever a notice is required by this Lease to be given by any Party to the other Party or by any Party to a Leasehold Mortgagee, the notice shall be considered as having been given when a registered or certified notice is placed in the United States Post Office mail as provided by this Article. It shall be deemed received on the third business day thereafter. For all purposes under this Lease of starting any time period after notice, the time period shall be conclusively deemed to have commenced three (3) business days after the giving of notice, whether or not it is provided that a time period commences after notice is given or after notice is received.

ARTICLE XXII MISCELLANEOUS PROVISIONS

Section 22.1 Captions.

The captions of this Lease and the index preceding it are for convenience and reference only and in no way define, limit or describe the scope or intent of this Lease, nor in any way affect this Lease.

Section 22.2 Conditions and Covenants.

All the provisions of this Lease shall be deemed and construed to be "conditions" as well as "covenants," as though the words specifically expressing or importing covenants and conditions were used in each separate provision.

Section 22.3 Entire Agreement.

This Lease contains the entire agreement between the Parties and shall not be modified in any manner except by an instrument in writing executed by the Parties or their respective successors or assigns in interest.

Section 22.4 Time of Essence as to Covenants of Lease.

Time is of the essence as to the covenants in this Lease.

ARTICLE XXIII COVENANTS TO BIND AND BENEFIT RESPECTIVE PARTIES AND TO RUN WITH THE SUBJECT PROPERTY

Section 23.1 Covenants to Run with the Subject Property.

All covenants, agreements, conditions and undertakings in this Lease shall extend and inure to the benefit of and be binding upon the successors and assigns of each of the Parties, the same as if they were in every case named and expressed, and they shall be construed as covenants running with the Subject Property. Wherever in this Lease reference is made to any of the Parties, it shall be held to include and apply to, wherever applicable, also the officers, directors, successors and assigns of each Party, the same as if in each and every case so expressed.

ARTICLE XXIV ADDITIONAL GENERAL PROVISIONS

Section 24.1 Absence of Personal Liability.

No member, official, or employee of Lessor shall be personally liable to Lessee, its successors and assigns, or anyone claiming by, through or under Lessee or any successor in interest to the Subject Property, in the event of any default or breach by Lessor or for any amount which may become due to Lessee, its successors and assigns, or any successor in interest to the Subject Property, or on any obligation under the terms of this Lease. No member, official, or employee of Lessee shall be personally liable to Lessor, its successors and assigns, or anyone claiming by, through, or under Lessor or any successor in interest to the Subject Property, in the event of any default or breach by Lessee or for any amount which become due to Lessor, its successors and assigns, or any successor in interest to the Subject Property, or on any obligation under the terms of this Lease.

Section 24.2 Lease Only Effective As Against Lessor Upon Assembly Approval.

This Lease is effective as against Lessor only upon the approval of such Lease by the Sitka Assembly.

Section 24.3 Binding Effects and Attorneys Fees.

This Lease shall be binding up and inure to the benefit of the respective successors and assigns of the Parties hereto. In the event of litigation over this Lease, the Parties agree that the prevailing party shall receive full reasonable attorney's fees.

Section 24.4 Duplicate Originals.

This Lease may be executed in any number of copies, each of which shall constitute an original of this Lease. The warranties, representations, agreements and undertakings shall not be deemed to have been made for the benefit of any person or entity, other than the Parties.

Section 24.5 Declaration of Termination.

With respect to Lessor's rights to obtain possession of the Subject Property or to revest title in itself with respect to the leasehold estate of Lessee in the Subject Property, Lessor shall have the right to institute such actions or proceedings as it may deem desirable to effectuate its rights including, without limitation, the right to execute and record or file with the Recorder of the Sitka Recording District, a written declaration of the termination of all rights and title of Lessee in the Subject Property, and the revesting of any title in Lessor as specifically provided in this Lease.

Section 24.6 Authority.

Lessor and Lessee represent to each other that each has, and has exercised, the required power and authority and has complied with all applicable legal requirements necessary to adopt, execute and deliver this Lease and perform its obligations. Both parties also represent that this Lease has been duly executed and delivered by each and constitutes a valid and binding obligation of each enforceable in accordance with its terms, conditions, and provisions.

Section 24.7 Recordation.

The parties agree that the Lease will be no be recorded. At the request of either party, the parties shall execute a memorandum of the Lease for recording purposes in lieu of recording this Lease in such form as many be satisfactory to the parties or their respective attorneys. Each party shall bear their own related expenses, including attorney fees. Lessor shall pay for all recording fees.

[SIGNATURES AND ACKNOWLEDGEMENTS ON NEXT PAGE]

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: _____

TRIDENT SEAFOODS CORPORATION

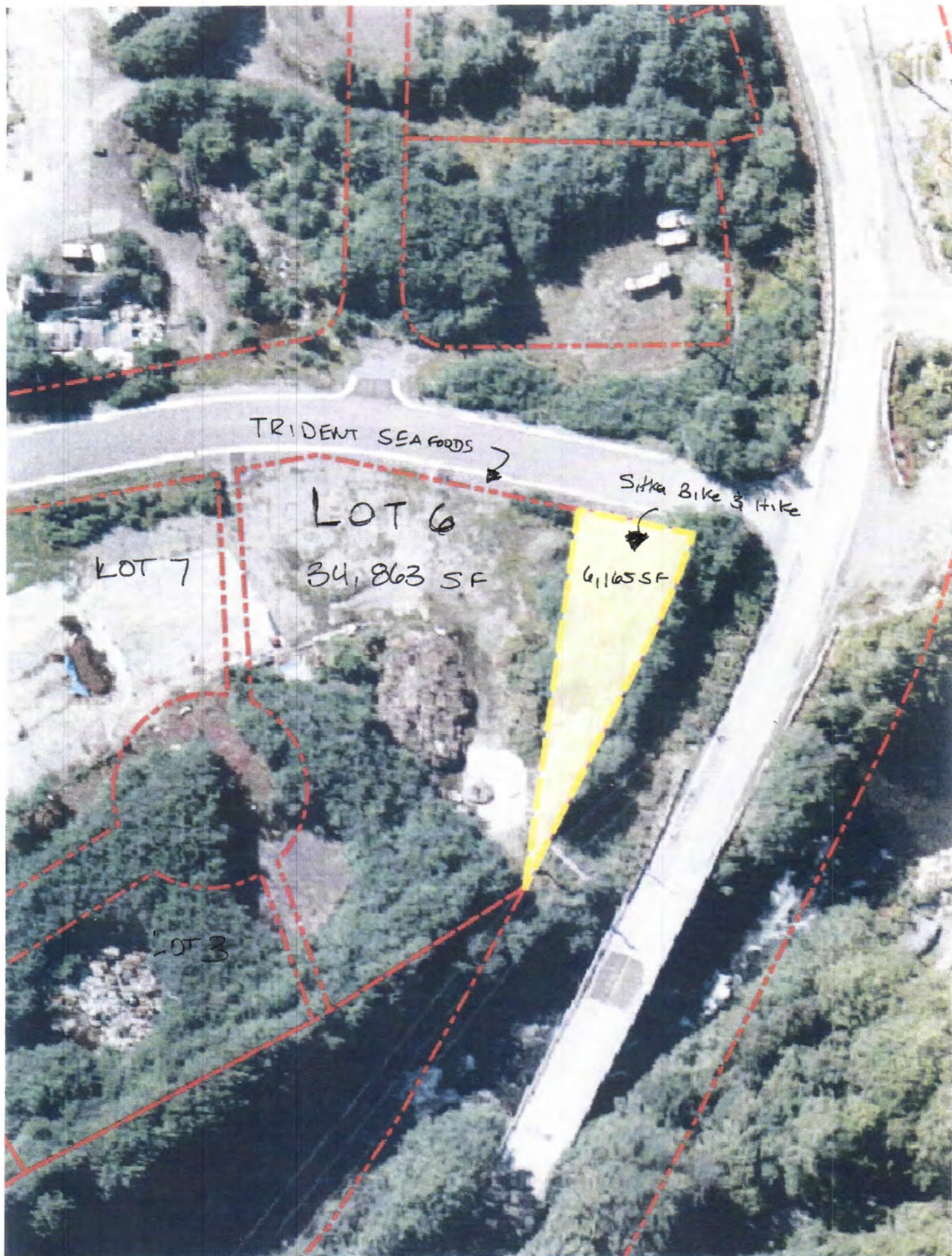
Date

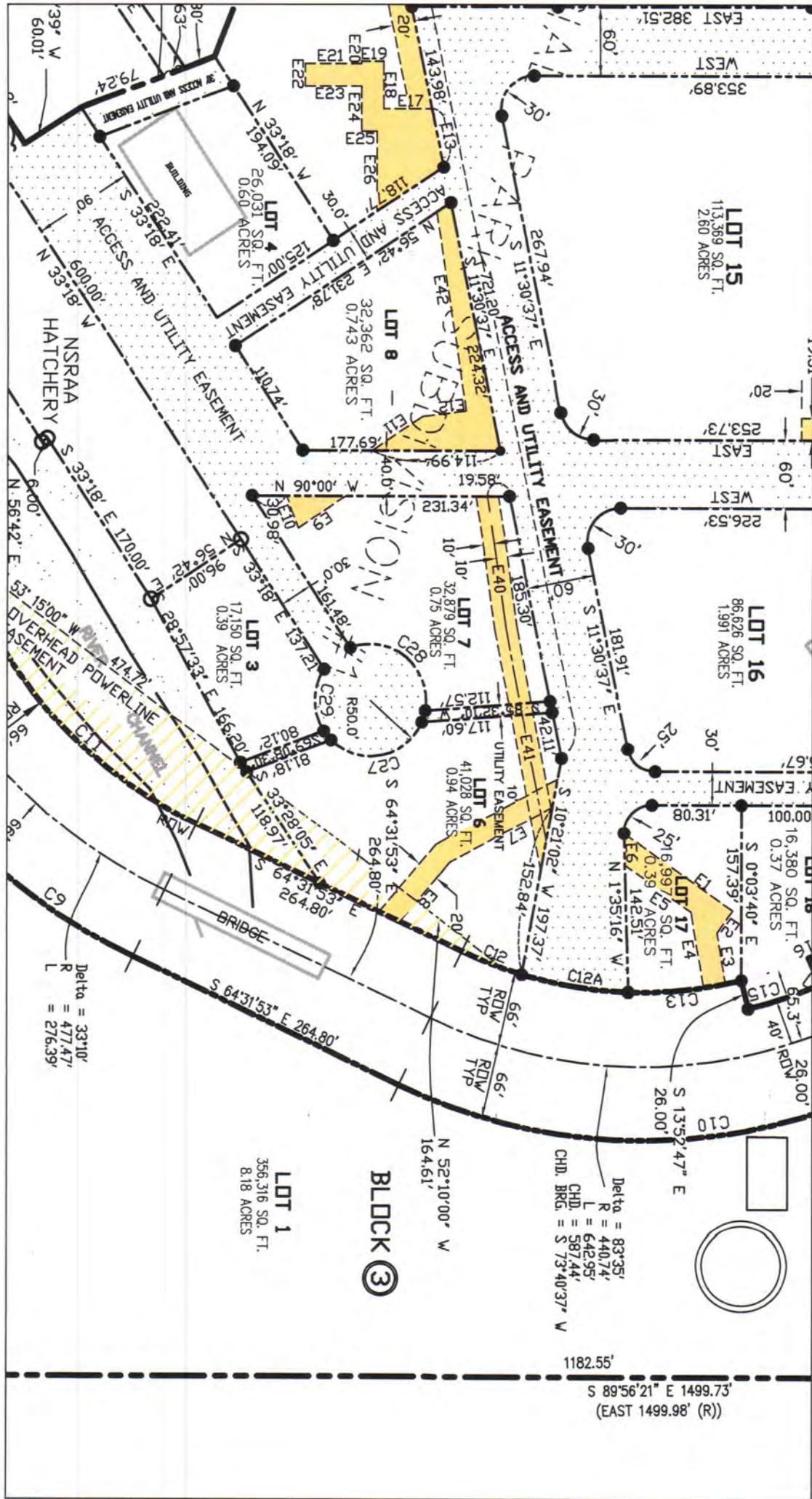
By: John Webby
Its: Southeast Alaska General Manager

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this _____ day of June _____, 2018, by John Webby, Southeast Alaska General Manager for Trident Seafoods, Corporation, an Alaska corporation, on behalf of the corporation.

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





Department of Commerce, Community, and Economic Development
**CORPORATIONS, BUSINESS & PROFESSIONAL
LICENSING**

State of Alaska / Commerce / Corporations, Business, and Professional Licensing / Search & Database
Download / Corporations / Entity Details

ENTITY DETAILS

Name(s)

Type	Name
Legal Name	TRIDENT SEAFOODS CORPORATION

Entity Type: Business Corporation

Entity #: 39760F

Status: Good Standing

AK Formed Date: 3/6/1987

Duration/Expiration: Perpetual

Home State: WASHINGTON

Next Biennial Report Due: 1/2/2019

Entity Mailing Address: 5303 SHILSHOLE AVE NW, SEATTLE, WA 98107

Entity Physical Address: 5303 SHILSHOLE AVE NW, SEATTLE, WA 98107

Registered Agent

Agent Name: DWT Alaska Corp.

Registered Mailing Address: 188 W NORTHERN LIGHTS BLVD., SUITE 1100, ANCHORAGE, AK
99503-3985

Registered Physical Address: 188 W NORTHERN LIGHTS BLVD., SUITE 1100, ANCHORAGE, AK
99503-3985

Officials

AK Entity #	Name	Titles	<input type="checkbox"/> Show Former
			Owned

AK Entity #	Name	Titles	Owned
	Allen Kimball	Vice President	
	Arne Ness	Director	
	Brant Rigby	Vice President	
	Buell Herzig	Director	
	Charles Bundrant	Director, Shareholder	79.58
	Estate of Kaare Ness	Shareholder	20.28
	James McManus	Director	
	Jeff Thompson	President	
	Jill Dulcich	Director	
	Joseph Bundrant, CEO	Director, President	
	Julie Bundrant Rhodes	Director	
	Leif Mannes	Director	
	Randy Furtner, CFO	Secretary	
	Stephen Rummel	Director	
	Steven Okerlund	Assistant Secretary	
	Thomas Moore	Treasurer	
	Victor Scheibert	President	

Filed Documents

Date Filed	Type	Filing	Certificate
3/06/1987	Creation Filing	Click to View	
1/03/1989	Biennial Report		
12/13/1990	Biennial Report		
2/29/1992	Biennial Report		
12/28/1992	Biennial Report		
1/25/1995	Biennial Report	Click to View	
12/20/1996	Biennial Report	Click to View	
12/28/1998	Biennial Report	Click to View	
1/31/2001	Biennial Report	Click to View	
11/14/2001	Merger	Click to View	
5/09/2002	Entity Address Change	Click to View	
2/01/2003	Biennial Report	Click to View	
6/02/2003	Agent Change	Click to View	
3/14/2005	Biennial Report	Click to View	
12/18/2006	Survivor	Click to View	Click to View
12/20/2006	Biennial Report	Click to View	
12/29/2006	Correction	Click to View	Click to View

Date Filed	Type	Filing	Certificate
12/26/2008	Biennial Report	Click to View	
11/16/2010	Biennial Report	Click to View	
3/15/2013	Biennial Report	Click to View	
4/15/2013	Agent Change	Click to View	
7/29/2013	Agent Change	Click to View	
12/19/2014	Biennial Report	Click to View	
10/22/2015	Certificate of Compliance		Click to View
8/30/2016	Certificate of Compliance		Click to View
12/28/2016	Biennial Report	Click to View	

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[EMAIL THE WEBMASTER](#)



THE STATE

of
ALASKA

Department of Commerce, Community, and Economic Development
Division of Corporations, Business, and Professional Licensing
PO Box 110806, Juneau, AK 99811-0806
(907) 465-2550 • Email: corporations@alaska.gov
Website: Corporations.Alaska.gov

AK Entity #: 39760F
Date Filed: 12/28/2016
State of Alaska, DCCED

FOR DIVISION USE ONLY

Business Corporation

2017 Biennial Report

For the period ending December 31, 2016

Web-12/28/2016 3:35:28 PM

- This report is due on January 02, 2017
- \$200.00 if postmarked before February 02, 2017
- \$247.50 if postmarked on or after February 02, 2017

Entity Name: TRIDENT SEAFOODS CORPORATION
Entity Number: 39760F
Home Country: UNITED STATES

Home State/Province: WASHINGTON

Registered Agent

Name: DWT Alaska Corp.
Physical Address: 188 W NORTHERN LIGHTS
BLVD., SUITE 1100,
ANCHORAGE, AK 99503-3985
Mailing Address: 188 W NORTHERN LIGHTS
BLVD., SUITE 1100,
ANCHORAGE, AK 99503-3985

Entity Physical Address: 5303 SHILSHOLE AVE NW, SEATTLE, WA 98107

Entity Mailing Address: 5303 SHILSHOLE AVE NW, SEATTLE, WA 98107

Please include all officials. Check all titles that apply. Must use titles provided. Please include all officials of the foreign business corporation. The entity must also list any alien affiliates and those shareholders that hold 5% or more of the issued shares.

Name	Address	% Owned	Titles
Randy Furtner, CFO	5303 SHILSHOLE AVE NW, SEATTLE, WA 98107		Secretary
Allen Kimball	5303 SHILSHOLE AVE NW, SEATTLE, WA 98107		Vice President
Brant Rigby	5303 SHILSHOLE AVE NW, SEATTLE, WA 98107		Vice President
Arne Ness	5303 SHILSHOLE AVE NW, SEATTLE, WA 98107		Director
Victor Scheibert	5303 SHILSHOLE AVE NW, SEATTLE, WA 98107		President
Thomas Moore	5303 SHILSHOLE AVE NW, SEATTLE, WA 98107		Treasurer
Estate of Kaare Ness	5303 SHILSHOLE AVE NW, SEATTLE, WA 98107	20.28	Shareholder
Jeff Thompson	5303 SHILSHOLE AVE NW, SEATTLE, WA 98107		President
Buell Herzig	5303 SHILSHOLE AVE NW, SEATTLE, WA 98107		Director
Steven Okerlund	5303 SHILSHOLE AVE NW, SEATTLE, WA 98107		Assistant Secretary
Stephen Rummel	5303 SHILSHOLE AVE NW, SEATTLE, WA 98107		Director
James McManus	5303 SHILSHOLE AVE NW, SEATTLE, WA 98107		Director
Jill Dulcich	5303 SHILSHOLE AVE NW, SEATTLE, WA 98107		Director
Julie Bundrant Rhodes	5303 SHILSHOLE AVE NW, SEATTLE, WA 98107		Director
Leif Mannes	5303 SHILSHOLE AVE NW, SEATTLE, WA 98107		Director
Charles Bundrant	5303 SHILSHOLE AVE NW, SEATTLE, WA 98107	79.58	Director, Shareholder
Joseph Bundrant, CEO	5303 SHILSHOLE AVE NW, SEATTLE, WA 98107		Director, President

Purpose: COMMERCIAL FISHING

NAICS Code: 114111 - FINFISH FISHING

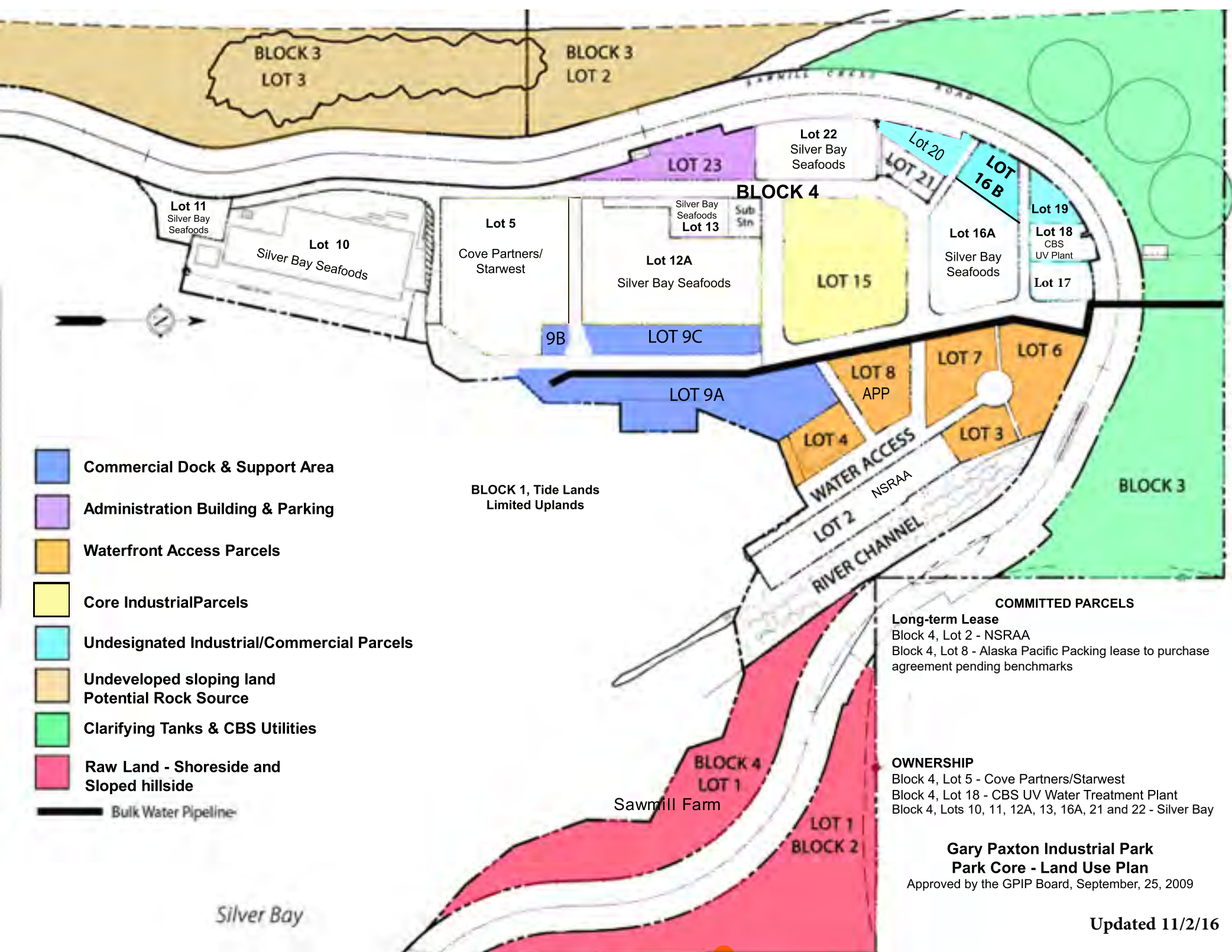
New NAICS Code (optional):

Complete the below stock information on record with the Department. You may not change your authorized shares with this form. An amendment is required. Fill in number of shares issued.

Class	Series	Authorized	Par Value	Amount Issued
Common	A	100000	\$0.01	95042
Common	B	100000	\$0.01	100000

I certify under penalty of perjury under the Uniform Electronic Transaction Act and the laws of the State of Alaska that the information provided in this application is true and correct, and further certify that by submitting this electronic filing I am contractually authorized by the Official(s) listed above to act on behalf of this entity.

Name: S. Hampshire





Gary Paxton Industrial Park (GPIP)

Strategic Plan

Adopted by the GPIP Board
July 31, 2017

Introduction

The GPIP Board developed this Strategic Plan at planning sessions held in Winter/Spring of 2017. The GPIP Board recognizes that multi-purpose dock and future infrastructure improvements within the park will influence the future development of the site.

Guiding principles

1. Preserve public access and marshalling areas to the waterfront, as it is the most commercially viable waterfront left in Sitka.
2. Make lease, buy/sell or other land use decisions based on the mission of the Park – to create family wage jobs for Sitkans in a financially responsible manner.
3. Consistent with principles 1 & 2, identify and create a positive cash flows to the City from the operation of the Park.

Plan Priority Items

The GPIP Board plans to address the following items. (Items are listed in random order)

❖ **Develop a Port Facility to accommodate the Maritime Industry.**

- Continue with development of multi-purpose dock.
- Develop a water access ramp in the northern portion of Lot 9A.
- Develop a tariff schedule to include fees for tideland and upland use.
- Designate and retain Lots 3, 7, 8, 9a, 9C, & 15 in public ownership, to be developed as uplands to support marine services sector and multi-purpose dock.
- Designate and promote Lot 6 for future private or public development to support maritime industry.
- Designate and utilize Lot 9b to support management of port facility.
- Research Utility Dock and adjacent uplands for further re-purpose or sale.
- Research additional development opportunities for tidelands seaward of GPIIP Uplands.
- Research if existing dolphins in the tidelands can be useful or need to be removed.
- Develop a marketing plan that presents the park to local, regional and national markets with a web-based advertising program, supplemented with other media as appropriate.
- Determine the MARSEC rules for fencing at the GPIIP.

❖ **Develop and Market remaining uplands outside of Port Facility**

- Advertise to sell or lease Lots 17, 16b, 19 and 20 in the industrial park.
- Establish access point for Lots 19 and 20.
- Release RFP for sale of the Administration Building lot.
- Remove area of GPIIP sign from Administration Building lot.
- Dispose of remaining rock at GPIIP by bringing interested parties together for discussion.

❖ **Market Sitka's Water Export Asset to the world**

- Continue to work with potential partners in exporting Sitka's water in Bulk.
- Continue to work with potential partners that wish to establish water bottling facilities in Sitka.
 - Identify property in vicinity of the park to locate water bottling facilities.
- Continue to research and track water export ventures around the globe.

- Investigate alternative methods of marketing water and water purchase agreements.
- Investigate additional infrastructure needed to transport, load, and off load water.

❖ **Research the development of a rock quarry in the Sawmill Cove vicinity.**

This quarry would generate revenue for the City as well as provide less expensive rock for use on Park projects.

- Market Lot 1 / blk 2 as a rock source and Lot 3 / blk3 as possible rock source.

❖ **Continue to pursue the development of a private marina in Herring Cove.**

❖ **Develop Exit Strategy for existing GPIIP Development Board.**

- Research different management concepts and entities.



TRIDENT SEAFOODS CORPORATION

5303 Shilshole Ave NW, Seattle, WA 98107-4000 USA • (206) 783-3818 • Fax: (206) 782-7195
Domestic Sales: (206) 783-3474 • Fax: (206) 782-7246
Canned Sales: (206) 781-7606 • Fax: (206) 781-7604
Export Sales: (206) 783-3818 • Fax: (206) 782-7195

May 8, 2018

Garry White,
Executive Director
Sitka Economic Development Association
329 Harbor Drive, Suite 212
Sitka, Alaska 99835

RE: Letter of Intent to Lease Lot 6, GPIP

Dear Garry,

After reviewing the latest information from CBS on the value of Lot 6 at GPIP, Trident Seafoods, Inc. desires to execute a lease agreement for Lot 6 minus the area being lease by Sitka Bike and Hike. The intended use, lease terms and improvements are in the proposal as follows:

1. **Landlord:** City and Borough of Sitka
100 Lincoln Street
Sitka, Alaska 99835
2. **Tenant:** Trident Seafood, Inc.
5303 Shilshole Ave NW
Seattle, WA 98107-4000
3. **Effective Date:** June 1, 2018
4. **Premises:** Lot 6 approximately 34,863 sq. ft. as is.
5. **Planned use of Premises:** Tenant shall use the premises for the following purpose: Staging and or storage of container van, equipment and fishing gear in service to our fisherman in our Southeast Salmon Seine fleet.
6. **Lease Terms:** 36 months
7. **Option:** Tenant shall have the option to extend the Lease term for one (1) period of 36 months or purchase Lot 6 (41,028 sq. ft.), to be exercised in writing no later than 90 calendar days prior to the expiration of the original lease term.
8. **Rent:** Tenant shall pay one (1) year's lease upon the execution of a lease agreement, thereafter yearly payments for the premises shall be paid on the 1st of June in consecutive years when presented with an invoice. Tenant shall pay the sum of \$ 10,000 for a year's lease. We understand your valuation of the property but the return on the value by SEDA seems to not be in line with other Boroughs in Southeast Alaska, such as Ketchikan, Wrangell and Petersburg. Those boroughs are between 4 to 5 percent return on the value of asset.

Alaska



Washington

Akutan • Anchorage • Chignik • Cordova • Dillingham • Dutch Harbor • Ketchikan
Kodiak • Naknek • Petersburg • Sand Point • South Naknek • St. Paul • Wrangell

Kailua-Kona, HI • Motley, MN • Newport, OR

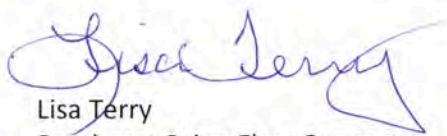


Anacortes • Bellingham • Everett
Tacoma • Seattle

9. **Insurance Expense:** Tenant shall be responsible for maintaining property damage and comprehensive general liability insurance in the amount of \$1,000,000.00. Landlord will be named as an additional insured.
10. **Utilities:** Tenant shall pay for its own utilities including but not limited to water, sewer and electricity consumed within the Premises. Tenant shall be responsible for installation of utilities within the Premises and for all utility hook-up charges.
11. **Improvements to the Premises:** Tenant at the tenant's expense shall improve the premises to be more suitable to the tenant's planned use, subject to the Landlord's written approval. Improvements may include but not limited to removal of vegetation, grade lot, install fencing and bring in power.
12. **Nature of this Letter:** "This Letter of Intent is only a proposal that may or may not become part of a final agreement. The parties acknowledge that there is currently no agreement between them and no agreement will be in effect until both parties agree to and execute a subsequent contract. This letter of Intent does not impose any obligation on either party to negotiate in good faith. The parties may not rely on any promises or statements made outside this Letter of Intent or actions that are inconsistent with this paragraph. This paragraph supersedes all other conflicting language. The parties may withdraw from further negotiations at any time and for any reason. Each party is responsible for any costs it may incur arising out of the subject matter of this Letter of Intent

Thank you for your time in this matter and we look forward to discussing this further with you. Please feel free to call or email me with any comments or questions you may have regarding this matter.

Sincerely,



Lisa Terry
Southeast Seine Fleet Support

Trident Seafoods Corporation
5303 Shilshole Ave NW
Seattle, WA 98107
Office: 206-783-3818/Cell: 206-890-1764
lterry@tridentseafoods.com

**Gary Paxton Industrial Park - Board of Directors Meeting
May 10th, 2018 3:00pm SEDA Conference Room**

A. CALL TO ORDER: The Chair called the meeting to order at 3:00pm

B. ROLL CALL

Members Present: Scott Wager, Sheila Finkenbinder, Hugh Bevan, Wayne Unger, Dan Jones (tele-conference)

Members Absent: None

City Representatives: Keith Brady, Richard Wein

Others Present: Garry White, Rob Woolsey (Raven Radio), Shannon Haugland (Daily Sitka Sentinel), John Webby (Tele-conference), Lisa Terry (Tele-conference), Don Franklin (Tele-conference), Sarah Nelson.

C. Review of Minutes – April 19th, 2018

MOTION: M/S Finkenbinder/Bevan moved to accept the minutes of April 19th, 2018

ACTION: Motion PASSED 5/0 on a voice vote

D. Correspondence & Other Information

Financials in packet. No questions about it.

E. Changes/Additions/Deletions to Agenda

Move H-1 to end of meeting. No opposition.

F. Reports

Executive Director

GPIP DOCK

Mr. White informed the board that the GPIP dock looks good. It is open for public and the first tenant last month was NSRAA. It worked really smoothly. Worked with Harbor Department to develop birthing application. It was sent out and filled in. They had the time to meet and get set up. The Harbor Department met them out there and documented the size of the vessel and captured the moorage. Mr. White calculated the tariff based on birthing application, which was \$239.02. Bill was submitted to Stan at the Harbor Department and is being sent to finance.

Mr. Bevan asked if there was any feedback from the user on the rates.

Mr. Wagner: Moving more product may not make sense when you can do it for free other places in town.

Mr. Bevin: Sliding scale for quantity.

Mr. White suggested that the rates will need to be adjusted depending on comments from end users. He stated the example of Silver Bay moving some seine skiffs. Current tariff is \$7.03/ton and Mr. White wants to adjust it to meet various uses.

Mr. Bevan: suggested having a line item for seine skiffs.

Signs have been ordered.

Still waiting for ACS to install the phone line.

Security camera has been ordered. It is a dome type camera that can move and record.

Mr. White did a Raven Radio interview to promote the dock, to let the public know it is open.

AML did not have any issues moving the containers on the dock.

Mr. Unger commented that people should be able to call the Harbor to use the dock and not have to do the application process to get on the schedule. Mr. White said they will not refuse service. The hope is to have so much demand that people will have to plan ahead. The current process is four days.

Ms. Finkenbinder: When will we do the grand opening/ribbon cutting ceremony? After camera is in and signs are up.

GPIP ACCESS RAMP

PND was selected to design, engineer, and permit that access ramp. Plan is to investigate the current ramp and area near the utility dock. Northline Seafoods has agreed to share all of its information on the existing ramp and meet with the consultant as well.

BULK WATER

Mr. White has been meeting with Arctic Blue Waters. They agreed to the \$10,000 terms. The draft water purchase agreement is sent to legal to work on. Their 12 million gallon ship will take 30 hours to fill. This works with water delivery rate we have.

BOTTLED WATER

Negotiations with the group out of Costa Rica. They are looking for a water source where the water is not taken from another use. Our water is high quality and carbon neutral. The bottles they will use decompose to paraffin wax at the end of their shelf life. This group is interested in coming and they have investors lined up. They will bottle here. Our water has the perfect PH of 6.9 which is ideal for high end coffee, tea, and water.

BULK ROCK

Need to figure out what to do with 16b, 19, and 20. 19 is currently leased to Fortress of the Bear on a short term basis.

ADMINISTRATION BUILDING

Invitation to bid on the Administration Building has missed the last few Assembly meetings. Brian Hansen is aware that he has not been meeting the expectation of the GPIP Board. Hopefully he will have it up this next Assembly meeting.

GREEN & GOLD DISTRIBUTORS

City executed a contract. It is signed.

The \$100,000 transfer of funds from the raw water fund to the electrical fund was approved by the Assembly. Current Consultant are going over design assumptions now.

G. Persons to Be Heard – none

I. New Business

1. Silver Bay Seafoods Lot 9c Lease Request

Request from Silver Bay Seafoods to lease 10,000 square feet for camper trailers. We have done this for the past four years. It is a good short term lease.

MOTION: Bevan/Jones Motion to accept Silver Bay Seafoods lease proposal.

ACTION: Motion Passed 4/0

Yes: 4 – Bevan, Wagner, Jones, Finkenbinder

No: 0

Wayne Unger recused.

2. Trident Seafoods Inc. Lot 6 Lease Request

Requesting a portion of lot 6 to store fishing gear.

John Webby (telephone) looked at property as reassessed no issues with assessed value. Contention is that 9% is higher than they are used to seeing in like type situations & cities. Proposal to do 3 year lease with 3 year option for \$10,000 a year. Usage for storage of fishing gear.

Questions were asked by board members about if they are going to create jobs here with their use of that property and who will move the equipment. Mr. Webby answered that they plan to use local contractors to move equipment and a foray for Trident Seafoods to move into Sitka. Fishermen will spend more time and money in Sitka if they have facilities to support them.

Mr. Bevan does not support a 38% increase in rates. He thanked Trident for their interest in the industrial park and for the data points from other communities. His concern it that too much of the site will be used for storing fishing equipment. He agrees at 3 years, no extensions or options to purchase. If they put up a fence, it should not affect Michelle at Bike and Hike at all.

MOTION: M/S Bevan/Jones Moved to recommend the City and Borough of Sitka Assembly lease 34,860 square feet of Lot 6 to Trident Seafoods for a term of 3 years at a rate of \$14,120.00 annually, with no buying option and no extension.

Discussion:

- Mr. White, potential water bottling operation is interested in the property.
- Unsure of tying up property for 3 years.
- Marine services does includes storage of equipment.
- Depends what they will store for long term, seine skiffs and nets.

FRIENDLY AMENDMENT: Finkenbinder change it to a two year lease.

Bevan and Jones think three years is the correct term, friendly amendment not accepted.

ACTION: Motion PASSED 5/0

Yes: 5 – Finkenbinder, Jones, Bevan, Wagner, Unger.

H. Unfinished Business

1. GPIIP Strategic Plan

- Mr. White is working of getting the maps to the board. Remove the sign from Lot 23. Lot 6 easement, the fire line is dead. Clearing up any easement issues and will get new subdivision map. City has a map of the utilities and electrical.
- Starting to run out of property. Sawmill farm will get cleaned up and then that property will be available after the lien is released. The idea is to run out of land.
- South Korean group interested in doing a fish meal plant in Sitka. In contact with different fish processors, but are looking for a different kind of fish.
- How do we end this Board's existence? Average timeline is 20 years and 80% of development is from existing industry.
- Mr. Jones is in favor of a Marine Services Center. Get an outside company to manage the park.
- We need a crane on the dock. Need to find money for it.
- It would be nice to provide facilities – restrooms and showers.
- Mr. Bevan suggested closing the gate at night for safety.

J. Adjournment: M/S Bevan/Finkenbinder moved to adjourn the meeting at 4:05pm



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 18-126 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 6/20/2018 In control: City and Borough Assembly

On agenda: 6/26/2018 Final action:

Title: Discussion / Direction / Decision on the current contract with the Greater Sitka Chamber of Commerce, Inc., provider of Convention and Visitor Bureau Services

Sponsors:

Indexes:

Code sections:

Attachments: [Chamber of Commerce.pdf](#)

Date	Ver.	Action By	Action	Result
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Step 1

Discussion / Direction on the current contract with the Greater Sitka Chamber of Commerce, Inc.

Step 2

POSSIBLE MOTION

Direct the Municipal Administrator to move forward with and execute a month to month contract with the Greater Sitka Chamber of Commerce, Inc. for Convention and Visitor Bureau Services, while negotiating the future contract with them.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Mayor Hunter and Assembly Members

From: Keith Brady, Municipal Administrator *KB*

Date: June 20, 2018

Subject: Direction to move forward with a month to month contract with the Greater Sitka Chamber of Commerce for Convention and Visitor Bureau Services

Summary

The contract with the Greater Sitka Chamber of Commerce (Chamber) for Convention and Visitor Bureau (CVB) Services expires on June 30, 2018. In response to the issuance of the Request for Proposal (RFP) to provide CVB Services in Sitka, CBS received one proposal. The applicant was the Chamber. A review committee comprised of the Administrator, Maegan Bosak, and Don Kluting reviewed the statement of interest and issued a letter of intent with the request for additional information.

We are currently negotiating the contract with the Chamber. The month to month contract is needed to bridge the gap between the current contract ending and the future contract that is being negotiated. Once negotiation is complete, a final contract will be brought to the Assembly for approval.

Fiscal Note:

The month to month contract would be \$25,000/month based on the RFP listed amount of \$300,000/year.

Recommendation

Direction to move forward with and execute a month to month contract with the Greater Sitka Chamber of Commerce for Convention and Visitor Bureau Services, while negotiating the future contract with them.

Details

The proposal and additional information, showcased the work the Chamber has been completing over the last 3 years. The work samples, financials, metrics and budget line item clarification provided necessary information to move forward with an additional contract. However, CBS is requesting significant differences in this next term contract, including:

- The term ending date, ending December 31, 2021 rather than on the fiscal year, in the midst of visitor services activities
- More priority given to marketing Harrigan Centennial Hall and other convention facilities

- Three year strategic plan and annual marketing action plan presented and approved by the Assembly every January
- A greater emphasis on marketing the shoulder and winter seasons
- Minimum of quarterly meetings with designated CBS staff
- Annual contract amount at \$300,000.00