

Seward City Council

Agenda Packet



November 21, 2016

City Council Chambers

Beginning at 7:00 p.m.



The City of Seward, Alaska
CITY COUNCIL MEETING AGENDA



{Please silence all cellular phones during the meeting}

November 21, 2016

7:00 p.m.

Council Chambers

Jean Bardarson
Mayor
Term Expires 2017

Marianna Keil
Vice Mayor
Term Expires 2018

Ristine Casagrande
Council Member
Term Expires 2018

David Squires
Council Member
Term Expires 2017

Sue McClure
Council Member
Term Expires 2017

Deborah Altermatt
Council Member
Term Expires 2017

Erik Slater
Council Member
Term Expires 2018

James Hunt
City Manager

Johanna Kinney
City Clerk

Will Earnhart
City Attorney

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL**
4. **CITIZEN COMMENTS ON ANY SUBJECT EXCEPT THOSE ITEMS SCHEDULED FOR PUBLIC HEARING**
[Those who have signed in will be given the first opportunity to speak. Time is limited to 3 minutes per speaker and 36 minutes total time for this agenda item.]
5. **APPROVAL OF AGENDA AND CONSENT AGENDA**
[Approval of Consent Agenda passes all routine items indicated by asterisk (). Consent Agenda items are not considered separately unless a council member so requests. In the event of such a request, the item is returned to the Regular Agenda]*
6. **SPECIAL ORDERS, PRESENTATIONS AND REPORTS**
 - A. Proclamations and Awards
 1. Recognition of 2016 State Firefighter Award Recipients:
 - Firefighter of the Year **Austin Chapman**
 - Del Moffit Award Recipient **Jilian Chapman**
 - Ken Akerly Fire Service Leadership Award Recipient **Eddie Athey**
 2. Recognition of Dale Butts for his service on the Seward City Council
 - B. Chamber of Commerce Report
 - C. City Manager Report
 - D. City Attorney Report
 - E. Other Reports and Presentations
 1. Informational presentation about the Exercise Northern Edge biennial training exercise to be conducted in the Joint Pacific Alaska Range Complex, a vast region of land and airspace encompassing parts of the state and areas within the Gulf of Alaska in May, 2017.
 2. 2016 Seward Community Foundation Presentation by Advisory Board President Patty Linville.
 3. Seward High School Hybrid Program Presentation by Trevan Walker. *(McClure)*
 4. Alaska Municipal League Travel Report by Mayor Bardarson, Council Members Casagrande and Slater.

7. PUBLIC HEARINGS

A. Resolutions Requiring A Public Hearing

1. Resolution 2016-072, Authorizing The City Manager To Enter Into A New Lease With Hamilton Construction, LLC For Lot 1, Block 3 Fourth Of July Creek Subdivision, Seward Marine Industrial Center, Kenai Peninsula Borough, Plat No. 97-27 Seward Recording District, Third Judicial District, State Of Alaska.
2. Resolution 2016-073, Rescinding And Replacing Resolution 84-104 Approved By The Seward City Council On August 31, 1984, And Authorizing The Transfer Of Parcel A-1 Spring Creek Correctional Facility, To The State Of Alaska Department Of Natural Resources, As The Site Of The Spring Creek Correctional Facility, Subject To A Reversionary Interest By The City Of Seward.

8. UNFINISHED BUSINESS – None

9. NEW BUSINESS

A. Resolutions

- *1. Resolution 2016-074, Supporting The Seward Area Public Transit Human Services Community Coordination Plan To Be Submitted To The State Of Alaska Department Of Transportation And Public Facilities. (*McClure*)
- *2. Resolution 2016-075, Urging The Alaska Legislature And Governor To Fully Fund The Municipal Harbor Facility Grant Program In The FY 2018 State Capital Budget.
- *3. Resolution 2016-076, Support Of The Addition Of Port And Harbor Employees To The List Of Employees Covered By Alaska Statute 12.55.135.
- *4. Resolution 2016-077, In Support Of Proposed Changes To Alaska Statutes Chapter 30.30 And 05.25 Improving The Management And Prevention Of Derelict Vessels.
5. Resolution 2016-078, Accepting Funds From The Alaska State Library For The Public Library Assistance Grant In The Amount Of \$6,900.00 And Appropriating Funds.
6. Resolution 2016-079, Authorizing The City Manager To Purchase A 2017 Ford Explorer Police Vehicle From Cal Worthington Ford For A Price Of \$34,979 Utilizing The State Of Alaska's Competitive Procurement Process, And To Purchase Accessories And Equipment From Various Vendors For A Total Amount Not To Exceed \$46,000.00, And Appropriating Funds.
7. Resolution 2016-080, Authorizing The Expenditure Of Not To Exceed \$110,000 To Hamilton Construction Ltd For The Purpose Of Emergency Erosion Protection To City's Waterfront, And Appropriating Matching Funds In The Amount Of \$60,000.

8. Resolution 2016-081, Authorizing A Sole Source Contract With Sturgeon Electric For A Joint Communications Project With TelAlaska Communications To Bore Under Snow River For An Amount Not To Exceed \$89,951.40, And Appropriating Funds.
9. Resolution 2016-082, Authorizing The City Manager To Enter Into A Sole Source Purchase Agreement With Alaska Pump & Supply, Inc. To Replace #1 Lift Station Pump, For An Amount Not To Exceed \$32,918.00, And Appropriating Funds.

B. Other New Business Items

- *1. Approval of the September 26, 2016 and October 10, 2016 City Council Regular Meeting Minutes, October 24, 2016 City Council Special Meeting Minutes.
- *2. Schedule a work session with BDO (city auditors) to review the 2015 Comprehensive Annual Financial Report (CAFR) for December 12, 2016 at 6:00 p.m.
- *3. Approval of the liquor license transfers of beverage dispensary liquor license #822 for Christo's Palace and package store liquor license #3909 for AK. Inc d/b/a Seward Marketplace (formerly Three Bears Alaska, Inc.).
4. Formal recommendation from the Seward Community Health Center Board of Directors regarding the reconsideration of the Co-Applicant Agreement.

10. INFORMATIONAL ITEMS AND REPORTS *(No Action Required)*

A. *City of Seward Grant Awards for 2013-2015.*

11. COUNCIL COMMENTS

12. CITIZEN COMMENTS

13. COUNCIL AND ADMINISTRATION RESPONSE TO CITIZEN COMMENTS

14. ADJOURNMENT

**CITY OF SEWARD, ALASKA
RESOLUTION 2016-072**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEWARD, ALASKA, AUTHORIZING THE CITY MANAGER TO ENTER INTO A NEW LEASE WITH HAMILTON CONSTRUCTION, LLC FOR LOT 1, BLOCK 3 FOURTH OF JULY CREEK SUBDIVISION, SEWARD MARINE INDUSTRIAL CENTER, KENAI PENINSULA BOROUGH, PLAT NO. 97-27 SEWARD RECORDING DISTRICT, THIRD JUDICIAL DISTRICT, STATE OF ALASKA

WHEREAS, the City is owner of real property described as Lot 1, Block 3 Fourth of July Creek Subdivision; and

WHEREAS, the vacant land is identified in the Municipal Lands Management Plan as available for lease in the Seward Marine Industrial Center (SMIC); and

WHEREAS, Hamilton Construction, LLC submitted a proposal to lease Lot 1, Block 3 Fourth of July Creek Subdivision for a vessel and marine related gear equipment storage area; and

WHEREAS, the lease request is consistent with the Seward Comprehensive Plan and the SMIC Development Plan.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEWARD, ALASKA that:

Section 1. The Council has determined that the essential terms and conditions of the proposed lease with Hamilton Construction, LLC for the real property described as Lot 1, Block 3, Fourth of July Creek Subdivision located in the City of Seward, Alaska are in the public interest.

Section 2. The City Manager is authorized to execute a new lease with Hamilton Construction, LLC in substantially the form as presented at this meeting.

Section 3. This resolution shall take effect 30 days from the date and posting of adoption.

PASSED AND APPROVED by the City Council of the City of Seward, Alaska, this 21st day of November.

THE CITY OF SEWARD, ALASKA

Jean Bardarson, Mayor

AYES:
NOES:
ABSENT:
ABSTAIN:

ATTEST:

Johanna Kinney, CMC
City Clerk

(City Seal)

Agenda Statement



Meeting Date: November 21, 2016

To: City Council

Through: Jim Hunt, City Manager 

From: Matt Chase, Deputy Harbormaster

Agenda Item: Hamilton Construction, LLC
New lease at Lot 1, Block 3 Seward Marine Industrial Center

BACKGROUND & JUSTIFICATION:

Hamilton Construction, LLC (HCL) has been operating a business at SMIC Basin constructing a 960 foot long breakwater for the City of Seward. Since this project began in August 2011 the company has invested in the community, acquired other work, and wishes to establish a base for operations in the region.

HCL desires to lease land for the storage and maintenance of vessels, marine related gear, and construction equipment. HCL submitted a proposal to lease Lot 1, Block 3, Fourth of July Creek Subdivision within the industrial zoning district, Seward Marine Industrial Center. There are no utilities to the site at this time. Eventually HCL intends to construct a building on the site, and understand that will require future permitting.

HCL :

- a) Shall also comply with all Seward City Code requirements
- b) Has guaranteed the lease (Exhibit B)
- c) Has submitted an acceptable environmental compliance plan (Exhibit C)

INTENT:

To approve a long-term lease between the City of Seward and Hamilton Construction, LLC on Lot 1, Block 3 Fourth of July Creek Subdivision at the Seward Marine Industrial Center for vessel, marine related gear and equipment storage area.

<u>CONSISTENCY CHECKLIST:</u>		Yes	No	N/A
1.	Comprehensive Plan (<i>document source here</i>): <i>This lease meets the plan goals to develop SMIC as a major industrial area of the community.</i>	X		
2.	Strategic Plan (<i>document source here</i>): Attract New Industry: <i>Develop an aggressive marketing campaign which highlights the diverse resources, and quality of life that make Seward a great place to live and establish a business or industry. (Page 5)</i>	X		
3.	Other (<i>list</i>):			

FISCAL NOTE:

The property consists of approximately 37,897 square feet, more or less. This property was appraised in 2015. The annual lease amount based on that appraisal is \$8000.00 plus tax, or 8% of the appraised value. The property will be re-appraised with all other leases in 2020 and the rent will be adjusted accordingly. Between appraisals, the rent will be adjusted each year according to the Consumer Price Index (CPI).

Approved by Finance Department: *Rustin Lockung*

ATTORNEY REVIEW: Yes ___ X ___ No ___

RECOMMENDATION:

Approve Resolution 2016- 072 authorizing the City Manager to enter into a Lease with Hamilton Construction LLC for Lot 1, Block 3 Fourth of July Creek Subdivision in the Seward Marine Industrial Center, Plat No. 97-27 in the Seward Recording District, Third Judicial District, State of Alaska.

Date 7-15-2016

Request to Lease City of Seward Property
From
Jeff Hamilton, dba Hamilton Construction LLC

Long term lease for Lot 1 (see attachment) Block 3, 4TH OF July Creek
Subdivision, SMIC (20 years with two 5 year extensions)

Approximately 0.87 acre

Current rent \$8000.00 plus tax. The rent is subject to annual CPI adjustment and
re-appraisal every five years. It is scheduled to be re-appraised in early 2020.

I accept the property in as is condition.

I understand that the property is not available before October 1, 2016.

I understand that there are no utilities on site (only nearby).

I will submit any plans to modify the property to the City for review and approval.

I plan to

UTILIZE CITY LOT TO STORE & MAINTAIN
MACHINE INDUSTRY RELATED GEAR AND EQUIPMENT.

Jeff Hamilton



Hamilton Construction LLC



Lot 1, Block 3
Fourth of July Subd.

JELLISON AVE

MUSTANG AVE.

NASH RD

MORRIS AVE

Hamilton Construction Proposed Lease Lot

Due to different data sources property lines and aerial imagery do not overlay correctly. Map is to be used for orientation and reference purposes only.



Lot 1, Block 3, Fourth of July

Resolution 2016- Date:

0 187.5 375 Feet

Mapping Assistance by Alaska Map Company, LLC

LEASE AGREEMENT

between

CITY OF SEWARD, ALASKA

and

HAMILTON CONSTRUCTION, LLC

Effective Date: [_____, 2016]

TABLE OF CONTENTS

ARTICLE 1 - LEASED LAND	1
1.1 <i>Description of Leased Land</i>	1
1.2 <i>Covenant of Quiet Enjoyment; Warranty of Title</i>	1
1.3 <i>Reserved</i>	1
1.4 <i>Property Accepted</i>	2
1.5 <i>Permits</i>	2
1.6 <i>Platting</i>	2
1.7 <i>Development of Leased Land</i>	2
ARTICLE 2 - LEASE TERM	3
2.1 <i>Lease Term</i>	3
ARTICLE 3 - RENTAL RATE	3
3.1 <i>Initial Rental Rate</i>	3
3.2 <i>Rental Adjustments</i>	3
3.3 <i>Procedure for Rental Adjustment</i>	4
3.4 <i>Effect of Late Appraisal by CITY</i>	4
3.5 <i>Appraisal by LESSEE</i>	4
3.6 <i>Effective Date of Adjusted Rental Rate</i>	5
3.7 <i>Interim Rental Adjustments</i>	5
3.8 <i>Late Payment Charge</i>	6
ARTICLE 4 - USE OF LEASED LAND	6
4.1 <i>Use of Leased Land</i>	6
4.2 <i>Obligations of LESSEE</i>	6
4.3 <i>No Preferential Rights to Use Public Facilities</i>	6
4.4 <i>Adequacy of Public Facilities</i>	6
4.5 <i>Tariffs and Other Service Fees</i>	7
4.6 <i>Time for Payment of Utilities and Taxes</i>	7
4.7 <i>Other Uses</i>	7
ARTICLE 5 - UTILITIES AND RIGHTS OF ACCESS	7
5.1 <i>Utilities</i>	7
5.2 <i>Third-Party Improvements</i>	8
5.3 <i>Easements</i>	8
ARTICLE 6 - CONSTRUCTION BY LESSEE	9
6.1 <i>Improvements on Leased Land</i>	9
6.2 <i>City Review of Construction</i>	10
ARTICLE 7 - RETURN OF LEASED LAND/SITE CONDITIONS	10
7.1 <i>Return of Leased Land in Original Condition</i>	10
ARTICLE 8 - FORCE MAJEURE	10
ARTICLE 9 - LESSEE'S ACTS OF DEFAULT	10
ARTICLE 10 - REMEDIES FOR DEFAULT BY LESSEE	11
ARTICLE 11 - TITLE TO IMPROVEMENTS INSTALLED BY LESSEE	13

11.1	<i>Real Property Improvements</i>	13
11.2	<i>Personal Property</i>	13
	ARTICLE 12 - ASSIGNMENT OR SUBLEASE	13
12.1	<i>Assignment of Lease or Subleasing</i>	13
12.2	<i>Assignment of Lease for Security</i>	14
12.3	<i>Assignment to Affiliate</i>	14
	ARTICLE 13 - LESSEE'S DUTY TO DEFEND/INDEMNIFY	14
	ARTICLE 14 - CITY'S DUTY TO DEFEND/INDEMNIFY	15
	ARTICLE 15 - INSURANCE	15
15.1	<i>Minimum Insurance Requirements</i>	15
15.2	<i>Subrogation Rights Waived</i>	16
	ARTICLE 16 - CONDEMNATION	16
	ARTICLE 17 - ARBITRATION	17
17.1	<i>Arbitration</i>	17
	ARTICLE 18 - MAINTENANCE AND REPAIRS	18
18.1	<i>Normal Maintenance</i>	18
18.2	<i>Safety Issues</i>	18
18.3	<i>Cost of Repairs</i>	19
	ARTICLE 19 - ENVIRONMENTAL CONCERNS	19
19.1	<i>Hazardous Materials</i>	19
19.2	<i>Permits and Reporting</i>	21
	ARTICLE 20 - ESTOPPEL CERTIFICATES	22
	ARTICLE 21 - CONDITIONS AND COVENANTS	22
	ARTICLE 22 - NO WAIVER OF BREACH	22
	ARTICLE 23 - TIME OF THE ESSENCE	22
	ARTICLE 24 - COMPUTATION OF TIME	22
	ARTICLE 25 - SUCCESSORS IN INTEREST	22
	ARTICLE 26 - ENTIRE AGREEMENT	23
	ARTICLE 27 - GOVERNING LAW	23
	ARTICLE 28 - PARTIAL INVALIDITY	23
	ARTICLE 29 - RELATIONSHIP OF PARTIES	23
	ARTICLE 30 - INTERPRETATION	23
	ARTICLE 31 - CAPTIONS	23
	ARTICLE 32 - AMENDMENT	23
	ARTICLE 33 - NOTICES	24
	ARTICLE 34 - FIRE PROTECTION	24

LEASE AGREEMENT

THIS LEASE AGREEMENT (the "**LEASE**") is made by and between the **CITY OF SEWARD** (the "**CITY**"), a municipal corporation located in the Kenai Peninsula Borough, State of Alaska, whose mailing address is P.O. Box 167, Seward, Alaska 99664 and Hamilton Construction LLC (the "**LESSEE**"), an Alaska limited liability company whose mailing address is P.O. Box 241952, Anchorage, Alaska 99524.

WHEREAS, LESSEE has indicated its desire to lease the property known as Lot 1, Block 3, 4th of July Subdivision, as shown on Plat 97-27, Seward Recording District, Third Judicial District, State of Alaska, consisting of approximately 37,897 square feet, more or less; and

WHEREAS, the City Council of CITY has determined that lease of the Leased Land (as defined below) to LESSEE for the purposes described herein would be in the public interest; and

WHEREAS, it is the intent of this LEASE to transfer from CITY to LESSEE the entire burden of compliance with environmental regulations or controls with respect to LESSEE's operations on the Leased Land.

NOW THEREFORE, for and in consideration of the mutual promises and covenants hereinafter contained, the parties hereto agree as follows:

ARTICLE 1 - LEASED LAND

1.1 *Description of Leased Land.* The Leased Land is located in the City of Seward, Alaska. The Leased Land is described as follows:

Lot 1, Block 3, Fourth of July Subdivision, as shown on Plat 97-27, Seward Recording District, Third Judicial District, State of Alaska, consisting of approximately 37,897 square feet, more or less (the "Leased Land").

The Leased Land is also depicted on the attached Exhibit A, which is incorporated herein by reference.

1.2 *Covenant of Quiet Enjoyment; Warranty of Title.* Subject to the encumbrances as of the date hereof, any appurtenant easements or rights of way, and any reasonable restrictions imposed on the Leased Land as part of recording of a plat by CITY, and the provisions of this LEASE, CITY hereby covenants and warrants that LESSEE shall have the quiet enjoyment and possession of the Leased Land for the full term of this LEASE.

1.3 *Reserved.*

1.4 *Property Accepted "As-is."* LESSEE acknowledges that it has inspected the Leased Land and accepts the same "as-is" and without reliance on any expressed or implied representations or warranties of CITY (other than the representations in Section 1.2 hereof), or agents of CITY, as to the actual physical condition or characteristics thereof and the legal description or depiction of the Leased Land in Section 1.1 or Exhibit A hereto.

1.5 *Permits.* LESSEE, at its sole cost, shall obtain all permits necessary to the construction and operation of its facilities on the Leased Land. CITY may from time to time, upon request of LESSEE, execute such documents, petitions, applications, and authorizations as may be necessary, as the underlying fee owner, to file with an agency or public body responsible therefor an application for conditional use permits, zoning and re-zoning, tentative and final tract approval, or precise plan approval that may be required for the lawful construction and operation of the facilities of LESSEE permitted on the Leased Land by the terms of this LEASE. However, nothing in this Section shall be construed as requiring CITY to support or approve any such application or permit requests, outside the reasonable limits of the normal regulatory process. If the agency or public body responsible to approve or grant such application or permit request is a City of Seward agency, department, or board, LESSEE shall follow all City of Seward procedures, the same as any other applicant making similar requests of the City of Seward, according to the Charter, ordinances, resolutions, or any regulation, rules, or procedures of the City of Seward. Nothing in this Section imposes any duty or responsibility on CITY to assist LESSEE in obtaining any other permits or approvals, including without limitation those required by the U.S. Army Corps of Engineers (e.g., wetland fill permits), the Environmental Protection Agency (e.g., Clean Air Act permits), the Alaska Department of Public Facilities and Transportation (e.g., right-of-way permits), the Alaska Department of Fish and Game, and the Alaska Department of Environmental Conservation.

1.6 *Platting.* In the event CITY elects to replat, CITY agrees to include the Leased Land in such replat. If LESSEE requests a replat of the Leased Land prior to that time, CITY shall assist LESSEE in the preparation and filing of the replat, and LESSEE shall reimburse CITY for CITY's costs in assisting with the preparation and filing of the replat. LESSEE agrees to sign the plat and any other documents necessary to complete the platting or replatting of any area including all or a portion of the Leased Land. LESSEE shall accept reasonable restrictions, easements, rights of way, or plat notes as may be required by CITY or other governmental authorities as a condition to filing the plat of the Leased Land or the plat of CITY-owned real property adjacent to the Leased Land.

1.7 Development of Leased Land

LESSEE shall continue operate a vessel, marine related gear and equipment storage area through the term of the lease. LESSEE understands that construction and operations of its marine-related business is a major consideration for the CITY's agreement to the lease the Leased Land to LESSEE. LESSEE shall not operate any other unrelated business on the Leased Land without the consent of the CITY.

- a) CITY may withhold its consent as to any proposed business or activity which, in CITY's sole discretion, is not desirable or compatible with the CITY's operation of the Seward Marine Industrial Center.
- b) In accordance with the provisions of Article 12, no assignment or sublease shall be permitted, unless approved in writing by CITY. Any sublease shall be expressly subject and subordinate to this Lease and the rights of the CITY hereunder. The CITY may elect to not approve any proposed assignment or sublease that might result in a business or activity that, in the CITY's sole discretion, is undesirable and/or incompatible with the CITY's Seward Marine Industrial Center.

ARTICLE 2 - LEASE TERM

Lease Term. The term of this LEASE (the "Lease Term") shall be in accordance with CITY's authorization in Resolution No. 2016- [REDACTED] (the "Resolution"). The Lease Term shall commence on the date this LEASE is signed by CITY and that date shall be the effective date of this LEASE (the "Effective Date"). The Lease Term shall run for approximately 20 years from the Effective Date, ending at midnight on _____, 2036. LESSEE shall have the right to extend the term of this LEASE for two additional five (5) year periods, provided that:

- a) LESSEE exercises its option to extend at least one hundred and eighty (180) days prior to the expiration of the then current lease term;
- b) LESSEE is not in default under any term or provision of this LEASE; and
- c) LESSEE shall exercise its options to extend by sending written notice in accordance with the provisions of Article 33 of this LEASE.

ARTICLE 3 - RENTAL RATE

3.1 *Initial Rental Rate.* Commencing on the Effective Date of this LEASE through June 30, 2017, the annual rental rate for the Leased Land shall be set at \$8,000.00. Rent shall be payable quarterly in advance upon the Effective Date of this Lease (prorated for the balance of the current quarter) and thereafter on or before the 20th day of the month beginning each calendar quarter: January 20, April 20, July 20 and October 20. The amount of each quarterly payment shall be one-quarter of the annual rental rate as initially established or later adjusted under this Article 3.

3.2 *Rental Adjustments.* The annual rental payment shall be adjusted on July 1, 2020, and on the same date every five years thereafter (each a "Rental Adjustment Date"). The adjusted annual rental payment to be paid under the terms of this Lease shall be the appraised fair

market rental value (the "Fair Market Rental Value") of the Leased Land at the highest and best use of the Leased Land. The highest and best use of the Leased Land shall be determined without regard to LESSEE's intended or actual use of the Leased Land unless that use is coincidentally the highest and best use of the Leased Land. CITY shall complete such appraisal and deliver a copy of the appraisal report to LESSEE not less than ninety (90) days before each Rental Adjustment Date.

- 3.3 *Procedure for Rental Adjustment.* To adjust the rent as of any successive Rental Adjustment Date, CITY shall, at its own expense, retain an independent State of Alaska certified MAI appraiser (Member, Appraisal Institute), who shall determine the "Fair Market Rental Value" of the Leased Land in accordance with this Article 3, exclusive of improvements placed thereon by LESSEE but inclusive of all improvements made by CITY (including those made before or subsequent to this LEASE) to the Leased Land or improvements appurtenant to the Leased Land which may affect the Fair Market Rental Value of the Leased Land. The appraiser's report shall be delivered to LESSEE not less than ninety (90) days before the Rental Adjustment Date. The appraiser's determination of Fair Market Rental Value of the Leased Land shall constitute a final binding determination of the Fair Market Rental Value and the adjusted annual rental rate until the next Rental Adjustment Date, unless LESSEE objects to CITY's appraiser's determination of the Fair Market Rental Value. In that case, LESSEE shall give written notice to CITY of its objection within thirty (30) days of receipt of the appraiser's report, and LESSEE shall then engage an independent State of Alaska certified MAI appraiser (Member, Appraisal Institute) at LESSEE's expense to make an appraisal of the Fair Market Rental Value in accordance with this Article 3.

If LESSEE's appraisal determines a Fair Market Rental Value that varies from that determined by CITY's appraisal by no more than twenty percent (20%), then the adjusted rental rate shall be the average of the rental rates determined by the two appraisals. If LESSEE's appraisal determines a Fair Market Rental Value that varies from CITY's appraisal by more than twenty percent (20%), then, unless CITY and LESSEE agree on a rate themselves, the adjusted annual rental rate of the Leased Land shall be determined in accordance with the arbitration provisions contained in Article 19 of this LEASE.

- 3.4 *Effect of Late Appraisal by CITY.* If, for any reason, CITY does not complete the appraisal or deliver a copy of the appraisal report to LESSEE ninety (90) days before the Rental Adjustment Date, CITY may proceed to complete the appraisal or deliver a copy of the appraisal report to LESSEE at any time thereafter. However, any such adjusted annual rental rate shall not be effective until the quarterly payment due date immediately following the date CITY delivers the appraisal report to LESSEE.
- 3.5 *Appraisal by LESSEE.* If, for any particular Rental Adjustment Date, CITY fails to obtain an appraisal of the Fair Market Rental Value or fails to deliver the appraisal report to the LESSEE by the Rental Adjustment Date, LESSEE may engage an independent State of Alaska certified MAI appraiser (Member, Appraisal Institute) at LESSEE's expense to make an appraisal under the terms of this Article 3 and submit a copy to CITY before the next

quarterly rental payment due date. However, LESSEE must notify CITY in writing within thirty (30) days following the Rental Adjustment Date of LESSEE's election to obtain an appraisal. If CITY objects to LESSEE's appraiser's determination of the Fair Market Rental Value, CITY shall give written notice to LESSEE of its objection within thirty (30) days of receipt of the appraiser's report, and CITY shall then engage an independent State of Alaska certified MAI appraiser (Member, Appraisal Institute) at CITY's expense to make an appraisal of the Fair Market Rental Value as of the Rental Adjustment Date and in accordance with this Article 3. If the CITY's appraisal determines a Fair Market Rental Value that varies from that determined by LESSEE's appraisal by no more than twenty percent (20%), then the adjusted rental rate shall be the average of the rental rates determined by the two appraisals. If the CITY's appraisal determines a Fair Market Rental Value that varies from LESSEE's appraisal by more than twenty percent (20%), then, unless CITY and LESSEE agree on a rate themselves, the adjusted annual rental rate of the Leased Land shall be determined in accordance with the arbitration provisions contained in Article 19 of this LEASE.

- 3.6 *Effective Date of Adjusted Rental Rate.* The adjusted annual rental rate established by this Article 3 shall apply as of the Rental Adjustment Date if CITY provided a copy of the appraisal report to LESSEE no later than ninety (90) days before the Rental Adjustment Date. If the adjusted annual rental rate is based on CITY's late appraisal or late delivery of the appraisal report to LESSEE, the adjusted rental rate shall be effective beginning with the quarterly rental payment due date immediately following the date the CITY delivers the appraisal report to LESSEE. Notwithstanding the above, the exercise by either CITY or LESSEE of the objection procedure relating to rental adjustment described in this Article 3 shall not postpone LESSEE's obligation to pay rent at the rate established by CITY. LESSEE shall pay the amount of rent as established or adjusted by CITY until the question of objection to the rental rate is finally resolved. At such time the objection to the rental rate is resolved, an appropriate credit or adjustment shall be made retroactive to the date the new rental rate was established by CITY or in cases where CITY failed to obtain an appraisal or deliver the appraisal report to the LESSEE, to the Rental Adjustment Date.
- 3.7 *Interim Rental Adjustments.* For each year in the period between each Rental Adjustment Date, excepting the Rental Adjustment Dates, the annual rental payment shall be increased beginning July 1, 2017 and on July 1 of every year thereafter (each on "Interim Rental Adjustment Date") in an amount that reflects the increase, if any, in the cost of living for the previous year as stated in the Consumer Price Index, All Urban Consumers, Anchorage, Alaska Area, All Items 1967=100 ("CPI"), as published by the United States Department of Labor, Bureau of Labor Statistics for the most recent period published immediately prior to the Interim Rental Adjustment Date. In no event shall the rent be less than the previous year. If the CPI is revised or ceases to be published, the CITY shall instead use such revised or other index as most nearly approximates the CPI for the relevant period, and make whatever adjustment in its application as may be necessary, in the CITY's sole discretion, to accomplished as nearly the same result as if the CPI had not been revised or ceased to be published.

- 3.8 *Late Payment Charge.* Rental payments not received by the due date shall bear interest until paid at a rate of 10.5% per annum, or the maximum rate permitted under Alaska law, whichever is less, plus a flat monthly late fee of \$2.50, or such amount as may be established from time to time by CITY ordinance or resolution and relating to late fees for CITY leases generally, the terms and conditions of which are incorporated herein by reference.

ARTICLE 4 - USE OF LEASED LAND

- 4.1 *Use of Leased Land.* CITY has limited land available for lease. Use of the Leased Land by LESSEE has been determined by the City Council of CITY to be in the public interest. LESSEE may use the Leased Land for storage of vessels, marine gear and equipment.
- 4.2 *Obligations of LESSEE.* LESSEE may use the Leased Land only in accordance with applicable CITY zoning code provisions and provided the following conditions are met:
- a) The Leased Land is to be completely cleaned and restored to its original condition, that is, the condition existing prior to this LEASE or in better condition upon termination of this LEASE.
 - b) LESSEE agrees to prohibit the use, keeping, storage, or disposal of Hazardous Materials on the Leased Land except as permitted in Article 19 of this LEASE.
 - c) LESSEE shall not use the Leased Land in any manner or construct any facilities thereon which would inhibit the use of adjacent or other lands.
 - d) LESSEE shall operate a vessel, marine gear and equipment storage on the Leased Land.
 - e) Any changes to this site require prior CITY approval, through the City Manager.
- 4.3 *No Preferential Rights to Use Public Facilities.* This LEASE does not grant to LESSEE any exclusive rights to use any public port facilities constructed or operated by CITY. LESSEE will be subject to any tariffs, procedures, rules, and regulations of CITY concerning the use of such facilities as they may now exist or from time to time be amended, and LESSEE shall not be entitled to any exclusive use.
- 4.4 *Adequacy of Public Facilities.* CITY makes no representations or warranties as to the fitness of any particular part or the whole of CITY's public facilities for the uses intended by LESSEE, and LESSEE has inspected those facilities and has satisfied itself that the facilities are sufficient for the intended uses by LESSEE. CITY makes no representations or warranties of any nature with respect to the commercial practicability or accuracy of any information provided by CITY.

- 4.5 *Tariffs and Other Service Fees.* CITY shall have the right to make amendments to its tariffs, regulations, and scheduled fees from time to time, even if those adjustments shall cost LESSEE more for its operations or use of public facilities, and CITY is free to do so provided only that it does not impose any greater burden or higher rate upon LESSEE than upon any other similar user of the public facilities; provided, however, that such amendments may or may not impact other existing users' terms and conditions of use, which may bear different restrictions or rates based on applicable grandfathering or contracts related to such other users.
- 4.6 *Time for Payment of Utilities and Taxes.* LESSEE will pay for utilities and taxes related to operations on the Leased Land and LESSEE's interest in this LEASE and improvements thereon, if any, before such obligations become delinquent; provided that LESSEE may, in good faith and before such delinquency, contest any such charge or assessment.
- 4.7 *Other Uses.* This LEASE shall not preclude the CITY from actively seeking other and additional tenants for space within the Seward Marine Industrial Center, including those who would be in competition with LESSEE or who might be interested in leasing: (i) other real property within the Seward Marine Industrial Center, during the Term of this Lease, or (ii) the Leased Land, should this LEASE be terminated for any reason.
- 4.8 *Use of Public Docks and Port Facilities.* Public docks are subject to port and harbor rules and regulations as adopted by City Council.

ARTICLE 5 - UTILITIES AND RIGHTS OF ACCESS

- 5.1 *Utilities.* LESSEE, at LESSEE's sole cost and expense, shall provide for the extension of public utilities to the Leased Land sufficient for LESSEE's intended operations. In so doing, LESSEE shall comply with all CITY regulations and requirements, and the tariffs of the affected utilities, with respect to the construction of those utilities. CITY agrees to cooperate and assist the LESSEE, through consultation and review, in LESSEE's planning and engineering of those improvements. All utilities will be located and sized in accordance to CITY's Master Plan for the area leased. All such construction shall be in compliance with all applicable building, mechanical and fire codes. Utilities constructed by the LESSEE within the public right-of-ways or within public utility easements will normally be accepted and maintained by CITY or utility companies may be used to serve other customers of LESSEE's without payment of fees or reimbursement of construction cost to the LESSEE. However, this does not preclude several lessees from agreeing to share the cost of constructing a utility to serve their facilities. CITY or other utility company may determine that it would be to their benefit to oversize the utility or install special fittings or equipment in order to serve other existing or future users. The additional direct costs of such oversizing shall be borne by CITY or other utility company. Such costs shall be limited to the supplier's cost of the additional fittings, equipment, direct labor, and equipment costs to complete the installation. The costs of oversizing pipe or electrical conduit shall be limited to the difference between

the supplier's price to provide the size required to serve its facility and the price of the oversized material required by CITY or utility company.

LESSEE shall not be entitled to any refund, rebate, or payments from CITY for any rent, investment, or costs incurred by LESSEE with respect to any required permits for construction or operation of LESSEE's facilities on the Leased Land, it being the intent of the parties that the risk of obtaining required permits be solely a risk undertaken by LESSEE.

5.2 *Third-Party Improvements.* At the request of LESSEE, CITY shall, from time to time, execute and deliver, or join in execution and delivery of, such documents as are appropriate, necessary, or required to impose upon the Leased Land in accordance with the terms of this LEASE covenants, conditions, and restrictions providing for the granting of uses of the Leased Land, or any part thereof, the establishment of party walls, the establishment of mutual and reciprocal parking rights or rights of ingress or egress, or other like matters (herein called "third-party improvements"), all of which are for the purpose of the orderly development of the Leased Land as a commercial unit subject, however, to the conditions that:

- a) All such matters shall be limited to the Lease Term and shall terminate upon termination of this LEASE for whatever reason.
- b) Any such matters of a permanent nature extending beyond the Lease Term shall not be granted without the prior written approval of CITY. In any of the foregoing instances referred to in this Section, CITY shall be without expense therefor, and the cost and expense thereof shall be borne solely by LESSEE.
- c) At the expiration of the Lease Term (including any extended period) third-party improvements on the Leased Land other than portable equipment shall become the property of CITY without the payment of any compensation to LESSEE.

5.3 *Easements.* In order to provide for the orderly development of the Leased Land and adjacent lands, it may be necessary, desirable, or required that street, railroad, water, sewer, drainage, gas, power line, and other easements and dedications and similar rights be granted or dedicated over or within portions of the Leased Land. As additional consideration for this LEASE, CITY and LESSEE each shall, at the request of the other, join with each other in executing and delivering such documents from time to time and throughout the Lease Term as may be appropriate, necessary, or required by the several governmental agencies (including the City of Seward), public utilities, and other users or tenants of CITY land for the purpose of granting such easements and dedications; provided, however, that such easements and dedications and similar rights do not unreasonably interfere with LESSEE's operations. The costs of locating or relocating any public easements or restrictions of record including any relocation of public road, railroad, utility, or other easements shall be at the sole cost and expense of the party requesting the relocation. CITY shall not refuse reasonable requests for such relocations provided those relocations do not interfere with or

inhibit the overall development of CITY property or other public property. Any easements or rights of access granted to LESSEE by CITY need not be exclusive to LESSEE.

ARTICLE 6 - CONSTRUCTION BY LESSEE

- 6.1 *Improvements on Leased Land.* LESSEE shall have the right to erect, maintain, alter, remodel, reconstruct, rebuild, build, and/or replace buildings and other improvements on the Leased Land, subject to the following conditions:
- a) The cost of any construction, reconstruction, demolition, or of any changes, alterations, or improvements, shall be borne and paid for by LESSEE.
 - b) The Leased Land shall at all times be kept free of mechanic's and materialmen's liens.
 - c) LESSEE shall provide CITY with a copy of all building plans and specifications and a site development plan or plans (based on a recent survey) for the Leased Land prior to commencement of construction.
 - d) LESSEE is solely responsible for resurveying and locating improvements on the Leased Land in such manner not to violate building setback requirements or encroach into rights-of-ways or easements. On completion of any improvements, LESSEE shall provide CITY a copy of an as-built survey depicting the improvements as completed on the Leased Land.
 - e) Any general contractor employed by LESSEE shall be appropriately bonded by use of performance and labor and material payment bonds in the customary form when cost of the work is equal to or exceeds FIFTY THOUSAND DOLLARS (\$50,000). Copies of all such bonds shall be furnished to CITY prior to commencement of construction. If the cost of the work is less than FIFTY THOUSAND DOLLARS (\$50,000), LESSEE shall provide CITY, if no performance and labor and material bonds are provided by LESSEE, any necessary assurances or guarantees that the contemplated work will be performed by the general contractor or by LESSEE. In the event that LESSEE elects to construct the facility with its own personnel and equipment, or the personnel and equipment of any corporation or person that is an "affiliate" of LESSEE as such term is defined in AS 10.06.990(2) or Alaska limited liability company in which LESSEE maintains a substantial membership interest, a performance bond shall be required when the cost of the work is equal to or exceeds FIFTY THOUSAND DOLLARS (\$50,000).
 - f) CITY may, as contemplated by Alaska Statutes, give notice of non-responsibility for any improvements constructed or effected by LESSEE on the Leased Land.

- g) LESSEE shall comply with all federal, state, and local statutes and regulations with respect to such construction, including, but not limited to, all applicable building, mechanical, and fire codes.

6.2 *City Review of Construction.* CITY shall have the right to review initial plans, including those supplied to CITY under Section 6.1 hereof, and any future changes or additions to LESSEE's facilities on the Leased Land, by reviewing the design thereof prior to the commencement of construction. CITY shall have the right to comment upon that design and to require LESSEE to make reasonable changes so as to avoid interference with public operations, but the exercise of these rights shall not imply any obligation to do so nor any obligation to do so in a particular way. LESSEE shall construct the facility in accordance with final design specifications approved by CITY. CITY's representatives may monitor the work and shall have access to the site at all reasonable times. LESSEE shall be solely responsible for completing all improvements according to LESSEE's plans and specifications and shall bear all risk, responsibility, and liability for properly surveying the Leased Land before construction and to place all improvements on the Leased Land without encroaching upon any land, easements, rights-of-way, or setback requirements. LESSEE shall obtain the usual and customary performance guarantees from its contractors, and CITY shall be named as an additional insured.

ARTICLE 7 - RETURN OF LEASED LAND/SITE CONDITIONS

7.1 *Return of Leased Land in Original Condition.* Subject to the provisions of Article 11.1 herein, upon termination of this LEASE for any reason, LESSEE shall return the Leased Land to CITY in the same condition as at the commencement this LEASE, subject to normal, non-abusive use. The Leased Land shall be free of all Hazardous Materials and contamination arising out of or resulting from or occurring during LESSEE's operations or use of the Leased Land during this LEASE.

ARTICLE 8 - FORCE MAJEURE

In the event either LESSEE or CITY is delayed from performance of any of its obligations under this LEASE due to acts of nature, acts of the enemies of the United States of America, sabotage, blockade, insurrection, riot, epidemic, fire, flood, explosion, earthquake/tsunami, civil disturbance, or war, the time period wherein such performance is to occur shall be extended by that amount of time necessary to compensate for the delay.

ARTICLE 9 - LESSEE'S ACTS OF DEFAULT

Each of the following shall be a "LESSEE Act of Default" under this LEASE and the terms "acts of default" and "default" shall mean, whenever they are used in this LEASE, any one or more of the following events:

- 9.1 Failure by LESSEE to pay promptly when due, and in no event later than twenty (20) days from the due date thereof, the rent required to be paid under this LEASE.
- 9.2 Failure by LESSEE to comply with Section 4.1 of this LEASE.
- 9.3 Failure by LESSEE to observe, fulfill or perform any covenants, conditions, or agreements on its part to be observed or performed under this LEASE, other than payment of rent or compliance with Section 4.1, for a period of thirty (30) days after written notice specifying such failure, requesting that it be remedied, and stating that it is a notice of default, has been given to LESSEE by CITY; provided, however, that if said default is such that it cannot be corrected within the applicable period, it shall not constitute an act of default if corrective action is instituted by LESSEE within the applicable period and diligently pursued until the default is corrected.
- 9.4 The making by LESSEE of an assignment for the benefit of creditors, the filing of a petition in bankruptcy by LESSEE, the adjudication of LESSEE as insolvent or bankrupt, the petition or application by LESSEE to any tribunal for any receiver or any trustee for itself or for any substantial part of its property; or the commencement of any proceeding relating to LESSEE under any bankruptcy, insolvency, reorganization, arrangement, or readjustment of debt law or statute or similar law or statute of any jurisdiction, whether now or hereafter in effect which shall remain undismissed for a period of six (6) months from the date of commencement thereof.
- 9.5 Violation by LESSEE of any laws or regulations of the United States, or of the State of Alaska, or any conditions of any permits issued by agencies of the City of Seward, the Kenai Peninsula Borough, the State of Alaska, or of the United States Government applicable to LESSEE's use of the Leased Land, pursuant to the regulations of such agencies, for a period of sixty (60) days after written notice specifying such violation has been given by the agency charged with the enforcement of such laws, regulations, or permits to LESSEE; provided, however, if such violation be such that it cannot be corrected within the applicable period, it shall not constitute an act of default if corrective action is instituted by LESSEE within the applicable period and diligently pursued until the violation is corrected. Furthermore, if LESSEE shall contest such alleged violation through appropriate judicial or administrative channels, the time period specified herein shall not commence until such proceedings are finally determined provided such proceedings are diligently pursued; provided, however, that any such extension of time shall not be effective if the effect of the interim administrative or judicial action is to cause a stoppage, interruption, or threat to the activities of any person or entity other than those of LESSEE.
- 9.6 Failure of LESSEE to maintain its operations within the Leased Land or to keep the public rights of way clear.

ARTICLE 10 - REMEDIES FOR DEFAULT BY LESSEE

Whenever an act of default by LESSEE shall have occurred, and any applicable period for giving notice and any opportunity to cure shall have expired, CITY shall have the following rights and remedies all in addition to any rights and remedies that may be given to CITY by statute, common law, or otherwise:

- 10.1 CITY may distrain for rent due any of LESSEE's personal property which comes into CITY's possession. This remedy shall include the right of CITY to dispose of personal property distrained in any commercially reasonable manner. It shall be conclusively presumed that compliance with the procedures set forth in the Alaska Uniform Commercial Code (AS 45.29.601-.628) with respect to sale of property shall be a commercially reasonable disposal.
- 10.2 CITY may re-enter the Leased Land and take possession thereof and, except for any personal property of LESSEE which CITY has waived its right to distrain under Section 10.1 above, remove all personal property of LESSEE from the Leased Land. Such personal property may be stored in place or may be removed and stored in a public warehouse or elsewhere at the cost of LESSEE all without service of notice or resort to legal process, all of which LESSEE expressly waives.
- 10.3 In addition to the above, CITY may:
 - a) Declare this LEASE terminated;
 - b) Collect any and all rents due or to become due from subtenants or other occupants of the Leased Land;
 - c) Recover from LESSEE, whether this LEASE be terminated or not, reasonable attorney's fees and all other expenses incurred by CITY by reason of the breach or default by LESSEE;
 - d) Recover an amount to be due immediately on breach equal to the unpaid rent for the entire remaining term of this LEASE.
 - e) Recover all damages incurred by CITY by reason of LESSEE's default or breach, including, but not limited to, the cost of recovering possession of the Leased Land, expenses of reletting, including costs of necessary renovation and alteration of the premises, reasonable attorney's fees, and any real estate commissions actually paid.
 - f) Remove or require the removal of any improvements constructed without CITY approval or constructed contrary to site development plans approved by CITY and recover all costs and expense incurred by CITY to remove violating improvements.
- 10.4 If LESSEE does not immediately surrender possession of the Leased Land after termination by CITY and upon demand by CITY, CITY may forthwith enter into and upon and repossess

the Leased Land and expel LESSEE without being deemed guilty in any manner of trespass and without prejudice to any remedies which might otherwise be used for arrears of rent or breach of covenant.

- 10.5 No expiration or termination of this LEASE shall expire or terminate any liability or obligation to perform of LESSEE's which arose prior to the termination or expiration except insofar as otherwise agreed to in this LEASE.
- 10.6 Each right and remedy of CITY provided for in this LEASE shall be cumulative and shall be in addition to every other right or remedy provided for in this LEASE or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by CITY of any one or more of the rights and remedies provided for in this LEASE or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by CITY of any or all other rights or remedies provided for in this LEASE or now or thereafter existing at law, or in equity or by statute or otherwise.
- 10.7 No delay or omission to exercise any right or power accruing following an act of default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

ARTICLE 11 - TITLE TO IMPROVEMENTS INSTALLED BY LESSEE

- 11.1 *Real Property Improvements.* All improvements constructed by LESSEE or its predecessors on the Leased Land or on easements to or from the same, such as buildings, warehouses, conveyor systems, ditches, sewer lines, water lines, dikes or berms and similar improvements, shall become the property of CITY upon termination of this LEASE for any reason; provided, however, that CITY may require LESSEE to remove any improvements designated by CITY and without cost to CITY.
- 11.2 *Personal Property.* Any other provisions of this LEASE to the contrary notwithstanding, LESSEE, upon termination of this LEASE for any reason, may, but need not, promptly remove, in no event later than ninety (90) days from the termination of the LEASE, trade fixtures and equipment from the Leased Land provided that LESSEE shall repair any damages to the Leased Land caused by such removal.

ARTICLE 12 - ASSIGNMENT OR SUBLEASE

- 12.1 *Assignment of Lease or Subleasing.* The parties recognize that this LEASE has been determined to be in the public interest by the City Council of CITY for the reasons set forth in the approving Resolution. The rights and duties created by the LEASE are personal to LESSEE and CITY has granted the LEASE in reliance upon the individual character and financial capability of LESSEE. Therefore, LESSEE shall not assign or sublease this LEASE without CITY's prior written consent, in CITY's sole discretion.

12.2 *Assignment of Lease for Security.* Notwithstanding Section 12.1 above, LESSEE may assign, encumber, or mortgage its interest in this LEASE or improvements on the Leased Land, by deed of trust or other security instrument, to an institutional lender ("Lender") for development of or operations on the Leased Land, provided that Lender shall be subject to all obligations of LESSEE under the terms of this LEASE upon foreclosure. CITY shall furnish Lender, at the address provided to CITY by Lender in writing, with notice of any default or breach of LESSEE under this LEASE. Lender shall have the right (without being required to do so and without thereby assuming the obligations of LESSEE under this LEASE) to make good such default or breach within thirty (30) days after written notice specifying such breach. Notwithstanding the provisions of Article 10 above, no "LESSEE Act of Default" shall exist until expiration of thirty (30) days after such notice is furnished to Lender; provided,

- a) If Lender, with respect to any default or breach other than a failure to make any required payment of rent or other money, shall undertake within thirty (30) days after notice to cure the default or breach and shall diligently and in good faith proceed to do so, CITY may not terminate this LEASE or relet the Leased Land unless Lender fails to cure the default or breach within a reasonable period of time thereafter; and
- b) If the default for which notice is given is a breach of Section 9.3, CITY shall not exercise any of the remedies afforded to it under Article 10 above so long as LESSEE or Lender remains in possession of the Leased Land and satisfies LESSEE's obligations under the terms of this LEASE. Upon foreclosure or other assertion of its security interest, Lender may further assign, transfer, or dispose of its interests, provided that any subsequent assignee, purchaser, or transferee shall remain bound by each and every term of this LEASE.

12.3 *Assignment to Affiliate.* Notwithstanding Section 12.1 above, LESSEE may assign this LEASE to an affiliate of LESSEE as that term is defined by AS 10.06.990(2) or Alaska limited liability company in which LESSEE maintains a substantial membership interest; provided, however, that LESSEE's full faith and credit shall remain obligated under this LEASE as though the assignment had not taken place.

ARTICLE 13 - LESSEE'S DUTY TO DEFEND/INDEMNIFY

LESSEE shall defend, indemnify, and hold harmless CITY, its officials, employees, agents, and contractors from any and all liability or claims for damages, including personal injuries, environmental damage, death and property damage arising out of or resulting from LESSEE's use of the Leased Land or the use of the Leased Land by LESSEE's sublessees, assignees, agents, contractors, or the public, except for damages arising from the sole negligence or willful acts or omissions of CITY, its officials, employees, agents, or contractors. If any action or proceeding is brought against LESSEE by reason of any such occurrence, LESSEE shall notify CITY promptly in writing of such action or proceeding.

ARTICLE 14 - CITY'S DUTY TO DEFEND/INDEMNIFY

CITY shall defend, indemnify and hold LESSEE harmless from any and all liability or claims for damages, including personal injuries, death, and property damage arising from the sole negligence or willful acts or omissions of CITY, its officials, employees, agents, or contractors.

ARTICLE 15 - INSURANCE

15.1 *Minimum Insurance Requirements.* Prior to commencement of the Lease Term or LESSEE'S occupancy of the Leased Land, LESSEE shall procure and maintain, at LESSEE's sole cost and expense, comprehensive commercial general liability insurance with limits of liability of not less than TWO MILLION DOLLARS (\$2,000,000) for all injuries and/or deaths resulting to any one person and TWO MILLION DOLLARS (\$2,000,000) limit from any one occurrence. The comprehensive commercial general liability insurance shall include coverage for personal injury, bodily injury, and property damage or destruction. Coverage under such policies of insurance shall include collapse and underground property damage hazards. Contractual liability insurance coverage in the amount of not less than TWO MILLION DOLLARS (\$2,000,000) is also required.

LESSEE shall obtain owned and non-owned automobile liability insurance with limits of liability of not less than ONE MILLION DOLLARS (\$1,000,000) per occurrence combined single limit for bodily injury and property damage.

LESSEE shall also maintain workers' compensation insurance as required under Alaska law.

The minimum amounts and types of insurance provided by LESSEE shall be subject to revision at the sole discretion of CITY in accordance with standard insurance practices, in order to provide continuously throughout the term of this LEASE and any extensions hereof, a level of protection consonant with good business practice and accepted standards in the industry. Such factors as changes in the type of or extent of use of the Lease Land, increases in the cost of living, inflationary pressures, and other considerations, shall be utilized in assessing whether the minimum insurance requirements should be increased. CITY shall notify LESSEE of any required increase in insurance coverage.

All insurance policies shall provide for thirty (30) days' notice of cancellation and/or material change to be sent to CITY at the address designated in ARTICLE 33 of this LEASE. All such policies shall be written by insurance companies legally authorized or licensed to do business in the State of Alaska and acceptable to CITY (Best's Rating B+ or better). CITY shall be listed as an additional insured under all insurance policies. LESSEE shall furnish CITY, on forms approved by CITY, certificates evidencing that it has procured the insurance required herein prior to the occupancy of the Leased Land or operation by LESSEE. Insurance policy deductibles are subject to approval by CITY. Nothing herein contained shall prevent LESSEE or CITY from placing and maintaining at CITY's or LESSEE's own

individual cost and expense, additional or other insurance as may be desired. The minimum insurance requirements under this LEASE shall not act to limit LESSEE's liability for any occurrence and shall not limit LESSEE's duty to defend and indemnify CITY for claims related to this LEASE or the Leased Land.

- 15.2 *Subrogation Rights Waived.* To the extent permitted by law, LESSEE hereby releases CITY, its elected and appointed officials, employees and volunteers, and others working on behalf of CITY from any and all liability or responsibility to LESSEE or anyone claiming through or under LESSEE by way of subrogation or otherwise, for any loss of any kind (including damage to property caused by fire or any other casualty), even if such loss shall have been caused by the fault or negligence of the CITY, its elected or appointed officials, employees or volunteers, or others working on behalf of the CITY. This provision shall be applicable and in full force and effect only with respect to loss or damage occurring during the time of LESSEE's occupancy or use (including LESSEE's occupancy or use prior to the Effective Date of this LEASE), and LESSEE's policies of insurance shall contain a clause or endorsement to the effect that such release shall not adversely affect or impair such policies or prejudice the right of LESSEE to recover thereunder except as against CITY (including its elected and appointed officials, employees and volunteers, and others working on behalf of CITY) during the time of LESSEE's occupancy or use. LESSEE agrees that its policies of insurance will include such a clause or endorsement.

ARTICLE 16 - CONDEMNATION

If all or any part of the Leased Land is condemned for a public use by any government agency or other duly authorized entity, CITY and LESSEE shall each make a claim against the condemning or taking authority for the amount of any damage incurred by or done to them respectively as a result of the taking. Neither LESSEE nor CITY shall have any rights in or to any award made to the other by the condemning authority; provided, that in the event of a single award to CITY which includes specific damages for loss of LESSEE's leasehold interest, CITY shall transmit to LESSEE the amount of such specific damages so found, if any.

If part but not all of the Leased Land is condemned for public use, LESSEE shall make a good faith determination as to whether or not the taking of the part of the Leased Land designated for condemnation will prevent it from continuing to operate on the Leased Land. If LESSEE determines in good faith that the condemning of such part of the Leased Land will prevent it from continuing to operate on the Leased Land, LESSEE may notify CITY in writing to this effect, and this LEASE shall then be terminated for all purposes effective fifteen (15) days from the date LESSEE sends such notice to CITY, or at such other later date as LESSEE shall specify in its notice, and such termination shall be treated in the same manner as a termination at the expiration of the term of this LEASE. LESSEE shall, as a condition precedent to such termination, remove all encumbrances, debts, and liens to which the Leased Land is subject. If at the time of such partial taking for public use, LESSEE determines that such partial taking will not prevent it from continuing to operate, then LESSEE and CITY shall negotiate an equitable and partial abatement of the rent beginning to be

effective on the actual date when LESSEE is effectively prevented from utilizing the condemned land.

ARTICLE 17 - ARBITRATION

17.1 *Arbitration.*

- a) Disputes between the parties with respect to the performance of this LEASE that cannot be resolved by the parties, shall be submitted to an independent arbitrator for a settlement pursuant to the provisions of the Alaska Uniform Arbitration Act (AS 09.43.010 *et. seq.*), as it now exists or may hereafter be amended from time to time, and judgment on the award may be entered in any Superior Court in the State of Alaska. Notwithstanding the foregoing, arbitration shall not be applicable to claims or disputes involving a requested remedy having a value of more than ONE HUNDRED THOUSAND DOLLARS (\$100,000) (exclusive of interest and costs). All demands for arbitration and all answering statements thereto that include any claim must contain a statement that the total sum or value in controversy, as alleged by the party making such demand or answering statement, is not more than ONE HUNDRED THOUSAND DOLLARS (\$100,000.) The arbitrator will not have jurisdiction, power, or authority to consider or make findings (except to deny jurisdiction) concerning any claim, counterclaim, dispute, or other matter in question where the amount in controversy of any such claim, counterclaim, dispute or matter is more than ONE HUNDRED THOUSAND DOLLARS (\$100,000). The costs and expenses of arbitration shall be shared equally by the parties, and each party shall bear its own attorney's fees and costs.
- b) Arbitration procedures shall be applicable only to contract, negligence, and similar claims arising from or related to this LEASE, and shall not be used to resolve or determine any claim based upon fraud, intentional misrepresentation, nor any claim based on conduct that is a felony crime in the State of Alaska.
- c) Written notice of requests for arbitration of disputes may be served by either party to this LEASE upon the other party. Arbitration of any dispute or claim shall be determined by a single arbitrator selected from a list of not less than five (5) arbitrators obtained from the presiding Superior Court Judge or other appropriate judicial officer in Anchorage, Alaska. The arbitrator shall be a person who (a) has not less than five (5) years legal experience in the State of Alaska prior to appointment; and (b) such legal experience include substantial experience with long-term commercial real property transactions. Each party shall be provided with a copy of the list and shall be afforded a maximum of ten (10) working days to become familiar with the qualifications of the prospective arbitrators. The arbitrator shall be selected by each party, commencing with the party demanding the arbitration, striking one name from the list until only a single name remains.

- d) Arbitration hearings shall be conducted in Anchorage, Alaska or such other location as the parties may agree. Each party shall produce at the request of the other party, at least thirty (30) days in advance of such hearing, all documents to be submitted at the hearing and such other documents as are relevant to the issues or likely to lead to relevant information.
- e) In deciding the claim or dispute, the arbitrator shall follow applicable Alaska law, and the written decision shall be supported by substantial evidence in the record. Failure to apply Alaska law, or entry of a decision that is not based on substantial evidence in the record, shall be additional grounds for modifying or vacating an arbitration decision.

ARTICLE 18 - MAINTENANCE AND REPAIRS

- 18.1 *Normal Maintenance.* During the entire term of this LEASE and every extension hereof, if any, LESSEE shall, at LESSEE's sole cost, risk and expense, maintain the Leased Land, including any improvements placed thereon by LESSEE, in as good condition as received or constructed by LESSEE, subject to normal, non-abusive use. CITY, at CITY's sole option and expense, may, prior to the commencement of construction by LESSEE, perform maintenance and preventative work on the Leased Land, exclusive of improvements placed thereon by LESSEE, in order to prevent erosion, mitigate damage to plants and animals, or prepare the Leased Land for eventual development by LESSEE or others by grading, filling, or contouring the Leased Land. Any such work performed by CITY shall be at CITY's sole expense and risk unless LESSEE agrees, in advance and in writing, to share such expense and risk. LESSEE shall maintain in first class condition at all times all fire, pollution, and other protective equipment, if any are placed on Leased Land.
- 18.2 *Safety Issues.* CITY may notify LESSEE in writing of any deficiencies in the performance of LESSEE's maintenance responsibilities as they relate to public health or safety and LESSEE shall promptly within thirty (30) days of receipt of such notice advise CITY in writing of its proposed schedule for performance of any work necessary to cure such deficiencies.

If such deficiencies relate to the safety of LESSEE's operation such that the surrounding land and port facilities are exposed to risk, unnecessary potential hazards, or a risk to the public interest (as distinguished from a business risk), or if CITY is not satisfied with the proposed schedule of repairs either because of the delays therein or the scope of the repairs, then CITY may engage an independent engineering consultant well-versed and experienced who shall furnish to CITY a comprehensive survey and report for the purpose of establishing both the need and urgency to perform such maintenance work. As soon as practicable following receipt of said engineer's determinations and recommendations, if the report requires repair then LESSEE shall pay the cost of the report and perform such work in accordance therewith at LESSEE's cost, risk, and expense.

- 18.3 *Cost of Repairs.* Should LESSEE dispute the necessity of any maintenance work as being necessary or advisable or reasonable to protect the public facilities on adjacent land, it may submit the matter to arbitration; provided, however, that pending the decision of the arbitrator it shall fully comply with the maintenance requests. If an arbitration award should ultimately find that the repairs were not necessary then LESSEE may either deduct from future rental payments the cost of such repairs or be reimbursed therefor. In deciding whether repairs requested by CITY or required by an engineering report are necessary, the arbitration panel is to give primary consideration to the safety and welfare of the Seward port facilities and the citizens of Seward in light of the highest standards in the industry.

If any facility or service provided by CITY to the Leased Land shall become inadequate due to changes in environmental control standards or should any facility require updating or improvement by reason of a change in LESSEE's use of the Leased Land or operations therefrom, LESSEE shall either construct such improvements at LESSEE's own cost or reimburse CITY for such work at the option of CITY.

ARTICLE 19 - ENVIRONMENTAL CONCERNS

19.1 *Hazardous Materials.*

- a) *Condition of Site.* LESSEE has had full opportunity to examine the site for the presence of any Hazardous Material and accepts the site in "as is" condition. LESSEE may elect, at LESSEE's sole cost, to conduct a baseline soils test prior to execution of this LEASE.
- b) *Release of CITY.* Any other provision of this LEASE to the contrary notwithstanding, LESSEE releases CITY from any and all claims, demands, penalties, fines, judgments, liabilities, settlements, damages, costs, or expenses (including, without limitation, attorney's fees, court costs, litigation expenses, and consultant and expert fees) arising prior to, during, and after the term of this LEASE, and resulting from the use, keeping, storage, or disposal of Hazardous Material on the Leased Land by LESSEE or its predecessors in interest, or arising out of or resulting from LESSEE's operations at the Leased Land or the operations of its predecessors in interest at the Leased Land except for those claims arising out of CITY's sole negligence or intentional misconduct. This release includes, without limitation, any and all costs incurred due to any investigation of the Leased Land or any cleanup, removal, or restoration mandated by a federal, state, or local agency or political subdivision or by law or regulation.
- c) *Use of Hazardous Materials on the Site.*
 - i) LESSEE shall not cause or permit any Hazardous Material to be brought upon, kept, or used in or about the Leased Land except for such Hazardous

Material as is necessary to conduct LESSEE's authorized use of the Leased Land.

- ii) Any Hazardous Material permitted on the Leased Land as provided in this paragraph, and all containers therefor, shall be used, kept, stored, and disposed of in a manner that complies with all Environmental Laws or other laws or regulations applicable to such Hazardous Material.
 - iii) LESSEE shall not discharge, leak, or emit, or permit to be discharged, leaked, or emitted, any material into the atmosphere, ground, ground water, sewer system, or any body of water, if such material (as reasonably determined by the City, or any governmental authority) does or may, pollute or contaminate the same, or may adversely affect the (a) health, welfare, or safety of persons, whether located on the Leased Land or elsewhere; or (b) condition, use, or enjoyment of the Leased Land or any other area or personal property.
 - iv) LESSEE hereby agrees that it shall be fully liable for all costs and expenses related to the use, storage, and disposal of Hazardous Material kept or brought on the Leased Land by LESSEE, its authorized representatives and invitees, and LESSEE shall give immediate notice to CITY of any violation or potential violation of the provisions of this subparagraph.
- d) *Indemnification of CITY.* Any other provision of this LEASE to the contrary notwithstanding, LESSEE shall defend, indemnify, and hold CITY harmless from and against any claims, demands, penalties, fines, judgments, liabilities, settlements, damages, costs, or expenses (including, without limitation, attorney, consultant and expert fees, court costs, and litigation expenses) of whatever kind or nature, known or unknown, contingent or otherwise, arising out of or in any way related to:
- i) The presence, disposal, release, or threatened release of any such Hazardous Material which is on or from the Leased Land, soil, water, ground water, vegetation, buildings, personal property, persons, animals, or otherwise;
 - ii) Any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Material or any use of the Leased Land;
 - iii) Any lawsuit brought or threatened, settlement reached, or government order relating to such Hazardous Material or any use of the Leased Land; and/or
 - iv) Any violation of any laws applicable thereto; provided, however, that this Section 19.1(d) shall apply only if the acts giving rise to the claims, demands, penalties, fines, judgments, liabilities, settlements, damages, costs, or expenses (1) occur prior to or during the term of this LEASE; and (2) arise, in

whole or in part, from the use of, operations on, or activities on the Leased Land by LESSEE or LESSEE's predecessors in interest, employees, agents, invitees, contractors, subcontractors, authorized representatives, subtenants, or any other persons. The provisions of this subparagraph shall be in addition to any other obligations and liabilities LESSEE may have to CITY at law or equity and shall survive the transactions contemplated herein and shall survive the termination of this LEASE.

- e) *Operator.* For all purposes, LESSEE shall be deemed the operator of any facility on the Leased Land.
- f) *Hazardous Material Defined.* As used in this LEASE, Hazardous Material is any substance which is toxic, ignitable, reactive, or corrosive or which is regulated by any Environmental Law. Hazardous Material includes any and all material or substances which are defined as industrial waste, hazardous waste, extremely hazardous waste, or a hazardous substance under any Environmental Law. Notwithstanding any statutory petroleum exclusion, for the purposes of this LEASE, the term Hazardous Material includes, without limitation, petroleum, including crude oil or any fraction thereof, petroleum soaked absorbent material, and other petroleum wastes.
- g) *Environmental Law Defined.* As used in this LEASE, Environmental Laws include any and all local, state, and federal ordinances, statutes, and regulations, as now in force or as may be amended from time to time, relating to the protection of human health and the environment, as well as any judgments, orders, injunctions, awards, decrees, covenants, conditions, or other restrictions or standards relating to same. Environmental Laws include, by way of example and not as a limitation of the generality of the foregoing, Alaska Statutes Title 46, the Resource Conservation and Recovery Act of 1976, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Clean Water Act, and the Superfund Amendments and Reauthorization Act of 1986.

19.2 *Permits and Reporting.*

- a) *Permits Required by Other Governmental Agencies.* LESSEE shall obtain all permits or approvals required by any applicable law or regulation. Copies of all such permits shall be provided to CITY prior to LESSEE commencing work under this LEASE. LESSEE shall promptly make all reports to any federal, state, or local government or agency required by any permit or Environmental Law, including reports of any spill or discharge of Hazardous Material. The CITY, through the City Manager, may order LESSEE to immediately cease any operations or activities on the Leased Land if the same is being carried out without necessary permits, in violation of the terms of any permit or Environmental Law, or contrary to this LEASE.

- b) *Correspondence With and Reports to Environmental Agencies.* LESSEE shall immediately (the same or the next business day) provide CITY with copies of all correspondence and notice, including copies of all reports between LESSEE and any state, federal, or local government or agency regulating Hazardous Material which relates to LESSEE's operations on or use of the Leased Land.

ARTICLE 20 - ESTOPPEL CERTIFICATES

Either party shall at any time and from time to time upon not less than ten (10) days' prior written request by the other party, execute, acknowledge, and deliver to such party, or to its designee, a statement in writing certifying that this LEASE is unamended and in full force and effect (or, if there has been any amendment thereof, that the same is in full force and effect as amended and stating the amendment or amendments), that there are no defaults existing (or, if there is any claimed default, stating the nature and extent thereof), and stating the dates to which the rent and other charges have been paid in advance.

ARTICLE 21 - CONDITIONS AND COVENANTS

All the provisions of this LEASE shall be construed to be "conditions" as well as "covenants," as though the words specifically expressing or imparting covenants and conditions were used in each separate provision.

ARTICLE 22 - NO WAIVER OF BREACH

No failure by either CITY or LESSEE to insist upon the strict performance by the other of any term, covenant, or condition of this LEASE or to exercise any right or remedy consequent upon a breach thereof, shall constitute a waiver of any such breach or of such terms, covenants, or conditions. No waiver of any breach shall affect or alter this LEASE, but each and every term, covenant, and condition of this LEASE shall continue in full force and effect with respect to any other then existing or subsequent breach.

ARTICLE 23 - TIME OF THE ESSENCE

Time is of the essence of this LEASE and of each provision.

ARTICLE 24 - COMPUTATION OF TIME

The time in which any act provided by this LEASE is to be done by shall be computed by excluding the first day and including the last, unless the last day is a Saturday, Sunday, or a holiday, and then it is also excluded.

ARTICLE 25 - SUCCESSORS IN INTEREST

Each and all of the terms, covenants, and conditions in this LEASE shall inure to the benefit of and shall be binding upon the successors in interest of CITY and LESSEE.

ARTICLE 26 - ENTIRE AGREEMENT

This LEASE contains the entire agreement of the parties with respect to the matters covered by this LEASE, and no other agreement, statement, or promise made by any party which is not contained in this LEASE shall be binding or valid.

ARTICLE 27 - GOVERNING LAW

This LEASE shall be governed by, construed, and enforced in accordance with the laws of the State of Alaska. The terms of this LEASE are subject in all respects to the Charter and Code of Ordinances of CITY in effect on the date of this LEASE, and as they may be hereafter amended, including, without limitation, Chapter 7.05 of the Seward City Code.

ARTICLE 28 - PARTIAL INVALIDITY

If any provision of this LEASE is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

ARTICLE 29 - RELATIONSHIP OF PARTIES

Nothing contained in this LEASE shall be deemed or construed by the parties or by any third person to create the relationship of principal and agent or of partnership or of joint venture or of any association between CITY and LESSEE; and neither the method of computation of rent, nor any other provisions contained in this LEASE, nor any acts of the parties, shall be deemed to create any relationship between CITY and LESSEE other than the relationship of lessee and lessor.

ARTICLE 30 - INTERPRETATION

The language in all parts of this LEASE shall in all cases be simply construed according to its fair meaning and not for or against CITY or LESSEE as both CITY and LESSEE have had the opportunity to seek assistance of counsel in drafting and reviewing this LEASE.

ARTICLE 31 - CAPTIONS

Captions of the articles, paragraphs, and subparagraphs of this LEASE are for convenience and reference only, and the words contained therein shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this LEASE.

ARTICLE 32 - AMENDMENT

This LEASE is not subject to amendment except in writing executed by both parties hereto.

ARTICLE 33 - NOTICES

All notices, demands, or requests from one party to another shall be delivered in person or be sent by mail, certified or registered, postage prepaid, to the addresses stated in this Article and to such other persons and addresses as either party may designate. Notice by mail shall be deemed to have been given at the time of mailing.

All notices, demands, and requests from LESSEE to CITY shall be given to CITY at the following address:

City Manager
CITY OF SEWARD
PO Box 167
Seward, Alaska 99664

All notices, demands or requests from CITY to LESSEE shall be given to LESSEE at the following address:

Hamilton Construction LLC
P.O. Box 241952
Anchorage, Alaska 99524

Each party shall have the right, from time to time, to designate a different address by notice given in conformity with this Article.

ARTICLE 34 - FIRE PROTECTION

LESSEE shall, at its sole cost, risk, and expense, provide fire detection and protection to its operations on the Leased Land and fire prevention to industry standards for risks to adjacent facilities such that those risks are minimized. LESSEE shall continue to provide and maintain industry accepted standards of fire protection such that the City of Seward's ISO rating is not degraded by reason of LESSEE'S operation. The parties agree that with the rapid expansion of technology in the field of fire prevention and control LESSEE's obligations hereunder may vary during the term of this LEASE and CITY may submit LESSEE's compliance with its obligation hereunder to arbitration not more frequently than once each five (5) years.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the dates herein set forth.

CITY:

LESSEE:

CITY OF SEWARD

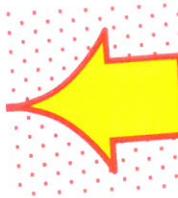
HAMILTON CONSTRUCTION LLC

Jim Hunt, City Manager

Jeff Hamilton, Owner

Date: _____

Date: 9/1/16



ATTEST:

Johanna Kinney, CMC
City Clerk

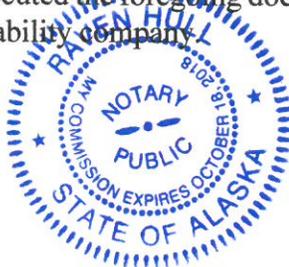
STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this ____ day of _____, 2016, by Jim Hunt, City Manager of the City of Seward, Alaska, on behalf of the City.

Notary Public in and for Alaska
My Commission Expires: _____

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this 1 day of September, 2016, by Jeff Hamilton who executed the foregoing document on behalf of Hamilton Construction LLC as Member of the limited liability company.



Notary Public in and for Alaska
My Commission Expires: 10/1/18



Johnson - Swift Subdivisi

Tract B

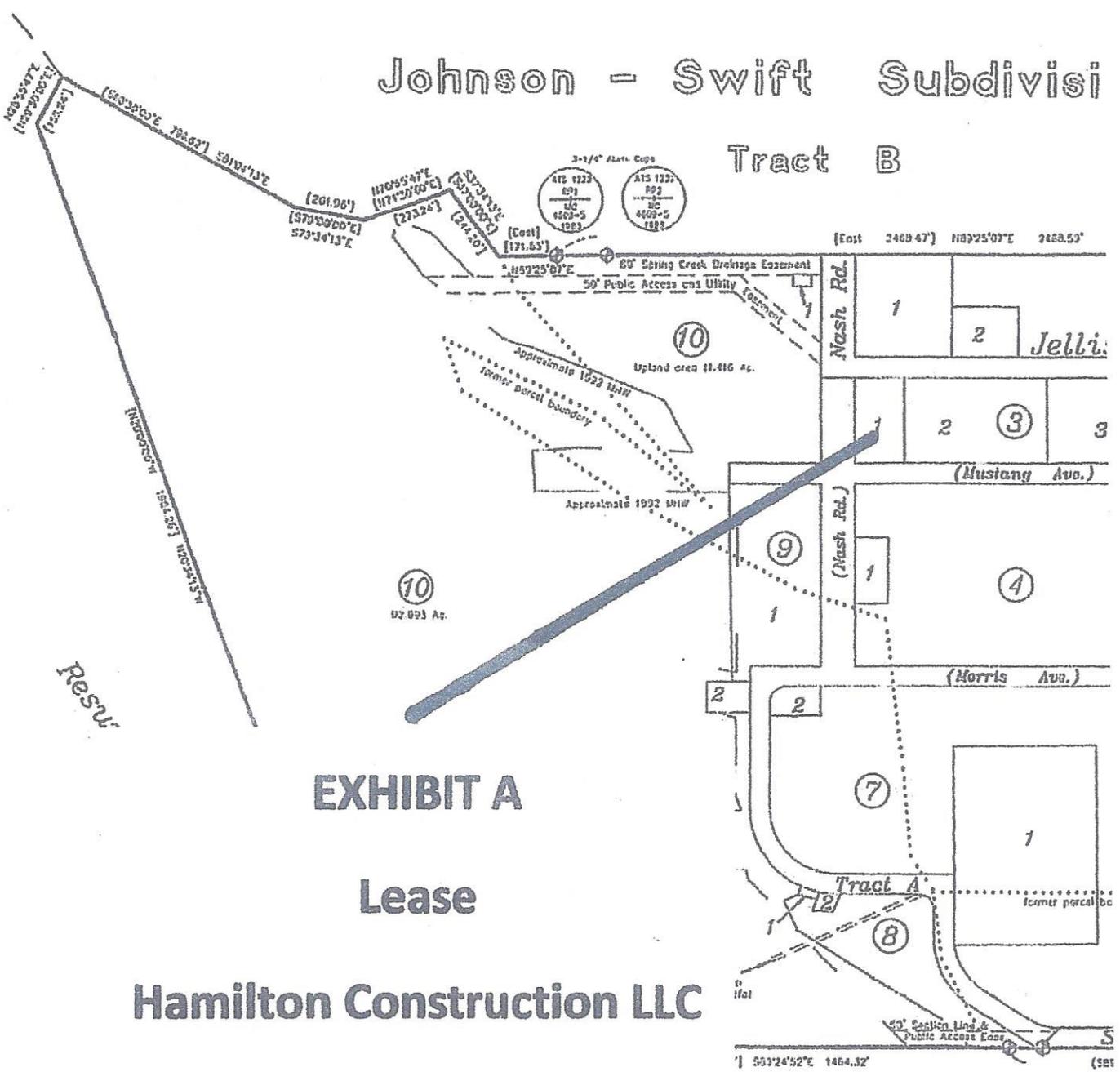


EXHIBIT A

Lease

Hamilton Construction LLC

and

City of Seward

Lot 1 Block 3

unsubc

BOROUGH PLANNING
1997

SURVEYOR

I hereby certify to practice and represents a survey the measurements of dimensions of records of practice Date 20.10.20

ack numbers

REGISTERED OFFICIAL

Lot 1, Block 3
Fourth of July Subd.

JELLISON AVE

MUSTANG AVE.

NASH RD.

MORRIS AVE

Hamilton Construction Proposed Lease Lot

Due to different data sources property lines and aerial imagery do not overlay correctly. Map is to be used for orientation and reference purposes only.



Lot 1, Block 3, Fourth of July

Resolution 2016- _____ Date: _____

0 187.5 375 Feet

Mapping Assistance by Alaska Map Company, LLC

Exhibit B

PERSONAL GUARANTEE

To induce the City of Seward, P.O. Box 167, Seward, AK 99664 ("City") to enter into a Lease Agreement with Hamilton Construction, LLC, P.O. Box 241952, Anchorage, AK 99524 ("Hamilton Construction") effective August 22, 2016, the undersigned personally guarantees payment of all obligations of Hamilton Construction as described in the Lease Agreement. The Lease Agreement covers the following real property:

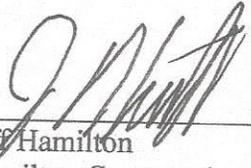
Lot 1, Block 3, Fourth of July Creek Subdivision, Seward Marine Industrial Center, Kenai Peninsula Borough, Plat No. 97-27 recorded in the Seward Recording District, Third Judicial District, State of Alaska, containing approximately 37897 square feet, more or less.

I agree to provide the City with written notification of any changes in my address, and acknowledge that any notice required to be given by the City will be effective if mailed to the address shown below or such changed address on file with the City.

My guarantee is absolute and unconditional. Upon default of Hamilton Construction under the Lease Agreement, I agree to immediately become liable for Hamilton Construction obligations. The City need not seek performance, payment, and collection from Trust before seeking payment from me. If more than one person guarantees payment, I agree to be jointly and severally liable with all other guarantors for payment.

Dated this 16th day of AUGUST, 2016.

Signed in my individual capacity as guarantor:



Jeff Hamilton
Hamilton Construction, LLC
PO Box 241952
Anchorage, AK 99524

Exhibit C

ENVIRONMENTAL COMPLIANCE PLAN

Hamilton Construction, LLC

P.O. Box 241952

Anchorage, Alaska 99524

TO: City of Seward

Hamilton Construction, LLC plans to and will comply with all Federal, State and City of Seward environmental regulations that apply to its operation of a storage building and vessel storage facility on property leased from the City of Seward.

Hamilton will monitor storm runoff into existing ditches and will maintain clean water runoff from the leased site.

Hamilton Construction has no immediate plans to store or use barrels of oil or other hazardous materials on the leased property, but will maintain a clean and orderly storage yard.

Hamilton Construction will not store any fuel barrels on the leased property.

Hamilton may do some vessel maintenance in the leased yard, and will lay down appropriate ground cover while sanding/painting and dispose of in compliance with City of Seward regulations.

Any and all spills will be immediately cleaned up.

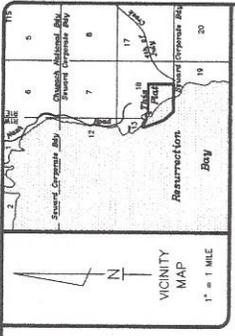
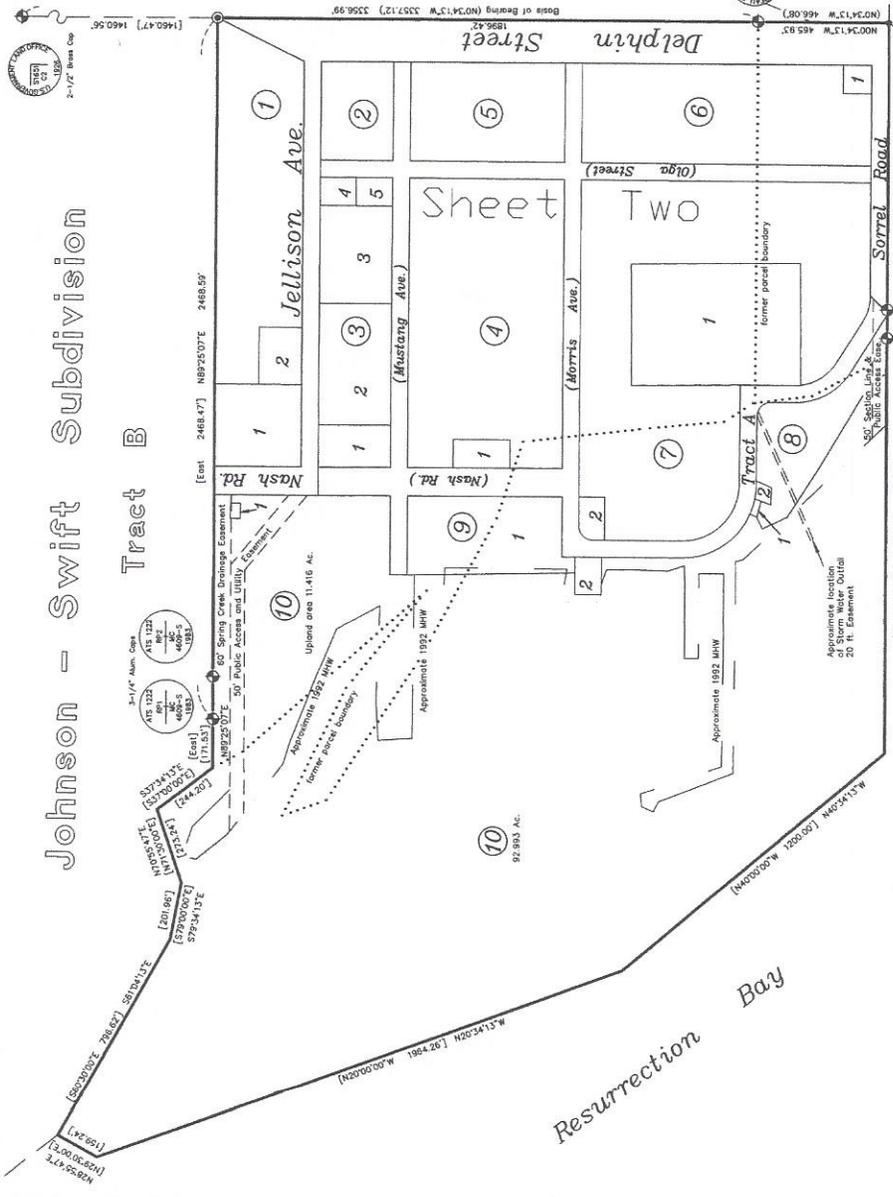
Hamilton Construction plans to continue to upgrade and add to its lease property and will assure the City of Seward that the property will be maintained responsibly during the terms of the lease.



Jeff Hamilton, owner

Johnson - Swift Subdivision

Tract B



CERTIFICATE OF OWNERSHIP and DEDICATION

I HEREBY CERTIFY THAT WE ARE THE OWNERS(S) OF THE REAL PROPERTY DESCRIBED HEREIN AND THAT WE HAVE FULLY ADHERED TO THE PLAN OF SUBDIVISION AND TO THE PUBLIC CONSENT, RECORDING, RECORDATION, WAY AND PUBLIC AREAS TO PUBLIC USE AND GRANT ALL EASEMENTS TO THE CITY OF SEWARD, ALASKA, AS SHOWN ON THIS MAP.

Richard S. Swift
City of Seward, Alaska 99584

NOTARY'S ACKNOWLEDGEMENT

SUBSCRIBED AND SWORN BEFORE ME THIS 23RD DAY OF December, 1997 FOR Richard S. Swift

Richard S. Swift
NOTARY PUBLIC FOR ALASKA
MY COMMISSION EXPIRES 12/25/00

NOTES:

- Development of these lots are subject to the City of Seward's zoning regulations.
- The front 10 feet adjacent to Right-of-Ways and 5 ft. on all other sides of the lots are reserved for utility easements. No permanent structure shall be constructed or placed within a utility easement which would interfere with the ability of a utility to use the easement.
- Lots 1 through 8 are located within a designated flood hazard area. Development must comply with Chapter 21 of the Kenai Borough Code of Ordinances. A survey to determine the flood hazard area is on file at the Alaska Department of Natural Resources.
- Tract 'A' is a service road access easement restricted to horses, city and other authorized personnel.
- WASTEWATER DISPOSAL:** Plans for wastewater disposal, that meet regulatory requirements are on file at the Alaska Department of Environmental Conservation.
- The lots are subject to the following:
 - Public easement described within State of Alaska Patent No. 5914, for U.S. Survey 4827 on 50 feet along the mean high water line of the Fourth of July Creek and other unnamed creeks as portrayed on the BLM survey plat of T15 R1E S14, accepted 12/29/78.
 - Public easement described within State of Alaska Patent No. 5914, for U.S. Survey 4827 on 50 feet along the mean high water line of the Fourth of July Creek and other unnamed creeks as portrayed on the official survey plat of U.S. Survey No. 4827.

KPB FILE No. 87-108 Sheets 3-11 Signatures page only

Fourth of July Creek Subdivision Seward Marine Industrial Center

A replat of Tract 'A' Fourth of July Creek Tracts, A.T.S. 1222, U.S.S. 4827 and VACATION of Public Easements with subdivision boundaries. Located within SE 1/4 and NE 1/4 Sec. 13 R1W and SW 1/4 and SE 1/4 of T15 R1E S14, City of Seward, Seward Recording District, Kenai Peninsula Borough, Alaska.

Containing 189.586 AC.

RECORDED

DATE: _____ REC. DIST: _____

TIME: _____

FILED IN: _____

INTEGRITY SURVEYS

605 SWIRES DRIVE

KENAI, ALASKA 99541



SURVEYOR'S CERTIFICATE

I hereby certify that I am properly registered and licensed to practice land surveying in the State of Alaska, this sketch was prepared by me or under my direct supervision and the measurements shown hereon actually made or observed, and the dimensions and other data are correct to the normal accuracy of the instruments used in the survey in the State of Alaska.

Date 23 Dec 1997

PLAT APPROVAL

THIS PLAT WAS APPROVED BY THE KENAI PENINSULA BOROUGH PLANNING COMMISSION AT THE MEETING OF October 15, 1997

KENAI PENINSULA BOROUGH

[Signature]
APPROVED OFFICIAL

- LEGEND:**
- Monument (found this survey)
 - 1-1/2" Alum. Cap Monument
 - 5/8" Rebar (found this survey)
 - 5/8" Rebar (not this survey)
 - Record Datum - Fourth of July Creek Tracts - Plat No. 84-6
 - Record Datum - Alaska Titled Survey No. 1222 - Plat No. 84-2
- Block Numbers

Seward 97-87

**CITY OF SEWARD, ALASKA
RESOLUTION 2016-073**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEWARD, ALASKA, RESCINDING AND REPLACING RESOLUTION 84-104 APPROVED BY THE SEWARD CITY COUNCIL ON AUGUST 31, 1984, AND AUTHORIZING THE TRANSFER OF PARCEL A-1 SPRING CREEK CORRECTIONAL FACILITY, TO THE STATE OF ALASKA DEPARTMENT OF NATURAL RESOURCES, AS THE SITE OF THE SPRING CREEK CORRECTIONAL FACILITY, SUBJECT TO A REVERSIONARY INTEREST BY THE CITY OF SEWARD

WHEREAS, the Seward City Council held a public hearing and authorized the transfer of Parcel A, Spring Creek Correctional Facility, and Tract “E” Fourth of July Creek Tracts, to the State of Alaska Department of Natural Resources, on August 31, 1983 via Resolution 84-104; and

WHEREAS, when the 1985 legislature failed to fund construction of the prison facility, the land transfer did not take place, but the parties instead entered into a lease/purchase bonding agreement in which the City agreed to convey the land to the State once the bonds for construction of the prison facility were paid off, subject to a reversionary clause, in which the land would transfer back to the City if the facility ceased being operated as a correctional facility; and

WHEREAS, the bonds to finance the facility were paid off in September, 2006, but the land transfer has not taken place because the State, until now, has maintained that despite the original agreement it could not accept ownership of land subject to any reversionary interest; and

WHEREAS, the parties desire to transfer the land under slightly different terms than originally contemplated, and desire to establish a clean historical record of changes that have occurred on the property since the agreement to transfer the land was originally established; namely, to account for the City’s construction and ownership of a water storage tank, sewer lagoon, and various utilities on the site by carving those off from the ultimate land transfer; to eliminate blanket easements and replace those with dedicated easements and accesses; to replat the property in order to clarify the responsibility of the parties with regard to the utilities; with the City maintaining ownership of Tract E-1 and transferring ownership of Parcel A-1 to the State, subject to the City’s reversionary interest; and

WHEREAS, the State Department of Law opined on October 17, 2016 that the public hearing held in conjunction with Resolution 84-104, in that it addressed a conveyance for a state-financed facility that was not built, did not apply to a conveyance for the City-financed facility that was built, necessitating an additional public hearing and clarification of the transfer of a smaller quantity of land, specifically Parcel A-1 now being conveyed; and

WHEREAS, the new plat showing the specific parcels and easements, the quit claim deed providing a legal description of the land transfer, this resolution and this public hearing will satisfy the requirements of the parties and establish for the record the basis for the land transfer.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEWARD, ALASKA, that:

Section 1. The following described real property owned by the City of Seward, shall be conveyed to the State of Alaska, Department of Natural Resources, for the purpose of operating and maintaining a long-term maximum security correctional facility, subject to reversion to the City if the facility is not used for that purpose:

PARCEL A-1 Spring Creek Correctional Facility Replat No. 1,
according to Plat 2016-8, filed September 29 2016, in the Seward
Recording District, Third Judicial District, State of Alaska,
containing 292.093 acres more or less.

Section 2. The attached Quitclaim Deed is incorporated herewith.

Section 3. This resolution rescinds and replaces Resolution 84-104 approved by the Seward City Council on August 31, 1984.

Section 4. This resolution shall take effect thirty (30) days after its adoption.

PASSED AND APPROVED by the City Council of the City of Seward, Alaska, this 21st day of November, 2016.

THE CITY OF SEWARD ALASKA

Jean Bardarson, Mayor

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Johanna Kinney, CMC
City Clerk

(City Seal)

Agenda Statement



Meeting Date: November 21, 2016

To: City Council

Through: James Hunt, City Manager 

From: Kristin Erchinger, Finance Director 

Agenda Item: Land Transfer to State of Alaska Department of Natural Resources, for the Spring Creek Correctional Facility Land, Subject to Reversion

BACKGROUND & JUSTIFICATION:

On August 31, 1983, the Seward City Council met in a Special Meeting for the purpose of holding a public hearing and approving Resolution 84-104 to “authorize the transfer of Parcel “A”, Spring Creek Correctional Facility (“prison”) Siteⁱ, and Tract “E”, Fourth of July Creek Tractsⁱⁱ, to the State of Alaska, Department of Natural Resources, as the proposed site of the State long-term maximum security correctional facility.” Following City Council authorization of the disposition of real property, the transfer of ownership did not take place because the 1985 legislature failed to fund construction of the facility. Subsequently, the City and the State entered into Lease Certificates of Participation (“LCOP”) to construct Spring Creek Correctional Facility and entered into a lease/purchase bonding agreement. As part of the agreement, the City agreed to convey the land to the State once the bonds were paid off, subject to a reversionary clause which required the land continue to be used to operate a prison facility, or revert back to City ownershipⁱⁱⁱ. According to U.S. Bank and Trust, the bonds were paid off on September 1, 2006.

Most of the land on which the prison currently sits was conveyed to the City by the Kenai Peninsula Borough (Parcel A, Plat No. 84-12) on August 7, 1984 (Borough Resolution 84-145) and contained a deed restriction providing that “ownership of this land shall revert to the Kenai Peninsula Borough if and when the site ceases to be used as a correctional facility.” (See Quitclaim Deed, Book 34, Page 831, Seward Recording District). The Borough Planning Commission held a public hearing on January 27, 2014, and the Borough Assembly held a public hearing on February 11, 2014, for a Proposed Release of a Correctional Facility Use Deed Restriction, and upon passage of KPB Ordinance 2014-01, the Borough agreed to release its reversionary interest in the land. Thus, if the land ever ceases to be used to operate a prison facility, the land will revert to City, not Borough, ownership.

Prior to the State paying off the bonds on Spring Creek Correctional Facility, the City constructed a sewage lagoon, water storage tank, and other utilities on the property to serve the Seward Marine Industrial Center area, including the then-largest user, Spring Creek Correctional Facility. The City reserved various blanket easements to the infrastructure for the purpose of accessing utilities on the property.

Since the bonds were paid off in 2006, the City and State have sought to complete the transfer of ownership of land from the City to the State as agreed in the financing agreement. Until recently however, the State Department of Natural Resources has maintained that it is

unable to accept ownership of land if it contains a reversionary clause. The City's purpose in financing the construction and transferring the land was and is for the sole purpose of operating a correctional facility, and the City maintains that the reversionary clause transferring the land back to the City in the event the facility no longer operates as a prison, is a critical part of the agreement, and is valid.

Since 2013, the parties have resumed work on the land transfer, albeit under slightly different terms than originally contemplated. First, the State has agreed to accept ownership of the land subject to the reversionary clause. Thus, if the facility is no longer operated as a prison, the land will revert to City ownership. Second, the parties agreed that it was no longer necessary to transfer the entirety of Parcel "A" and Tract "E" to the State. Instead, the parties agreed to carve off from Parcel "A", all of the City-owned improvements and to establish easements such that the City will continue to own its infrastructure and will have access to utilities on the parcel. The result is a replat (Plat 2016-8) approved by the City of Seward^{iv} and the Kenai Peninsula Borough, known as Spring Creek Correctional Facility Site, Replat No. 1. The replat vacated boundaries between two existing parcels and created two different parcels totaling 327.241 acres, vacated existing blanket easements for utilities and access and replaced them with dedicated easements for all known existing utilities, and established accesses. Parcel A-1 contains the Spring Creek Correctional Center and numerous utilities and accesses, with an area of 292.093 acres. Tract E-1 contains the City sewer lagoon and utilities and accesses with an area of 35.148 acres.

Technically, Resolution 84-104 passed after public hearing by the Seward City Council on August 31, 1984, authorized the disposition of real property to the State, subject to the City's reversionary interest. The State Department of Law opined in October 2016 that since the public hearing held in conjunction with that resolution addressed a conveyance for a state-financed facility that was not built, it did not apply toward conveyance for the subsequent City-financed facility that was built. For that reason and for the sake of clarity, the administration desires to memorialize actions taken subsequent to the passage of the original resolution by both parties, in order to establish a clean historical record of the transactions entered into by the parties. Therefore, the administration is requesting an additional public hearing to dispose of only Parcel A-1, with Tract E-1 remaining under City ownership. Ultimately, this transfer of land is consistent with the original agreement between the parties which intended that ownership of the prison property be transferred to the State subject to the City's reversionary interest. It includes a replat of the affected parcels, resulting in a new legal description of the parcels being transferred; carves out City infrastructure, giving the City access and responsibility for the utilities it owns; and maintains the Institutional zoning designation of the property, creating no non-conforming structures or lots.

INTENT:

Transfer Parcel A-1 (the land on which Spring Creek Correctional Facility sits), to the State of Alaska, subject to a reversionary interest by the City, should the facility no longer be operated as a correctional facility. Retain City ownership of Tract E-1.

<u>CONSISTENCY CHECKLIST:</u>		Yes	No	N/A
1.	Comprehensive Plan <i>(document source here): 3.1.2.1 "Support existing public institutions in their efforts to maintain, expand and develop." (p. 19)</i>	X		
2.	Strategic Plan <i>(document source here): Economic Base: Continue to lobby the Department of Corrections and the State Legislature to expand the Spring Creek Correctional Center. (p. 6)</i>	X		
3.	Other <i>(list): Municipal Lands Management (2014 – Update) – Continue efforts to transfer land and facility to the Alaska state Department of Administration. Retain easements for all City infrastructure such as wells, access, dikes and water tank.</i>	X		

FISCAL NOTE:

There are no additional costs associated with this transaction. The replat of Spring Creek Correctional Facility Site Replat No. 1 is complete. The City and the State have spent significant time and energy over the years to complete this transaction; finalization of this land transfer will complete a process that has been in the works for more than ten years.

Approved by Finance Department: *Justin Arching*

ATTORNEY REVIEW: Yes X No Not Applicable

RECOMMENDATION:

City Council approve Resolution 2016- 073 authorizing the Transfer of Parcel A-1, Spring Creek Correctional Facility Replat No. 1 to the State of Alaska, Department of Natural Resources, as the site of the Spring Creek Correctional Facility, subject to a reversionary interest by the City of Seward.

ⁱ According to Plat 84-12 filed August 23, 1984

ⁱⁱ According to Plat No. 84-6, filed May 1, 1984

ⁱⁱⁱ Parcel A was originally conveyed to the City by the Kenai Peninsula Borough via quitclaim deed recorded at Book 34, Page 831 in the Seward Recording District, dated August 22, 1984, containing a deed restriction providing that "ownership of this land shall revert to the Kenai Peninsula Borough if and when the site ceases to be used as a correctional facility." This deed restriction was lifted by Kenai Peninsula Borough Ordinance 2014-01, after public hearings by the Borough Planning Commission and Assembly, on February 11, 2014, by document titled Release of Correction Facility Deed Restriction, dated March 3, 2014 and recorded with Reception Number 2014-000255-0, Seward Recording District.

^{iv} Approved by Seward Planning & Zoning Commission February 2, 2016, Resolution 2016-02. Approved by the Seward City Council February 22, 2016, Resolution 2016-14. Approved by the KPB Planning Commission June 13, 2016.

AFTER RECORDING RETURN TO:
City of Seward
Community Development Department
P.O. Box 167
Seward, Alaska 99664

QUITCLAIM DEED

The Grantor, CITY OF SEWARD, ALASKA, a home rule municipality of the State of Alaska, whose address is P.O. Box 167, Seward, Alaska 99664, for and in consideration of the sum of Ten Dollars (\$10) and other good and valuable consideration in hand paid, the receipt of which is hereby acknowledged, quitclaims to Grantee, State of Alaska Department of Natural Resources, all of Grantor's right, title, and interest, if any, in the real property, and improvements placed thereon at any time (together, the "Property"), subject to the protective covenants, conditions and restrictions described below, with a legal description of :

Parcel A-1 Spring Creek Correctional Facility Replat No. 1 according to Plat 2016-8 filed September 29, 2016, Seward Recording District, Third Judicial District, State of Alaska, containing 292.093 acres more or less

TOGETHER WITH, all and singular, the tenements, hereditaments, and appurtenances hereunto belong or in any way appertaining;

SUBJECT TO AND EXCEPTING all valid and existing rights, easements, reservations, restrictions, covenants, conditions, exceptions, rights-of-way, and encumbrances, including the utility, access and well-protection easements as identified in the above replat, and all amendments thereto; and

SUBJECT TO the Property being used as a correctional facility. If the Property ceases to be used as a correctional facility all right, title and interest in the Property shall revert to the Grantor. Kenai Peninsula Borough, Alaska ("Kenai"), by quitclaim deed dated August 22, 1984, recorded at Book 34, Page 831, Seward Recording District, conveyed to Grantor title to the Property subject to a reversionary interest, which reversionary interest was released by Kenai to the Grantor by document titled Release of Correction Facility Deed Restriction, dated March 3, 2014 and recorded with Reception Number 2014-000255-0, Seward Recording District.

These reservations will run with the land and apply to all successors in interest.

TO HAVE AND TO HOLD the same unto the Grantee, its successors, heirs, and assigns all rights thereto.

DATED this _____ day of _____ 2016.

GRANTOR:
CITY OF SEWARD, ALASKA

James Hunt, City Manager

ATTEST:

Johanna Kinney, CMC, City Clerk

(S E A L)

ACKNOWLEDGEMENT

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this _____ day of _____ 2016, by James Hunt, City Manager of the City of Seward, a home rule municipality organized under the laws of the State of Alaska, on behalf of the municipality.

Notary Public in and for Alaska
My Commission Expires: _____

Introduced by: Mayor
Date: 01/07/14
Hearing: 02/11/14
Action: Enacted as Amended
Vote: 9 Yes, 0 No, 0 Absent

**KENAI PENINSULA BOROUGH
ORDINANCE 2014-01**

**AN ORDINANCE AUTHORIZING THE RELEASE OF A CORRECTIONAL FACILITY
USE DEED RESTRICTION WITH REVERSIONARY RIGHTS ON A PARCEL OF
LAND IN THE CITY OF SEWARD THAT WAS DEEDED TO THE CITY OF SEWARD
BY THE KENAI PENINSULA BOROUGH**

- WHEREAS,** Parcel A, Spring Creek Correctional Facility Site Subdivision, Plat 84-12 Seward Recording District, was deeded by the borough to the City of Seward pursuant to KPB Resolution 84-145; and
- WHEREAS,** a “correctional facility use” restriction was placed on the deed, which states “ownership of this land shall revert to the Kenai Peninsula Borough if and when the site ceases to be used as a correctional facility;” and
- WHEREAS,** the property contains the Spring Creek Correctional Facility, which is operated by the State of Alaska per agreement with the City of Seward; and
- WHEREAS,** the City of Seward additionally uses a portion of the property for utilities, a sewage lagoon, and other municipal purposes; and
- WHEREAS,** the City of Seward intends to subdivide the parcel and convey the portion containing the correctional facility to the State of Alaska, but desires to retain that portion of the parcel containing the utilities, sewage lagoon, and other municipal uses; and
- WHEREAS,** the borough’s purpose for placing a restriction on the property has been achieved through the establishment of Spring Creek Correctional Facility; and
- WHEREAS,** the City of Seward has submitted a written petition to modify the deed restriction and the mayor has waived the filing fee per KPB 1.26.030(A); and
- WHEREAS,** public notice has been published per KPB 17.10.130(F)(2); and
- WHEREAS,** the KPB Planning Commission at its regularly scheduled meeting of January 27, 2014, recommended approval of this ordinance with proposed amendments deleting Section 1(g) and amending the wording in Section 2;

NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

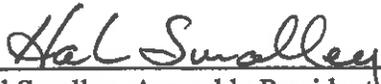
SECTION 1. That pursuant to KPB 17.10.130 (F)(4), the mayor is hereby authorized to release the correctional facility use deed restriction and right of reversion to Parcel A, Spring Creek Correctional Facility Site Subdivision, Plat 84-12 Seward Recording, set forth in Book 34 Page 831 Seward Recording District, based on the following findings of fact:

- a. The property was conveyed to the City of Seward pursuant to KPB Resolution 84-145 on August 7, 1984, subject to a "correctional facility use" deed restriction which states "ownership of this land shall revert to the Kenai Peninsula Borough if and when the site ceases to be used as a correctional facility."
- b. The City of Seward, in cooperation with the State of Alaska, built the Spring Creek Correctional Facility situated on the subject property, and the State of Alaska has operated the facility for more than 25 years.
- c. The City of Seward has developed other municipal uses on the property which do not conflict with correctional facility uses.
- d. The City of Seward has filed a petition to modify the deed restriction and the mayor has waived, in writing, the fee required by KPB 17.10.130(F)(1) because this effort to subdivide the property in question is a government project, pursuant to KPB 1.26.030(A).
- e. The proposal to separate the state correctional facility uses from the municipal uses by subdivision plat serves the public interest, but requires modification of the existing deed restriction.
- f. The borough's purpose for placing a restriction on the property was achieved through the establishment of a correctional facility and therefore it is no longer necessary for the borough to retain the reversionary interest in the property.
- g. Public notice of the proposed actions was delivered and published in accordance with KPB 17.10.130(F)(2).
- h. The planning commission considered the petition in accordance with KPB 17.10.130(F)(3), and recommends that the Assembly approved the petition.

SECTION 2. The mayor is authorized to sign the *Release of Deed Restriction* in a form substantially similar to document attached hereto, and any other documents necessary to effectuate the intents and purposes of this ordinance.

SECTION 3. That this ordinance shall take effect immediately upon its enactment.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 11TH DAY OF FEBRUARY, 2014.



Hal Smalley, Assembly President

ATTEST:



John Blankenship, MMC, Borough Clerk



Yes: Bagley, Haggerty, Johnson, McClure, Ogle, Pierce, Smith, Wolf, Smalley
No: None
Absent: None

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A
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2014-000255-0

Recording District 314 Seward

03/13/2014 11:42 AM Page 1 of 2



RELEASE OF CORRECTIONAL FACILITY DEED RESTRICTION

RECITALS:

The Kenai Peninsula Borough ("GRANTOR") conveyed the below described property to the City of Seward ("GRANTEE") by quitclaim deed recorded at Book 34, Page 831 in the Seward Recording District (hereinafter "QUITCLAIM DEED") pursuant to KP Resolution 84-145 on August 23, 1984.

Said QUITCLAIM DEED contained the following deed restriction constituting a possibility of reverter in the GRANTOR: "*Ownership of this land shall revert to the Kenai Peninsula Borough if and when the site ceases to be used for a correctional facility.*" (hereinafter "DEED RESTRICTION").

Spring Creek Correctional Center was completed in 1988 and as of the date of this release is being used as a correctional facility.

On February 11, 2014, the Kenai Peninsula Borough Assembly enacted Ordinance 2014-01, attached as Exhibit A to this "Release of Correctional Facility Deed Restriction", authorizing the release of said DEED RESTRICTION.

RELEASE:

The GRANTOR, KENAI PENINSULA BOROUGH, an Alaska municipal corporation, whose address is 144 North Binkley Street, Soldotna, Alaska 99669, for the sum of one dollar (\$1.00) and other good and valuable consideration, receipt of which is hereby acknowledged, and pursuant to Assembly Ordinance 2014-01, enacted February 11, 2014, releases forever without limitation DEED RESTRICTION unto the GRANTEE, CITY OF SEWARD, its successors and assigns, in the real property described as follows:

Parcel A, Spring Creek Correctional Facility Site, according to Plat # 84-12, Seward Recording District, Third Judicial District, State of Alaska.

CITY OF SEWARD, ALASKA
RESOLUTION NO. 84-104

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEWARD, ALASKA, AUTHORIZING THE TRANSFER OF PARCEL "A", SPRING CREEK CORRECTIONAL FACILITY SITE, AND TRACT "E", FOURTH OF JULY CREEK TRACTS, TO THE STATE OF ALASKA, DEPARTMENT OF NATURAL RESOURCES, AS THE SITE OF THE STATE LONG-TERM MAXIMUM SECURITY CORRECTIONAL FACILITY

WHEREAS, the State of Alaska has stated that 325 acres of land would be required for the construction of a long-term maximum security correctional facility in Seward; and

WHEREAS, Resolution No. 84-24 expressly stated that the City of Seward would provide ample land for the construction of such a facility in Seward; and

WHEREAS, the Kenai Peninsula Borough has deeded ±262 acres to the City of Seward for use as a correctional facility site; and

WHEREAS, the City has an additional ±66 acre parcel that is also available to the State for the correctional facility; and

WHEREAS, the City Council finds that an appraisal of the property would not serve the public's interests since the land is offered at no cost to the State; and

WHEREAS, the City Council deems it in the best interest of the City of Seward to deed land to the State of Alaska for the specific use as a long-term maximum security correctional facility;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEWARD, ALASKA, that:

Section 1. The following described real property owned by the City of Seward, shall be conveyed to the State of Alaska, Department of Natural Resources, for the purpose of constructing a long-term maximum security correctional facility subject to the inclusion of a reversionary clause or such other provisions to protect the interests of the City:

PARCEL "A", Spring Creek Correctional Facility Site, according to Plat No. 84-12, filed August 23, 1984, in the Seward Recording District, Third Judicial District, State of Alaska, containing 262 acres more or less;

AND

CITY OF SEWARD, ALASKA
RESOLUTION NO. 84-104

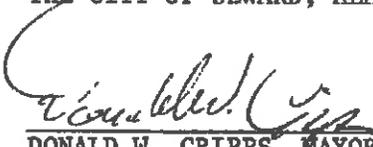
TRACT "E", Fourth of July Creek Tracts, according to Plat No. 84-6, filed May 1, 1984, in the Seward Recording District, Third Judicial District, State of Alaska, containing 66 acres more or less.

Section 2. The attached Quitclaim Deed is incorporated herewith.

Section 3. This resolution shall take effect thirty (30) days after passage.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF SEWARD, ALASKA, this 31 day of August, 1984.

THE CITY OF SEWARD, ALASKA



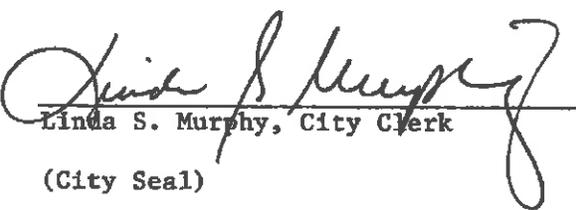
DONALD W. CRIPPS, MAYOR

AYES: Cripps, Gillespie, Meehan, Swartz, Williams
NOES: Hilton
ABSENT: Wilson
ABSTAIN: None

ATTEST:

APPROVED AS TO FORM:

HUGHES, THORSNESS, GANTZ, POWELL
AND BRUNDIN, Attorneys for the
City of Seward, Alaska



Linda S. Murphy, City Clerk

(City Seal)

Fred B. Arvidson, City Attorney

QUITCLAIM DEED

The Grantor, the CITY OF SEWARD, ALASKA, an Alaskan home-rule city, for and in consideration of the sum of ONE DOLLAR (\$1.00) lawful money of the United States of America, and other good and valuable considerations in hand paid, pursuant to Resolution No. 84, adopted August 31, 1984, does hereby QUITCLAIM AND CONVEY unto the State of Alaska, Department of Natural Resources, for the Department of Corrections, 3601 "C" Street, Suites 900-984, Anchorage, Alaska 99503, the following described real property situated in and recorded in the Seward Recording District, Third Judicial District, State of Alaska:

PARCEL "A", Spring Creek Correctional Facility Site, according to Plat No. 84-12, filed August 23, 1984, in the Seward Recording District, Third Judicial District, State of Alaska, containing 262 acres more or less;

AND

TRACT "E", Fourth of July Creek Tracts, according to Plat No. 84-6, filed May 1, 1984, in the Seward Recording District, Third Judicial District, State of Alaska, containing 66 acres more or less.

Subject to:

1. Rights and reservations of record;
2. Conditions of the site and the extent of any easement, encroachments, alterations, infringements or other pre-existing rights either of record or ascertainable by physical inspection;
3. Ownership of this land shall revert back to the City of Seward if and when the site ceases to be used as a long-term correctional facility; and

SIGNED AND ATTESTED this _____ day of _____, 1984.

ACCEPTED BY THE STATE OF ALASKA

GRANTOR: CITY OF SEWARD, ALASKA

JAMES R. ANDERSON, DIRECTOR
Division of Technical Services
Department of Natural Resources

RONALD A. GARZINI, CITY MANAGER

City look into lamp posts in the downtown area needing covers over exposed wires and encroachments of lumber, etc., onto City sidewalks, adding that both of these areas represented a danger to passers-by.

WILSON asked the price of fire boats such as the ones inspected by Gage and Singleton on a recent trip to Seattle. Garzini stated that the City had \$75,000 in grant funds available for the purchase of such a boat, but would need \$125-150 Thousand to purchase one. He stated that, if needed, the money could be found, but added that the real cost was in maintenance, not purchase. He stated that, as the City's harbor area is expanded, the need for such a craft would grow, and the City should think about purchasing one in the future. Wilson also asked the administration to proceed with the dedication of the First and Second Lake area as a park and attendant vacation of streets in the area. Garzini stated that he would pursue this.

HILTON asked if Salik had begun his survey of local salaries. Murphy stated that he would be approaching local businesses for that data in September.

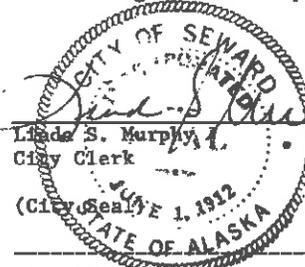
CRIPPS complimented the citizens of Chenega in their efforts to rebuild their community.

XIV. CITIZENS' DISCUSSION:

SANDY WASSILIE, Lowell Canyon Road, Seward, appeared before the Council and asked for an update on the Susitna project. Cripps stated that he had recently attended a meeting of the Governor's Council on Railbelt Electrification. Members had been asked for input in order to determine if Susitna is feasible. A decision as to whether to continue with the project would be made at a future date.

XV. ADJOURNMENT:

The meeting was adjourned at 8:50 p.m., and after a short recess, the Council reconvened in Executive Session to discuss a matter under litigation and a personnel matter.


Linda S. Murphy,
City Clerk
(City Seal)


Donald W. Cripps
Mayor

I. CALL TO ORDER:

The August 31, 1984, special meeting of the Seward City Council was called to order at 12:02 p.m. by Mayor Donald W. Cripps.

II. OPENING CEREMONY:

Councilmember Hilton led the pledge of allegiance to the flag.

III. ROLL CALL:

Present were: Mayor Cripps and Councilmembers Gillespie, Hilton, Meehan, Swartz and Williams (Absent with Council consent was Councilmember Wilson)

Present also: City Manager Garzini and City Clerk Murphy

IV. PUBLIC HEARINGS:

PH/PRISON: A. Notice of Special Meeting and Public Hearing as posted and published by law was noted and the public hearing on the proposed

transfer of property located adjacent to the Marine Industrial Center at Fourth of July Creek to the State of Alaska for construction and operation of a prison facility was opened.

GREG BITHER-TERRY, 338 First Avenue, Seward, appeared before Council and spoke in opposition to the transfer of the property. He asked that Council consider an amendment to the resolution authorizing the transfer which would require the State to receive Council approval before expanding the prison beyond the 320-bed capacity now planned.

ANNE KRAMER, Salmon Creek Road, Seward, appeared from the audience and voiced her opposition to the transfer of the property.

NAN SALDI, Lowell Point Road, Seward, appeared before the Council and stated that she was opposed to the prison and the proposed transfer of property. She stated that the influx of another large government institution would not be in keeping with Seward's tradition as a "port town".

No one else appeared in order to be heard and the public hearing was closed.

V. RESOLUTIONS:

RESO/PRISON/ A. Copies having been made available to the public, Cripps
MIC: noted by title only a proposed resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEWARD, ALASKA, AUTHORIZING THE TRANSFER OF PARCEL "A", SPRING CREEK CORRECTIONAL FACILITY SITE, AND TRACT "E", FOURTH OF JULY CREEK TRACTS, TO THE STATE OF ALASKA, DEPARTMENT OF NATURAL RESOURCES, AS THE SITE OF THE STATE LONG-TERM MAXIMUM SECURITY CORRECTIONAL FACILITY.

HILTON MOVED TO APPROVE RESOLUTION NO. 84-104; THE MOTION WAS SECONDED BY SWARTZ.

In response to a question from Meehan, Garzini stated that the State would need in excess of 200 acres of land to accommodate the facility, roadways, and the water and sewage treatment facilities. Garzini further explained that the State is currently planning to construct a 320-bed facility. Although any future expansion would not require the State to seek City or Council approval, it would require funding from the Legislature. Thus, the City would have an opportunity for input before expansion could take place. He added that expansion of the facility would also require expansion of the water and sewer facilities (owned by the City).

HILTON MOVED TO AMEND THE PROPOSED RESOLUTION BY ADDING A NEW SECTION TO READ AS FOLLOWS: TRANSFER OF THE PROPERTY IS CONTINGENT UPON RECEIVING ASSURANCES FROM THE STATE THAT IT WILL NOT EXPAND THE FACILITY TO GREATER THAN 320 BEDS WITHOUT THE APPROVAL OF THE CITY OF SEWARD; THE MOTION WAS SECONDED BY MEEHAN.

Swartz and Cripps objected to the amendment stating that the City should not put any additional strings on the transfer of the property. Cripps added that the City already has a reversionary clause in the deed whereby the property can only be used for the prison facility.

THE QUESTION WAS CALLED ON THE AMENDMENT--THE AMENDMENT FAILED WITH HILTON, GILLESPIE AND MEEHAN VOTING IN FAVOR AND CRIPPS, SWARTZ AND WILLIAMS OPPOSED.

THE QUESTION WAS CALLED ON THE MAIN MOTION; THE MOTION PASSED WITH CRIPPS, GILLESPIE, MEEHAN, SWARTZ AND WILLIAMS IN FAVOR AND HILTON OPPOSED. Resolution No. 84-104 will take effect on September 30, 1984.

VI. NEW BUSINESS:

CON-106: A. August 27, 1984, memorandum from Utility Engineer Jack Anderson relative to the proposed purchase of diesel generator units was noted.

MEEHAN MOVED TO PURCHASE TWO 2.5 KW DIESEL GENERATOR UNITS FROM MORRISON KNUDSEN FOR A PRICE NOT TO EXCEED \$1,090,000; THE MOTION WAS SECONDED BY GILLESPIE.

Anderson noted that proposals had been solicited; three suppliers had responded to the RFP. He recommended the purchase of two remanufactured units from M-K. Diener pointed out that M-K had included in its proposal a detailed account of the remanufacturing process, adding that the units would be "like new".

THE QUESTION WAS CALLED AND THE MOTION PASSED UNANIMOUSLY.

CON-105: B. August 30, 1984, memorandum from Engineering & Utilities Manager Diener relative to the award of a contract for the replace of the City Hall roof was noted.

GILLESPIE MOVED TO AWARD A CONTRACT TO REPLACE THE CITY HALL ROOF TO WELLS-BUILT HOMES, INC., AND SEWARD ROOFING COMPANY IN THE AMOUNT OF \$26,641.00.

Diener explained that only one bid had been received, noting that it was within the budget set aside for the project. He also apologized to Council for adding this item with such short notice but explained that he hoped to see this project completed before the onslaught of foul weather.

THE QUESTION WAS CALLED AND THE MOTION CARRIED WITH FIVE VOTES IN FAVOR AND WILLIAMS ABSTAINING.

NOTE: Williams, a principal in Wells-Built Homes, Inc., abstained due to her financial interest in the contract award.

VII. ADJOURNMENT:

The meeting was adjourned at 12:30 p.m.

Linda S. Murphy
City Clerk

Donald W. Cripps
Mayor

PAGE 283

REGULAR MEETING - SEPTEMBER 10, 1984

VOLUME 20

I. CALL TO ORDER:

The September 10, 1984, regular meeting of the Seward City Council was called to order at 7:30 p.m. by Mayor Donald W. Cripps.

II. OPENING CEREMONY:

Councilmember Wilson led the pledge of allegiance to the flag.

III. ROLL CALL:

Present were: Mayor Cripps and Councilmembers Gillespie, Hilton, Meehan, Swartz, Williams and Wilson

Present also: Assistant City Manager Schaefermeyer, City Attorney Arvidson and City Clerk Murphy

IV. APPROVAL OF MINUTES:

**CITY OF SEWARD, ALASKA
RESOLUTION 2016-074**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEWARD,
ALASKA, SUPPORTING THE SEWARD AREA PUBLIC TRANSIT HUMAN
SERVICES COMMUNITY COORDINATION PLAN TO BE SUBMITTED
TO THE STATE OF ALASKA DEPARTMENT OF TRANSPORTATION
AND PUBLIC FACILITIES**

WHEREAS, people with specialized transportation needs have rights to mobility. Individuals with limited incomes and people with disabilities rely heavily, sometimes exclusively, on public and specialized transportation services to live independent and fulfilling lives. These services are essential for travel to work and medical appointments, to run essential errands, or simply to take advantage of social or cultural opportunities; and

WHEREAS, under MAP-21, projects funded by Federal Transit Administration (FTA) Section 5310 Enhanced Mobility for Seniors and Individuals with Disabilities program must be included in a locally developed, coordinated public transit-human services transportation plan. The Alaska Department of Transportation and Public Facilities requires any human service transit projects funded by the Alaska Mental Health Trust to also be included in a coordinated public transit-human services transportation plan; and

WHEREAS, the FTA Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities Program provides operating and capital assistance funding to provide transit and purchase of services to private nonprofit agencies, federally recognized tribes, and to qualifying local public bodies that provide specialized transportation services to elderly persons and to persons with disabilities; and

WHEREAS, Alaska Mental Health Trust provides grants to private non-profit agencies, federally recognized tribes, and to qualifying local public bodies that serve community transit needs of trust beneficiaries, namely Alaskans who experience mental illness; developmental disabilities; chronic alcoholism with psychosis; or Alzheimer's disease and related dementia through funding for operating assistance, purchase of services, capital and coordinated transportation system planning; and

WHEREAS, a local committee with participation by seniors, individuals with disabilities, representatives of public, private, and non-profit transportation and human services providers and participation by other members of the public met on August 13, 2015 and October 29, 2015; and

WHEREAS, the local committee reviewed and recommended through consensus a Public Transit Human Services Coordination Plan Update and Project Prioritization to be submitted to the State of Alaska Department of Transportation and Public Facilities.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEWARD, ALASKA that:

Section 1. That the City Council supports the local committee's Seward Area Public Transit Human Services Community Coordinated Plan and Project List.

Section 2. This resolution shall take effect immediately upon adoption.

PASSED AND APPROVED by the City Council of the City of Seward, Alaska, this 21st day of November, 2016.

THE CITY OF SEWARD, ALASKA

Jean Bardarson, Mayor

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Johanna Kinney, CMC
City Clerk

(City Seal)

**CITY OF SEWARD, ALASKA
RESOLUTION 2016-075**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEWARD,
ALASKA, URGING THE ALASKA LEGISLATURE AND GOVERNOR TO
FULLY FUND THE MUNICIPAL HARBOR FACILITY GRANT PROGRAM
IN THE FY 2018 STATE CAPITAL BUDGET**

WHEREAS, in 1999 the State of Alaska transferred ownership of harbor's to the communities; and

WHEREAS, it is estimated that the backlog of projects necessary to repair and replace these former State owned harbors has increased to over \$100,000,000; and

WHEREAS, the municipalities of the City of Kake, the City of Ketchikan, the City and Borough of Sitka, the Municipality of Skagway, the City of Valdez, and the City and Borough of Wrangell have offered to contribute \$18,160,055 in local match funding for FY2018 towards seven harbor projects of significant importance locally as required in the Harbor Facility Grant Program; and

WHEREAS, for each harbor facility grant application these municipalities have committed to invest 100% of the design and permitting costs and 50% of the construction cost; and

WHEREAS, other communities have supported Seward with resolution's to the state to fund the Facility Grant Program; and

WHEREAS, during the last ten years the Municipal Harbor Facility Grant Program has only been fully funded twice.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEWARD, ALASKA that:

Section 1. The City Manager be directed to urge the Alaska Legislature and Governor to fully fund the Harbor Facility Matching Grant Program in the amount of \$18,160,055 in the FY2018 State Capital Budget in order to ensure enhanced safety and economic prosperity among Alaskan coastal communities.

Section 2. This resolution shall take effect immediately.

PASSED AND APPROVED by the City Council of the City of Seward, Alaska, this 21st day of November 2016.

THE CITY OF SEWARD, ALASKA

Jean Bardarson, Mayor

AYES:
NOES:
ABSENT:
ABSTAIN:

ATTEST:

Johanna Kinney, CMC
City Clerk

(City Seal)

Council Agenda Statement



Meeting Date: November 21, 2016
Through: City Manager Jim Hunt
From: Norm Regis, Harbormaster
Agenda Item: A resolution urging the State Legislature and Governor to fully fund the Municipal Harbor Facility Grant Program in the FY 2018 State Capital Budget

BACKGROUND & JUSTIFICATION:

The City of Seward received funding in 2016 from the Harbor Facility Grant program with support from other communities that have not requested funds. The City of Seward would like to support other communities.

The grant program was started because the State of Alaska transferred the responsibility for its state owned harbors to local municipalities, but many harbors needed new capital investment. It is currently estimated that the backlog of projects necessary to repair and replace these former State owned harbors has increased to over \$100,000,000.

For FY 2018 many municipalities have grant applications pending with a total cost to the state of \$18,160,055. The grant program has only been fully funded twice.

The grant program is the City's best means to replace its docks and keep customer rate increases to a minimum, with renewing our support to keep this grant funded each year would benefit other communities and the City of Seward for future harbor improvements.

DOT Grant Program

The Municipal Harbor Facility Grant Program is managed by DOT&PF. The program provides 50/50 matching funds to eligible applicants. The program was created in 2006, but not funded until 2007. The legislature supplied funding in subsequent years (but not in 2009). The money can only be used for construction ready projects, not for planning or engineering. This grant program is funded on an annual basis at the discretion of the Alaska Legislature and consists of two tiers, Tier I and II. With State revenues projected to decline over the next few years, funding for the municipal Harbor Facility Grant Program will be a bigger challenge for the Legislature.

INTENT:

To urge the state legislature and Governor to fully fund the state Municipal Harbor Facility Grant Program in the amount of \$18,160,055.

<u>CONSISTENCY CHECKLIST:</u>		Yes	No	N/A
1.	2020 Seward Comprehensive Plan (page 23): Create a thriving port of Seward through harbor improvements, infrastructure expansion, and implementation of management plans.	X		
2.	City of Seward Strategic Plan (page 7): Complete the renovation of the Seward Boat Harbor	X		
3.	Other:			

FISCAL NOTE:

There is no fiscal note for this Agenda Statement and Resolution; this is to support other communities with the same needs as the City of Seward.

Approved by Finance Department: *Kristen Arching*

ATTORNEY REVIEW: Yes _____ No X N/A _____

RECOMMENDATION:

Council approve Resolution 2016-074, authorizing the City Administration and lobbyist to urge the state legislature and Governor to fully fund the Harbor Matching Grant program in the amount of \$18,160,055.

**CITY OF SEWARD, ALASKA
RESOLUTION 2016-076**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
SEWARD, ALASKA, IN SUPPORT OF THE ADDITION OF
PORT AND HARBOR EMPLOYEES TO THE LIST OF
EMPLOYEES COVERED BY ALASKA STATUTE 12.55.135**

WHEREAS, State of Alaska statute AS 12.55.135. Sentences of Imprisonment for Misdemeanors establishes minimum terms of imprisonment for defendants convicted of assaulting or harassing uniformed or otherwise clearly identified peace officers, fire fighters, correctional employees, emergency medical technicians, paramedics, ambulance attendants or other emergency responders or medical professionals; and

WHEREAS, port and harbor employees in communities throughout the State of Alaska routinely perform enforcement and emergency response duties commensurate with those performed by peace officers, fire fighters, correctional employees, emergency medical technicians, paramedics, ambulance attendants or other emergency responders or medical professionals; and

WHEREAS, defendants convicted of assaulting or harassing port and harbor employees in several recent cases have received sentences well below the minimums established in AS 12.55.135 for defendants convicted of assaulting or harassing uniformed or otherwise clearly identified peace officers, fire fighters, correctional employees, emergency medical technicians, paramedics, ambulance attendants or other emergency responders or medical professionals; and

WHEREAS, the Alaska Association of Harbormaster and Port Administrators desires to strengthen the deterrent to unlawfully assault or harass port and harbor employees throughout the State of Alaska.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEWARD, ALASKA that:

Section 1. That it supports the addition of port and harbor employees to the list of employees covered by State of Alaska statute AS 12.55.135. Sentences of Imprisonment for Misdemeanors, which establishes minimum terms of imprisonment for defendants convicted of assaulting or harassing uniformed or otherwise clearly identified peace officers, fire fighters, correctional employees, emergency medical technicians, paramedics, ambulance attendants or other emergency responders or medical professionals.

PASSED AND APPROVED by the City Council of the City of Seward, Alaska, this 21st day of November 2016.

THE CITY OF SEWARD, ALASKA

Jean Bardarson, Mayor

AYES:
NOES:
ABSENT:
ABSTAIN:

ATTEST:

Johanna Kinney, CMC
City Clerk

(City Seal)

Council Agenda Statement



Meeting Date: November 21, 2016
 Through: City Manager Jim Hunt
 From: Norm Regis, Harbormaster

Agenda Item: A resolution in support of the addition of Port and Harbor employees to the list of employees covered by AS 12.55.135.

BACKGROUND & JUSTIFICATION:

Port and Harbor employees in communities throughout the State of Alaska routinely perform enforcement and emergency response duties commensurate with those performed by peace officers, fire fighters, correctional employees, emergency medical technicians, paramedics, ambulance attendants or other emergency responders or medical professionals.

In several recent cases defendants convicted of assaulting or harassing port and harbor employees have received sentences well below the minimums established in AS 12.55.135.

The State of Alaska statute AS 12.55.135. Sentences of Imprisonment for Misdemeanors establishes minimum terms of imprisonment for defendants convicted of assaulting or harassing uniformed or otherwise clearly identified peace officers, fire fighters, correctional employees, emergency medical technicians, paramedics, ambulance attendants or other emergency responders or medical professionals.

The Alaska Association of Harbormaster and Port Administrators desires to strengthen the deterrent to unlawfully assault or harass port and harbor employees throughout the State of Alaska.

INTENT: To support the addition of port and harbor employees to the list of employees covered by State of Alaska statute AS 12.55.135.

<u>CONSISTENCY CHECKLIST:</u>		Yes	No	N/A
1.	Comprehensive Plan (<i>page 14</i>): Public Safety, Encourage marine safety activities.	X		
2.	City of Seward Strategic Plan (<i>page 18</i>): Promote a safe community	X		
3.	Other:			

FISCAL NOTE:

There is no fiscal note for this Agenda Statement and Resolution; this is to support the addition of port and harbor employees to the list of employees covered by State of Alaska statute AS 12.55.135.

Approved by Finance Department: Justin Arching

ATTORNEY REVIEW: Yes _____ No X

RECOMMENDATION:

Council approve Resolution 2016- 076 authorizing the City Administration and lobbyist to urge the state legislature and Governor to support the addition of port and harbor employees to the list of employees covered by State of Alaska statute AS 12.55.135.

[Alaska Statutes.](#)

[Title 12.](#) Code of Criminal Procedure

[Chapter 55.](#) Sentencing and Probation

Section 135. Sentences of Imprisonment For Misdemeanors.

previous: [Section 127.](#) Consecutive and Concurrent Terms of Imprisonment.

next: [Section 137.](#) Penalties For Gang Activities Punishable as Misdemeanors.

AS 12.55.135. Sentences of Imprisonment For Misdemeanors.

- (a) A defendant convicted of a class A misdemeanor may be sentenced to a definite term of imprisonment of not more than one year.
- (b) A defendant convicted of a class B misdemeanor may be sentenced to a definite term of imprisonment of not more than 90 days unless otherwise specified in the provision of law defining the offense.
- (c) A defendant convicted of assault in the fourth degree that is a crime involving domestic violence committed in violation of the provisions of an order issued or filed under AS [12.30.027](#) or AS [18.66.100](#) - [18.66.180](#) and not subject to sentencing under (g) of this section shall be sentenced to a minimum term of imprisonment of 20 days.
- (d) A defendant convicted of assault in the fourth degree or harassment in the first degree who knowingly directed the conduct constituting the offense at
- (1) a uniformed or otherwise clearly identified peace officer, fire fighter, correctional employee, emergency medical technician, paramedic, ambulance attendant, or other emergency responder or medical professional who was engaged in the performance of official duties at the time of the assault or harassment shall be sentenced to a minimum term of imprisonment of
- (A) 60 days if the defendant violated AS [11.41.230](#) (a)(1) or (2) or AS [11.61.118](#);
- (B) 30 days if the defendant violated AS [11.41.230](#) (a)(3);
- (2) a person who was on school grounds during school hours or during a school function or a school-sponsored event, on a school bus, at a school-sponsored event, or in the administrative offices of a school district, if students are educated at that office, shall be sentenced to a minimum term of imprisonment of 60 days if the defendant violated AS [11.41.230](#) (a)(1) or (2); in this paragraph,
- (A) "school bus" has the meaning given in AS [11.71.900](#) ;
- (B) "school district" has the meaning given in AS [47.07.063](#) ;
- (C) "school grounds" has the meaning given in AS [11.71.900](#) .
- (e) If a defendant is sentenced under (c), (d), or (h) of this section,
- (1) execution of sentence may not be suspended and probation or parole may not be granted until the minimum term of imprisonment has been served;
- (2) imposition of a sentence may not be suspended except upon condition that the defendant be imprisoned for no less than the minimum term of imprisonment provided in the section; and
- (3) the minimum term of imprisonment may not otherwise be reduced.
- (f) A defendant convicted of vehicle theft in the second degree in violation of AS [11.46.365](#) (a)(1) shall be sentenced to a definite term of imprisonment of at least 72 hours but not more than one year.
- (g) A defendant convicted of assault in the fourth degree that is a crime involving domestic violence shall be sentenced to a minimum term of imprisonment of
- (1) 30 days if the defendant has been previously convicted of a crime against a person or a crime involving domestic violence;
- (2) 60 days if the defendant has been previously convicted two or more times of a crime against a person or a crime involving domestic violence, or a combination of those crimes.
- (h) A defendant convicted of failure to register as a sex offender or child kidnapper in the second degree under AS [11.56.840](#) shall be sentenced to a minimum term of imprisonment of 35 days.
- (i) If a defendant is sentenced under (g) of this section,
- (1) execution of sentence may not be suspended and probation or parole may not be granted until the minimum term of imprisonment has been served;
- (2) imposition of sentence may not be suspended;
- (3) the minimum term of imprisonment may not otherwise be reduced.
- (j) A court may not impose a sentence of imprisonment or suspended imprisonment for possession of marijuana in violation of AS [11.71.060](#) if the defendant alleges, and the court finds, that the defendant was not under formal or informal probation or parole conditions in this or another jurisdiction at the time of the offense; that the defendant possessed the marijuana for the defendant's personal use within the defendant's permanent or temporary residence; and that the defendant has not been previously convicted more than once in this or another jurisdiction for possession of marijuana. If the defendant has not been previously convicted as described in this subsection, the maximum unsuspended fine that the court may impose is \$500. If the defendant has been previously convicted once as described in this subsection, the maximum unsuspended fine that the court may impose is \$1,000. In this subsection,

- (1) "permanent or temporary residence" means a permanent structure adopted for overnight accommodation; "permanent or temporary residence" does not include
- (A) vehicles, tents, prisons or other correctional facilities, residential treatment facilities, or shelters operated by a charitable organization or a government agency;
- (B) any place where the defendant's possession or use of marijuana violated established rules for residents, such as a ban on smoking or a ban on marijuana or other controlled substances;
- (2) "previously convicted" means the defendant entered a plea of guilty, no contest, or nolo contendere, or has been found guilty by a court or jury, regardless of whether the conviction was set aside under AS [12.55.085](#) or a similar procedure in another jurisdiction, of possession of marijuana; "previously convicted" does not include a judgment that has been reversed or vacated by a court.
- (k) In this section,
- (1) "crime against a person" means a crime under AS [11.41](#), or a crime in this or another jurisdiction having elements similar to those of a crime under AS [11.41](#);
- (2) "crime involving domestic violence" has the meaning given in AS [18.66.990](#).
- (3) "medical professional" means a person who is an anesthesiologist, dentist, dental hygienist, health aide, nurse, nurse aid, nurse practitioner, mental health counselor, physician, physician assistant, chiropractor, psychiatrist, osteopath, psychologist, psychological associate, radiologist, surgeon, or x-ray technician, or who holds a substantially similar position.

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Note to HTML Version:

This version of the Alaska Statutes is current through December, 2007. The Alaska Statutes were automatically converted to HTML from a plain text format. Every effort has been made to ensure their accuracy, but this can not be guaranteed. *If it is critical that the precise terms of the Alaska Statutes be known, it is recommended that more formal sources be consulted.* For statutes adopted after the effective date of these statutes, see, [Alaska State Legislature](#) If any errors are found, please e-mail Touch N' Go systems at [E-mail](#). We hope you find this information useful.

This page has been updated: 04/23/2015 13:23:53

**CITY OF SEWARD, ALASKA
RESOLUTION 2016-077**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEWARD,
ALASKA, IN SUPPORT OF PROPOSED CHANGES TO ALASKA
STATUTES CHAPTER 30.30 AND 05.25 IMPROVING THE MANAGEMENT
AND PREVENTION OF DERELICT VESSELS**

WHEREAS, hundreds of derelict vessels currently litter Alaska's coastline and harbors and these numbers will increase every year unless action is taken to address aging fleets and changing commercial fisheries; and

WHEREAS, in the past year alone there have been numerous derelict vessel situations that have cost the state, municipalities, and the federal government considerable expense, including two ex-Navy tugs in Adak, abandoned barges in Steamboat Slough near Bethel, and the tug Challenger that sunk off Juneau; and

WHEREAS, the City of Seward recognizes the widespread costs and the environmental and navigational risks for both municipalities and the state associated with derelict vessels; and

WHEREAS, neighboring states have dramatically strengthened their derelict vessel prevention laws in the past five years to better prevent, track and manage derelict vessels, including raising fees to support state management of derelict vessels and requiring vessel insurance ; and

WHEREAS, in 1990 the Alaska legislature passed a resolution acknowledging the need to better understand and address the existing and growing problem of derelict vessels around the state ; and

WHEREAS, the State of Alaska has outdated statutes regarding derelict vessels which lack the ability to track vessel owners, agency enforcement authority, statewide coordination of response, funding or vessel insurance requirements ; and

WHEREAS, in 2013 the Alaska Association of Harbormasters and Port Administrators supported the creation of the ad-hoc derelict vessel task force which includes representatives from state and federal agencies as well as the Alaska Association of Harbormasters and Port Administrators, regional tribal representatives, federal and state legislative offices, and private industry ; and

WHEREAS, over nine full-day meetings, the task force developed thoughtful, robust and meaningful proposed changes that will help all stakeholders around the state, including harbor facilities, better address and prevent derelict vessels ; and

WHEREAS, this will help protect harbor infrastructure, keep valuable moorage space in our harbor available, and will prevent unsustainable economic, environmental and navigational hazards;

and

WHEREAS, the proposed changes will improve communication and coordination between Alaska's harbors and state and federal agencies, directly leading to decreased costs associated with managing derelict vessels.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEWARD, ALASKA that:

Section 1. Fully supports the passage by the state legislature of all proposed revisions in Alaska Statutes 30.30 and 05.25.

PASSED AND APPROVED by the City Council of the City of Seward, Alaska, this 21st day of November 2016.

THE CITY OF SEWARD, ALASKA

Jean Bardarson Mayor

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Johanna Kinney, CMC
City Clerk

(City Seal)

Agenda Statement



Meeting Date: November 21, 2016

To: City Council

Through: City Manager Jim Hunt

From: Harbormaster Norm Regis

Agenda Item: Support of proposed changes to Alaska statutes chapter 30.30 and 05.25 improving the management and prevention of derelict vessels.

BACKGROUND & JUSTIFICATION:

In 1990 the Alaska legislature passed a resolution acknowledging the need to better understand and address the existing and growing problem of derelict vessels around the state. In 2013 the Alaska Association of Harbormasters and Port Administrators supported the creation of the ad-hoc derelict vessel task force which includes representatives from state and federal agencies as well as the Alaska Association of Harbormasters and Port Administrators, regional tribal representatives, federal and state legislative offices, and private industry. Over nine full-day meetings, the task force developed thoughtful, robust and meaningful proposed changes that will help all stakeholders around the state, including harbor facilities, better address and prevent derelict vessels. The proposed changes will improve communication and coordination between Alaska's harbors and state and federal agencies, directly leading to decreased costs associated with managing derelict vessels.

INTENT:

To support proposed changes to Alaska Statutes Chapter 30.30 and 05.25 improving the management and prevention of derelict vessels.

<u>CONSISTENCY CHECKLIST:</u>		Yes	No	N/A
1.	Comprehensive Plan (page 14): Public Safety, Encourage marine safety activities.	X		
2.	Strategic Plan (page 18): Promote a safe community	X		
3.	Other (list):			

FISCAL NOTE: There is no fiscal note for this Agenda Statement and Resolution; this is to support the proposed changes to Alaska Statutes Chapter 30.30 and 05.25 improving management and prevention of derelict vessels.

Approved by Finance Department:

ATTORNEY REVIEW: Yes _____ No X _____

RECOMMENDATION:

Council approve Resolution 2016- 077 authorizing the City Administration and lobbyist to urge the state legislature and Governor to support the proposed changes to Alaska Statutes Chapter 30.30 and 05.25 improving management and prevention of derelict vessels.

July 13, 2016

Dear Stakeholder,

Thank you for your interest in the issue of derelict vessels around Alaska's coast and rivers. Recent news stories may have caught your attention – over \$1 million spent on the Challenger sunk in Gastineau Channel, over 40 abandoned barges in Steamboat Slough near Bethel, derelict tugs in Adak trespassing on state lands. The list goes on and is an ongoing and expensive one. **We are looking for your feedback on proposed solutions to some of the biggest problems with derelict vessel management and prevention in Alaska!**

“By 2025, the Alaska fleet will include roughly 3,100 vessels between 28’ and 59’ that are more than 45 years old...the Alaska fleet also includes 75 passenger vessels, tugs, and barges over 50 years old...”

McDowell Group, Trends and Opportunities in the Alaska Maritime Industrial Support Sector (2014)

Since February 2014, a large ad-hoc Task Force has been meeting to address concerns with derelict vessels around the state. The Task Force is an open group of stakeholders and advisors, and participation has been welcomed from any interested parties. Over the course of 9 full-day in-person meetings, representatives from the following stakeholder groups met to discuss problems and solutions surrounding derelict vessels in Alaska:

- Alaska Department of Natural Resources, Mining Land and Water
- Alaska Department of Environmental Conservation, Spill Prevention & Response
- Alaska Department of Fish and Game, Habitat
- Alaska Department of Transportation, Ports & Harbors
- Alaska Association of Harbormasters and Port Administrators
- United States Coast Guard, Sector Anchorage/Juneau and Division of Waterways Management
- Environmental Protection Agency, Response, Region 10
- National Oceanic and Atmospheric Administration, Restoration Center/Marine Debris Program
- Office of Senator Lisa Murkowski

{OVER}

- Orutsararmiut Native Council
- Alaska Marine Response
- Birch Horton Bittner and Cherot (pro bono legal assistance for Cook Inletkeeper)
- Cook Inletkeeper/Alaska Clean Harbors, facilitation

Enclosed in this packet you will find the results of this effort with a full draft revision to our state statutes, reflecting changes the Task Force discussed to improve our management and prevention of derelict vessels.

We are asking for your feedback! If you are interested in this issue, please take some time to review the revised statutes and the accompanying supporting documents. The MEMO outlines the legal background behind the sectional changes per the Task Force's feedback. The Problems & Solutions document steps the reader through the top issues that were raised by the Task Force over the past two years and how they have been, or could be, addressed.

We respectfully request all feedback be submitted, at the latest, by **FRIDAY, SEPTEMBER 9, 2016**. At that time, we will work to quickly address all comments together and create a more final draft with your feedback for consideration in Juneau during the upcoming legislative session.

If you have any questions or comments, please don't hesitate to contact me directly. All Task Force meeting summaries, background documents, case studies and newsletters can be found on our website: <http://alaskacleanharbors.squarespace.com/derelict-vessels/>

This is a pressing and growing issue for both the state and our municipalities. Our fleet is aging, and the number of derelict vessels will be increasing in the coming years. Thank you for your time and feedback.

Sincerely,



Rachel Lord
Task Force Facilitator
Clean Water Program Director, Cook Inletkeeper
Coordinator, Alaska Clean Harbors
rachel@inletkeeper.org
907-235-4068 x29

HOUSE/SENATE BILL NO. _____
IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - FIRST SESSION

BY [names of sponsors]

Introduced: __/__/17

Referred:

A BILL

FOR AN ACT ENTITLED

1 **“An Act relating to abandoned and derelict vessels.”**

2

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4

5 * **Section 1.** Chapter 30.30 entitled “Abandoned and Derelict Vessels” is repealed and reenacted
6 to read:

7

8 Chapter 30.30. “Derelict Vessels”

9

10 Article 1. Derelict Vessels

11

12 Article 2. Derelict Vessel Program

13

14 § 30.30.010. Derelict vessels unlawful

15

16 (a) A person may not store or leave a derelict vessel

17

18 (1) on state waters, real property owned by the state or a municipality, or at a port or harbor
19 of the state or a municipality without the consent of the state agency or municipality having
20 jurisdiction over the water, property, port, or harbor; or

21

22 (2) docked at any private property without the consent of the owner of the property.

23

24 (b) A state agency, municipality, or peace officer may impound a derelict vessel subject to
25 this chapter.

26

27 (c) This section may not be construed to contravene any applicable federal law or regulation.

28

29 § 30.30.020. Limitation on applicability

30

31 (a) A vessel stored outside an organized municipality within the state where it is the custom,
32 common or accepted practice to anchor, moore, or otherwise leave a vessel in a port or harbor in

-1-

New Text Underlined [DELETED TEXT BRACKETED]

33 state waters does not constitute a derelict vessel as that term is used in this chapter so long as
34 written authorization to store the vessel is obtained from the Department of Natural Resources
35 within thirty days of the anchoring, mooring, storing, or leaving the vessel.
36

37 (b) A vessel anchored, moored, stored, or otherwise left unattended for more than 30 days
38 due to climatic conditions that make use of the vessel impracticable or due to provisions of law
39 that prohibit use of the vessel during that period of time does not constitute a derelict vessel as
40 that term is used in this chapter so long as written authorization to anchor, moore, store or
41 otherwise leave the vessel is obtained from the Department of Natural Resources within thirty
42 days of the anchoring, mooring, storing, or leaving of the vessel.
43

44 § 30.30.030. Derelict vessel declared
45

46 (a) A vessel is a derelict vessel if:
47

48 (1) the vessel is sunk or in imminent danger of sinking, is obstructing a waterway, or is
49 endangering public health, safety, property, or the environment; or
50

51 (2) the vessel has been moored or otherwise left in state waters or on property owned by the
52 state, the federal government or a municipality contrary to law; or
53

54 (3) the vessel's certificate number or marine document number has expired and the owner no
55 longer resides at the address listed in the vessel registration or marine document records of a
56 state agency or the United States Coast Guard; or
57

58 (4) the last owner of record disclaims ownership and the current owner's name or address
59 cannot be determined; or
60

61 (5) the vessel identification numbers and other means of identification have been obliterated
62 or removed in a manner that nullifies or precludes efforts to locate or identify the owner; or
63

64 (6) the vessel registration records of a state agency and the marine document records of the
65 United States Coast Guard contain no record that the vessel ever has been registered or
66 documented, and the owner's name or address cannot be determined; or
67

68 (7) the vessel has been abandoned on public or private property or left on private or public
69 property without authorization by the owner or occupant of the property.
70

71 § 30.30.040. Impoundment of derelict vessels
72

73 (a) A state agency, municipality, or peace officer may impound a derelict vessel by
74 immobilizing it or removing or having it towed from the water and placed in storage. The vessel
75 owner shall be responsible and liable for all expenses and risks of impoundment and storage.
76

77 (b) The owner or person entitled to possession of a vessel impounded under this chapter shall
78 be subject to and liable for actual storage charge and shall be subject to and liable for all costs
79 directly or indirectly arising out of resulting from the impoundment or removal of the vessel.

80
81 § 30.30.060. Notice

82
83 (a) Except as otherwise provided in this chapter, at least thirty days prior to impounding any
84 vessel, the impounding body shall cause to be posted on the vessel and on the official website for
85 the impounding agency or body, notice of such action taken by the impounding body. A copy of
86 the notice shall be mailed, certified return receipt, to the owner of the vessel, if known, at the
87 owner's last known address or the address on record with the United States Coast Guard or the
88 State of Alaska Division of Motor Vehicles. Notice shall also be mailed to all lienholders who
89 are shown on the records of the United States Coast Guard.

90
91 (b) The notice shall contain the name and/or number of the vessel and the name and address
92 of the owner, if known, and the intended action against the vessel. The notice shall notify the
93 owner of the right to a hearing under this chapter.

94
95 § 30.30.120. Pre-impoundment hearing

96
97 (a) Except as provided in AS 30.30.125, the owner of a vessel or person entitled to
98 possession of a vessel has the right to a pre-impoundment administrative hearing to determine
99 whether there is probable cause to impound the vessel if the owner or person entitled to
100 possession of the vessel files a written demand for such a hearing with the impounding body no
101 more than 15 days after the mailing of the notice required by AS 30.30.060.

102
103 (b) A hearing under this section shall be conducted within 10 days of receipt of a written
104 demand for a pre-impoundment hearing unless the person requesting the hearing consents to a
105 later hearing date. Saturdays, Sundays and holidays are excluded from the calculation of the 10
106 day period.

107
108 (c) Any person who has authority to direct the impoundment of the vessel at issue in a
109 hearing shall not serve as the hearing officer in a hearing regarding that vessel. The sole issue
110 before the hearing officer shall be whether there is probable cause to impound the vessel in
111 question. The hearing may be conducted in an informal manner and shall not be bound by
112 technical rules of evidence.

113 (d) The person demanding the hearing shall carry the burden of establishing his or her right
114 to possession of the vessel in question. The impounding body or person shall carry the burden of
115 establishing that there is probable cause to impound the vessel.

116 (e) After the pre-impoundment hearing, a written decision and certificate of probable cause if
117 probable cause exists shall be issued. A copy of the decision and the certificate shall be provided
118 to the vessel owner and the person demanding the hearing.

119 (f) Failure of the owner or person entitled to possession of the vessel to request or attend a
120 scheduled pre-impoundment hearing shall be deemed a waiver of the right to such hearing.

121
122 (g) Upon receipt of a certificate of probable cause, the impounding body may proceed with
123 impoundment and disposition of the vessel by removal, sale or destruction as authorized by this
124 chapter.

125
126 § 30.30.125. Impoundment of derelict vessels posing imminent clear and present danger
127

128 (a) When action is taken to impound a derelict vessel that poses an imminent clear and
129 present danger to public health, safety or general welfare, notice shall be hand delivered or
130 mailed to the owner of the vessel, if the name and location of the owner is known, within twenty-
131 four hours after the impoundment.

132
133 (b) The owner of the vessel or person entitled to possession of the vessel has a right to a post-
134 impoundment hearing if that person submits a written demand for a post-impoundment hearing
135 within fifteen days after the notice of impoundment was mailed.

136
137 (c) A post-impoundment hearing shall be conducted within 48 hours of receipt of a written
138 demand for a post-impoundment hearing. Saturdays, Sundays and holidays are excluded from the
139 calculation of the 48 hour period.

140
141 (d) A post-impoundment hearing officer shall determine whether there was probable cause to
142 impound the vessel. If the hearing officer determines that there was not probable cause to
143 impound the vessel, the vessel shall be released to the owner without payment of the towing,
144 storage or other accrued storage, impoundment, and abatement charges or the owner shall be
145 entitled to a refund or reimbursement of the charges if previously paid by the owner. If the
146 hearing officer determines that there was probable cause for the impoundment of the vessel, the
147 impounding body or its designee may proceed to dispose of the vessel as provided in this
148 chapter.

149
150 (e) Failure of the owner or person entitled to possession of the vessel to request or attend a
151 scheduled post-impoundment hearing shall be deemed a waiver of the right to such hearing.

152
153 § 30.30.130. Notice of disposition
154

155 (a) After impounding a derelict vessel, the impounding body shall publish a notice of
156 disposition at least thirty days before disposing of the vessel once in a newspaper of general
157 circulation or on the website of the impounding body and, if possible, post a notice of disposition
158 on the vessel itself.

159 (b) A duplicate of the notice must be served by certified mail, return receipt requested, on:

160
161 1. The owner of the vessel, if known, at the address on record with the United States Coast
162 Guard or the State of Alaska Division of Motor Vehicles; and

163

164 2. All lienholders who have filed a financing statement indexed in the name of the owner, or
165 who are shown on the records of a state agency or the United States Coast Guard.
166

167 (c) The notice of disposition must include a description of the vessel, the name and/or
168 number of the vessel, if any, the name and address of the owner, if known, the location of the
169 vessel, and the means of disposition. If a public auction will be held, the location, date, and time
170 of the auction shall be included in the notice of disposition.
171

172 § 30.30.135. Form of disposition
173

174 (a) If an impounded vessel is not repossessed by the owner or a person with a legal interest
175 in and entitlement to the vessel within 30 days after the mailing of the notice, the vessel may be
176 sold, donated or destroyed. The sale of a vessel shall be by public auction or sealed bids. An
177 impounding body may adopt sale or disposal methods in addition to or instead of the sale and
178 disposal methods authorized in this chapter but must do so by ordinance or regulation.
179

180 (b) The proceeds of any sale of the vessel under this chapter shall be first applied to the costs
181 of conducting the sale, then to impoundment fees and storage charges, and the balance, if any,
182 shall be forwarded to the owner of the vessel, if the owner can be found. If the owner cannot be
183 found, the balance shall be deposited in a separate account maintained by the impounding body
184 or with the commissioner of the state of Alaska Department of Administration and shall be paid
185 out in accordance with state law. The proceeds of any sale of the vessel at a public auction
186 sanctioned by federal law shall be dispersed in accordance with federal law. A lienholder shall
187 receive priority of payment from the balance of the proceeds to the extent of the lien. An owner
188 has one year to make a claim for the remaining proceeds from the sale.
189

190 (c) Any disposition of the vessel is to be made without liability of the impounding body, its
191 designees, employees or agents to the owner, operator or any lienholder of the vessel.
192

193 § 30.30.160. Possession by party with legal interest and entitlement
194

195 A person having a legal interest and entitlement in a derelict vessel may take possession of it
196 before the date of the public auction, destruction, or donation upon payment to state agency or
197 municipality of all port or harbor use fees, towing, handling, storage, appraisal, advertising, and
198 any other expenses incurred by the state agency or municipality in connection with the vessel.
199

200 § 30.30.180. Effect of transfer of title
201

202 The transfer of title and interest by sale under AS 30.30.135 is a transfer by operation of law.
203 However, a bill of sale executed by an authorized seller is satisfactory evidence authorizing the
204 transfer of the title or interest.
205

206 § 30.30.185. Penalties
207
208

209 (a) A person or entity who violates a provision of this chapter or a regulation adopted under
210 this chapter is, upon conviction, guilty of a class B misdemeanor and may be sentenced to a
211 definite term of imprisonment of not more than 90 days, or forfeiture of the person’s vessel, or
212 both, and shall be sentenced to a fine of not less than \$5,000 nor more than \$10,000.

213
214 (b)The department or a municipality may report a violation of this section to the attorney general,
215 who may institute the proper proceedings to enforce the criminal penalties provided in (a) of this
216 section.

217
218 (c) The department, the municipality or an aggrieved person may institute a civil action against a
219 person who violates this chapter. In addition to injunctive and compensatory relief, a civil
220 penalty not to exceed \$1,000 may be imposed for each violation. An action to enjoin a violation
221 may be brought notwithstanding the availability of any other remedy. On application for
222 injunctive relief and a finding of a violation or a threatened violation, the superior court shall
223 grant the injunction. Each day that a violation of an ordinance continues constitutes a separate
224 violation.

225
226 (d) The penalties authorized under this section may be imposed only if copies of the regulation or
227 ordinance establishing the penalties are made available for distribution to the public at no more
228 than cost.

229
230 (e) The department may provide for the payment of civil fines under this section by mail.

231
232

233 § 30.30.190. Definitions

234
235 In this chapter,

236
237 (1) “Abandoned” means any vessel that has been left unattended on private, state or
238 municipal waters or land without the consent of the land owner or lessee for more than thirty
239 days.

240
241 (2) “Department” means the Department of Natural Resources.

242
243 (3) “Hearing officer” means the decision maker appointed or assigned by the department or
244 municipality providing a pre-impoundment or post-impoundment hearing under this chapter.
245 The hearing officer includes, but is not limited to a municipal employee, department employee,
246 legal counsel serving as the decision maker or an administrative law judge.

247
248 (4) “Municipality” has the meaning given in AS 29.71.800.

249
250 (5) “Owner” means a person who has a property interest other than a security interest in a
251 vessel and the right of use or possession of the vessel; “owner” does not include a lessee unless
252 the lease is intended as security. For purposes of enforcing this chapter, an “owner” of a vessel is
253 any individual, partnership, corporation, company, entity, agency or any designee of any
254 individual, partnership, corporation, company, entity or agency that is the last named owner with

255 the State of Alaska Division of Motor Vehicles or the United States Coast Guard or the
256 individual, partnership, corporation, company, entity, agency or any designee of any individual,
257 partnership, corporation, company entity or agency identified as the “owner” of the vessel in an
258 agreement with a municipality, a state agency or department or any other political subdivision of
259 the State.

260
261 (6) “Probable cause” means such a state of facts as would lead a person of ordinary care and
262 prudence to believe that there was a breach of law rendering the vessel subject to impoundment.

263
264 (7) “State agency” means a state department or agency in the executive branch; “state
265 agency” does not include an agency of the legislative or judicial branch, the University of
266 Alaska, or a public corporation.

267
268 (8) “Vessel” means every description of watercraft or other artificial contrivance, other than
269 a seaplane on the water, used or capable of being used as a means of transportation on or through
270 the water.

271
272 (9) “State waters” has the meaning given in the term “navigable water” in AS 38.05.965;
273 “state waters” also includes the marginal sea adjacent to the state and the high seas within the
274 territorial limits of the state, irrespective of the ownership of the land underlying those waters.

275
276 Article 2. Derelict Vessel Program

277
278 § 30.30.200. Statement of Purpose

279
280 It is the policy of the state to prevent and deter the abandonment and operation of derelict vessels
281 in state and municipal waters and on public and private property within the state and to ensure
282 that all state and municipal entities have the authority to identify, remove, and discourage
283 derelict vessels from being stored, operated, or abandoned on state and municipal waters and on
284 public and private property.

285
286 § 30.30.210. Derelict Vessel Program

287
288 (a) The department shall administer a statewide derelict vessel prevention program. The
289 program must, to the extent consistent with state law and subject to state funding:

290
291 (1) adopt regulations establishing a derelict vessel advisory council authorized to adopt and
292 implement education and community outreach programs to inform and incentivize the removal
293 of derelict vessels from state waters;

294
295 (2) develop a publically available vessel tracking system

296
297 (3) draft regulations for education and community outreach programs, derelict vessel
298 disposal programs, and funding options for derelict vessel removal efforts.

299
300 § 30.30.220. *Derelict Vessel Program Fund*

301
302 (a) *The derelict vessel program/ safe waters fund is created. The purpose of the fund is to*
303 *provide the department, the state and municipalities money to remove derelict vessels from state*
304 *waters, develop and implement programs that incentivize compliance with this chapter, and*
305 *subsidize other projects and goals directly related to the derelict vessel program and authorized*
306 *by regulation.*

307
308 (b) *The fund consists of money appropriated to it by the legislature, including donations,*
309 *recoveries of or reimbursements for awards made from the fund, income from the fund, and*
310 *other program receipts from activities adopted by the department or through use of the fund.*

311
312 (c) *The Director of Motor Vehicles may deposit up to 50% of fees and costs associated with*
313 *registering vessels into the fund and shall deposit at least \$5 of fees paid under AS*
314 *5.25.096(a)(1) after January 1, 2017 to the fund.*

315
316 (d) *The proceeds from the sale of a vessel under this chapter shall be distributed into the fund*
317 *after all fees and costs for maintenance, removal, impoundment, disposition, advertisement,*
318 *storage, moorage, wharfage, legal counsel, or any other costs or fees paid by the impounding*
319 *entity with regard to that vessel have been deducted from the sale proceeds.*

320
321 (e) *The department shall administer the fund in accordance with the provisions of this chapter*
322 *and any regulations adopted by the department. Appropriations to the fund do not lapse.*

323
324 ***[This section definitely needs Task Force discussion before it is finalized but this provides a***
325 ***basic introduction into the funding mechanism that the Task Force expressed interest in***
326 ***seeing]***

327
328 *Section 2. AS 5.25.050 is amended to read:

329
330 It is the policy of the state to promote safety for persons and property in and connected with the
331 use, operation, and equipment of boats on water of the state and its political subdivisions, ~~and~~ to
332 promote uniformity of laws relating to vessel and boat safety, maintenance, and operations and
333 the responsibility of vessel owners operating in the water of the state and its political
334 subdivisions.

335
336 *Section 3. AS 5.25.055 is amended to read:

337
338 (a) An undocumented boat placed on water of the state **or a political subdivision or placed**
339 **in a port or harbor of the state or political subdivision** must be registered and numbered as
340 required by this chapter. The Department of Administration shall adopt by regulation a boat
341 registration and numbering system that is consistent with the national standard for state
342 numbering systems established by the United States Coast Guard.

343
344 (b) In adopting a boat registration system under (a) of this section, the Department of
345 Administration shall authorize agents, including boat dealers, to register boats.

346

347 (c) A boat dealer shall require a purchaser of a new or used boat sold at retail to complete a
348 registration application and pay the registration fee before the boat leaves the dealer's premises
349 unless the boat is exempt from registration and numbering under this chapter or regulations
350 adopted under this chapter.

351
352 (d) A person may not operate a boat on water of the state unless a valid certificate of number
353 has been awarded by the Department of Administration to the boat and the identification number
354 and any required validation decals are properly displayed on the boat.

355
356 (e) The Department of Administration shall authorize agents to accept an application and
357 registration fee for registration, to issue a registration, and to forward the application and
358 registration fee to the Department of Administration.

359
360 (f) Unless otherwise provided by this chapter, or unless the owner has been awarded a
361 current, valid Alaska certificate of number from the United States Coast Guard, the owner of a
362 boat for which a current certificate of number has been awarded under federal law or a federally
363 approved numbering system of another state shall apply for a certificate of number in this state as
364 required by this chapter if the boat is operated on water of the state for more than 90 consecutive
365 days. If a boat has an existing number, the owner may request that the department issue the same
366 number for purposes of this section, and the department shall comply with the request unless
367 compliance would result in a duplication of numbers.

368
369 (g) A certificate of number issued under this chapter is valid for three years unless terminated
370 or discontinued earlier as required by this chapter and regulations adopted under this chapter.
371 The certificate expires on the last day of the month at the end of the three-year period. The
372 expiration date shall be indicated on the certificate.

373
374 (h) All records of ownership of boats that are kept by the Department of Administration
375 under this section are public records. The Department of Administration shall provide records of
376 ownership and registration expense reports to the Department of Public Safety for the purposes
377 of meeting the federal requirements for state programs and implementing this chapter.

378
379 (i) The following boats are exempt from the numbering and registration provisions of this
380 section:

381
382 (1) a boat that is operated in this state for a period not exceeding 90 consecutive days and
383 that has a current, valid certificate of number issued by another state having a federally approved
384 numbering system;

385
386 (2) a foreign boat operated in water of the state for a period not exceeding 90 consecutive
387 days;

388
389 (3) a boat owned by the United States or an entity or political subdivision of the United
390 States, or a boat owned by a state or an entity or political subdivision of a state;

391

392 (4) a boat that is propelled solely by oars or paddles~~not equipped with mechanical~~
393 propulsion;

394
395 (5) a boat with a valid document to operate the boat that is issued by the United States or a
396 foreign government;

397
398 (6) a handmade nonmotorized umiaq with a walrus or sealskin covering.

399
400 *Section 4. AS 5.25.065 is enacted to read:

401
402 5.25.65 Insurance required.

403
404 (a) All vessel exceeding 35 feet in length and operating in state waters or in waters or on
405 property of a political subdivision of the state or placed at a dock or harbor of the state or a
406 municipality for more than 90 days shall maintain a marine insurance policy for at least
407 \$300,000. This insurance policy must cover the removal of the vessel in the event that it
408 constitutes a derelict vessel subject to impoundment pursuant to Chapter 30.30.

409
410 (b) The department may, by rule, provide for a purchaser of a vessel to also satisfy the insurance
411 requirements of this section through the posting of adequate security with a financial institution.

412
413 (c) A person required to secure marine insurance or show proof of marine insurance under this
414 section without securing another marine insurance policy consistent with this section in its place,
415 is guilty of a misdemeanor. The department may contact any vessel owner required by this
416 section to have a marine insurance policy to ensure compliance with this section.

417
418 *Section 5. AS 5.25.096 is amended to read:

419
420 § 05.25.096. Fees

421
422 (a) The Department of Administration shall assess the following fees:

423
424 (1) motorized boat registration, registration renewal, and transfer of registration, \$30~~24~~ for a
425 three-year period;

426
427 (2) nonmotorized boat registration, registration renewal, and transfer of registration, \$10 for
428 a three-year period;

429
430 (3) replacement of lost registration, \$5;

431
432 (4) replacement of lost registration validation decals, \$5.

433
434 (b) The Department of Administration shall separately account for fees collected under (a) of
435 this section for boat registration that are deposited in the general fund and into the derelict vessel
436 program fund. The annual estimated balance in that account may be used by the legislature to

437 make appropriations to the department and the Department of Administration to carry out the
438 purposes of this chapter and the purposes of chapter 30.30.
439

MEMORANDUM

**TO: RACHEL LORD
DERELICT VESSEL TASK FORCE**

**FROM: HOLLY C. WELLS
WITH ADDITIONAL NOTES ADDED BY RACHEL LORD**

RE: AMENDMENTS TO AS 30.30 AND AS 05.25

CLIENT: DERELICT VESSEL TASK FORCE

FILE NO.: 999,999.9363

DATE: JULY 13, 2016

The following is a detailed discussion of the changes proposed in the attached legislation:

Section 1: Amendments to 30.30.010

The primary purpose of the revisions to AS 30.30.010 was to simplify the declaration of abandoned and derelict vessels and expand the definition of derelict vessels to encompass all vessels that often require impoundment or remedial action by state or local governments. Previously, Title 30.30 addressed abandoned vessels separate from derelict vessels. It also subjected private and public entities seeking to remove such vessels separately. As a result of this separate treatment, there were different disposition and impoundment processes and the scope of authority was unclear. In an effort to address this ambiguity, the proposed revisions create a prohibition of “derelict vessels” and include within that definition abandoned vessels and other vessels that warrant impoundment or redress by the state, municipalities, and in some cases private entities. Other less substantial changes were made, including but not limited to changing references to “waters of the state” to “state waters” and expanding the prohibition against derelict vessels to state and municipal real property.

Additionally, former subsection (d) was repealed as it suggested that vessels removing hazardous materials and petroleum products were permitted on state waters for 14 days, which is a direct contradiction of existing state law and policy. Subsection (e), which recognized that a violation of AS 30.30.010 constituted a misdemeanor punishable by a fine, was also removed and AS 30.30.185 was added, which provides the penalties and means of enforcement.

Section 2: Amendment to AS 30.30.020 and Revisions to Current AS 30.30.030

AS 30.30.020 is amended to effectively repeal the section governing the disposition of abandoned vessels, which is addressed in a new disposition process that applies to all derelict vessels later in Title 30.30. Thus, former section 30.30.030 has been renumbered as AS 30.30.020.

Currently, AS 30.30.030 exempts vessels left unattended due to custom, common or accepted practices subject to certain parameters. While this exemption may be warranted, the terms of the exemption are ambiguous and may lead to reliance upon this exemption even when unwarranted or unjustified. Consequently, while the exemption is preserved in the recommended revisions, it requires written consent from the Department of Natural Resources in order for a vessel owner to fall within the exemption.

Section 3: Amendment to AS 30.30.030 and Incorporation of Revised AS 30.30.090

Amending AS 30.30.030 from the limitation of liability in the current statute to declare and define what constitutes a derelict vessel. Currently, AS 30.30.090 defines what constitutes a derelict vessel. The language has been amended as follows:

§ 30.30.0930. Derelict vessel declared.

~~(a) A vessel that has been left unattended for more than 24 consecutive hours~~ is a derelict vessel if

(1) the vessel is sunk or in imminent immediate danger of sinking, is obstructing a waterway, or is endangering public health, safety, property, or the environment ~~life or property~~; or

(2) the vessel has been moored or otherwise left in ~~the waters of the state~~ waters or on ~~public~~ property contrary to law or regulations adopted by a state agency or municipality or the vessel has been left on private property without authorization of the owner or occupant of the property; or

(3) the vessel's certificate of number or marine document has expired and the registered owner no longer resides at the address listed in the vessel registration or marine document records of a state agency or the United States Coast Guard; or

(4) the last registered owner of record disclaims ownership and the current owner's name or address cannot be determined; or

(5) the vessel identification numbers and other means of identification have been obliterated or removed in a manner that nullifies or precludes efforts to locate or identify the owner; or

(6) the vessel registration records of a state agency and the marine document records of the United States Coast Guard contain no record that the vessel ever has been registered or documented, and the owner's name or address cannot be determined; or

(7) the vessel has been abandoned on public property.

The revisions to the declaration of a derelict vessel include, most notably, the inclusion of an abandoned vessel within the definition of a derelict vessel and the addition of the term “or” to clarify that a derelict vessel need only meet one of the criteria and not a combination of these criteria. These revisions provide all enforcing state agencies and municipal corporations with greater flexibility and clarity in identifying and declaring a derelict vessel.

Section 4: Amendment to AS 30.30.040 Providing for Impoundment of Derelict Vessels and Owner’s Liability for Impoundment, Storage, and Disposal Costs

Currently, AS 30.30.040 provides the notice requirement for taking ownership of a vessel. As proposed, notice requirements for impoundment of vessels is addressed in AS 30.30.060 and notice regarding disposition of an impounded vessel appears in AS 30.30.130. AS 30.30.040 provides authority to municipalities, state agencies, and peace officers to impound derelict vessels but also expressly makes the owner or a person entitled to possession of the vessel liable for all costs associated with the impoundment, storage, disposal, and transfer of derelict vessels. AS 30.30.050, which also addresses the vessel owner’s liability for costs, was incorporated into AS 30.30.040 so that all liabilities for costs are contained in a single provision.

Section 5: Amendment to Notice Provisions in Title 30.30

As discussed above, AS 30.30.040, which previously provided the notice requirements for impounding an abandoned vessel has been repealed and notice requirements have been adopted that universally apply to the impoundment of derelict vessels, which now include abandoned vessels. Similarly, AS 30.30.130 has been proposed, which provides for additional notice requirements prior to the disposition of an impounded derelict vessel. The purpose of these revised notice provisions was to require greater notice to vessel owners to protect the due process rights of these owners. Further, the notice provisions as proposed provide much more detail regarding the content and distribution of the notices. Specifically, AS 30.30.040 only requires 20 days notice of impoundment and for identification of the intended disposition in such notice. The proposed revisions require 30 days notice of impoundment and then, after a hearing is conducted, if such a hearing is requested, an additional notice of disposition is required at least 30 days prior to any such disposition.

Section 6: Amendment to Chapter 30.30 to Establish Vessel Impoundment Hearings

The current Chapter 30.30 does not provide for impoundment hearing proceedings and permits the immediate impoundment of derelict vessels. See AS 30.30.090. Pre-impoundment hearings are required prior to the impoundment of vessels that are not in imminent danger of sinking and do not pose a clear and present danger to the public's health and safety. When a vessel does pose such a clear and present danger or is in imminent danger of sinking, a vessel may be immediately impounded but the vessel owner must be given a right to a post-impoundment hearing. These hearing requirements derive from due process rights afforded under the Alaska Constitution and case precedent within Alaska interpreting such rights. Consequently, Chapter 30.30 as proposed was amended to include AS 30.30.120, which creates a pre-impoundment hearing and AS 30.30.130, which establishes a post-impoundment hearing.

Section 7: Amendment to Disposition of Vessel Provisions in Chapter 30.30

In current Chapter 30.30, derelict vessels and abandoned vessels have different disposal provisions. These differences may create confusion and unnecessary restrictions on the sale, donation, or disposal of vessels. Generally, derelict vessels rarely have value and many vessels that are valuable have numerous liens against the vessel. Thus, it is important that an impounding entity has the flexibility to choose a disposition method that meets its resources. Although proposed AS 30.30.135 permits the sale, donation, or destruction of a derelict vessel after the impoundment process has been followed, it also provides more substantial notice to derelict vessel owners prior to sale and limits sale methods to public auction or sealed bids unless different disposal methods are adopted by a state agency or municipality. Further, the disposition proposed provisions provide for appropriate distribution of funds resulting from disposal of a derelict vessel. A question raised was whether the proceeds of any sale above and beyond that aren't collected by the owner could be directed into the Derelict Vessel Fund (30.30.220) instead of the general fund. This would require further investigation.

Section 8: Repeal of Article 3 Addressing Vessels Abandoned on Business Premises of Persons Engaged in Repair Business

In current AS 30.30.110 through AS 30.30.150, a separate sale and disposition process exists for persons engaged in a repair business. Although repair business owners certainly should have recourse against owners of vessels abandoned on repair business property, the laws of trespass and many proposed provisions address a private repair business owner's right to recover against the owner. Thus, in the interest of clarity, this article was removed in whole.

Section 9: Amendment to Definitions in Chapter 30.30

Currently, applicable definitions are contained in AS 30.30.150. In the proposed revisions, AS 30.30.190 contains definitions. Many additional definitions have been added, including definitions for “abandoned”, “department”, “owner”, “probable cause”, and “state agency.” The purpose of the additional definitions was to add clarity to the existing chapter.

Section 10: Enactment of AS 30.30.185 Imposing Criminal Penalties for a Violation of Chapter 30.30

The increasing risks and hazards associated with derelict vessels justifies increasing the penalties for violating Chapter 30.30 and owning derelict vessels. Specifically, AS 30.30.185 has been proposed, which identifies a violation of Chapter 30.30 as a class B misdemeanor punishable by up to 90 days in jail and fines as high as \$10,000. Specifically, AS 30.30.185 entitled “Criminal Penalties” provides that:

(a) A person or entity who violates a provision of this chapter or a regulation adopted under this chapter is, upon conviction, guilty of a class B misdemeanor and may be sentenced to a definite term of imprisonment of not more than 90 days, or forfeiture of the person’s vessel, or both, and shall be sentenced to a fine of not less than \$5,000 nor more than \$10,000.

(b) The department or a municipality may report a violation of this section to the attorney general, who may institute the proper proceedings to enforce the criminal penalties provided in (a) of this section.

(c) Each day that a violation described in this section occurs is a separate violation.

Section 11: Repeal and Reenactment of Article 2 Establishing a Derelict Vessel Program

Article 2, as proposed, creates a derelict vessel prevention program that provides the Department of Natural Resources authority to create such a program and identify funding sources for such a program. The language is intended to be broad, and allow for flexibility in program requirements in an effort to keep the burden of cost low.

The following section analyses were added by Rachel:

Section 12: Enactment of AS 30.30.220 Establishing a Derelict Vessel Program Fund

This section is intended at this point as a placeholder for more accurate language. It is a first draft by Holly, and there is a note within the statute explaining that she needs more feedback/assistance on this section.

Section 13: Amendment to AS 5.25.050

Within this section Holly added language for clarity and to specifically address not only boat safety but the operation and maintenance of boats on the water.

Section 14: Amendment to AS 5.25.055

(a) is amended to include the expanded clarity to include municipal waters. (i)(4) is amended to compel the registration of barges. As they don't have mechanical propulsion they are currently exempted from state registration requirements, however they have proven to be difficult vessels to address when left derelict on state lands. Without registration or documentation requirements, it can be nearly impossible to track ownership. The amendment to this provision preserves the exemption for kayaks and canoes, or other boats/vessels primarily propelled via oars or paddles.

Section 15: Enactment of AS 05.25.065 Insurance required.

A vessel is a large investment, similar to a motor vehicle. At this point in time, for insurance, title and registration requirements, owning a boat *trailer* is much more onerous than owning a vessel. However, the consequences of vessel sinking can be extremely costly, both to the state and often to municipalities. A number of our harbors require insurance, and some have added a fee for uninsured vessels. The port of Nome requires \$1 million in general liability for all vessels over 20' in length. The Homer Harbor requires liability insurance per their moorage agreement, with the City named as additionally insured. Within this amendment, we are specifically looking to require insurance that would cover pollution and salvage of a vessel. This provision should do two things – 1) increase the onus on potential buyer of a larger vessel to properly maintain it and keep it insured (or not purchase it), and 2) hopefully reduce the cost to the state in the event that a response is required to deal with a derelict vessel. Washington's law (88.26.030 Insurance requirement) reads as follow, and may be language to mirror more closely:

(2) Unless rules adopted by the department of natural resources require otherwise, insurance maintained by private moorage facility operators and required of moored vessels must:

(a) Provide coverage at liability limits of at least three hundred thousand dollars per occurrence; and

(b) Include, at a minimum, general, legal, and pollution liability coverage.

(3) The purchaser of marine insurance under this section may satisfy the requirements of this section through the purchase of multiple policies as necessary.

This base level of insurance required covers liability as well as general, legal and pollution liability coverage. Language here may need further revision, but should be considered a strong starting point based on the conversations of the Task Force.

Section 16: Amendment to AS 05.25.096 Fees.

Within this section we are looking to increase the boat registration fee from the current \$24 every three years to \$30 every three years. This equates to a mere \$2/year increase, but may provide some additional funds (if the legislature chooses to appropriate) for the Derelict Vessel Fund through carrying out the purposes of Chapter 30.30. NOTE: in the current version of the bill, there is language (lines 435 & 436) that compel the deposit of funds into the derelict vessel program fund. This may not be the correct wording, but captures our overall desire for the funds generated by the fee increase, by the boating public, be used to directly benefit the boating public through the prevention and abatement of derelict vessels.

HCW/PSC

Changes to the Derelict Vessel & Boating/Watercraft Statutes

Problems we're looking to address and their possible solutions

Prepared by Rachel Lord, Task Force Facilitator

July 13, 2016

This document summarizes the problems and proposed/potential solutions the ad-hoc Alaska ADV Task Force has developed over the past two years of meeting to discuss this issue around Alaska. It is intended to accompany the July 2016 proposed statute revisions to AS 30.30 and AS 05.25 and the associated legal memo outlining the section changes.

Italicized references point to the revised statutes as currently proposed. Throughout we have also included some references to Washington statutes. The state of Washington is a nationwide model on effective and pro-active derelict vessel prevention and management. They are also our closest U.S. neighbor, and many vessels and vessel owners transit between the two states.

The end of this document includes a short discussion on general marine insurance, as well as a basic overview of Alaska's commercial fleets for reference.

A. PROBLEM: When a vessel is abandoned, it can be difficult for the state to determine the legal owner for taking legal action.

PROPOSED SOLUTIONS:

- Clear definition of "owner" in statute, that includes the last signer of a moorage agreement, bill of sale, etc. (*AS 30.30.190(5) Definitions*)
- Require barges to have AK registration numbers (*5.25.055 (i)(4) Registration and Numbering of Boats*)

NOTES:

- Potential additional solutions could include to begin requiring titles for boats in Alaska, and lay out a clear process for transfer of ownership under state law (similar to motor vehicles AS 28.10.271). Alaska is one of 16 states that do not require boat titles, and the only state on the West Coast (with the exception of Hawaii). Under WA law, the vessel title system can be found under Title 88.02.
- See 2 AAC 70.160 for more on current Transfer of certificate of number.
- Also consider increasing penalties and enforcement for invalid boat registrations. Currently many Task Force members feel that AK numbers aren't helpful as they aren't up-to-date or valid.

B. PROBLEM: ADNR is the state's land manager, and yet has very little ability to enforce trespass laws, short of going through a lengthy and expensive criminal process. Extended trespass of vessels on

state tidelands can lead to costly abandoned/derelict vessels. Pro-active engagement of owners and action against trespass can save a lot of money in the long-run in avoiding sinkings and encumbrances on state lands.

PROPOSED SOLUTIONS:

- Enable ADNR to enforce trespass laws with regulatory authority to issue fines, and allow for clear enforcement of statute by multiple agencies with clear penalties and regulatory authorities. (*AS 30.30.185 Penalties*).
- Coordinate ADNR response through a single agency point person who is fully engaged on ADV issues around the state, including communications with owners to try and remedy long-term trespass concerns before vessels sink or are abandoned. (*AS 30.30.210 Derelict Vessel Program*)

NOTES:

- Look at Alyeska Resort and Knik River Public Use Area for examples where DNR can issue tickets through a bail schedule. This has been very effective in pro-active management of these lands to promote safe use.
- ADNR is currently spending time and resources working on encumbrance issues with derelict vessels on state lands.
- An analogy for the current situation is this: if a car is illegally parked, instead of getting a ticket the enforcing agency would only be able to post a notice. Then wait thirty days, and send another notice. Then go to the Department of Law and ask them to take the owner to court to get any fines. This would be an unacceptably long, expensive and ineffective process for compliance on the road. It should also be unacceptable for vessels – especially considering the extremely expensive consequences that we’ve seen time after time.

C. PROBLEM: Old vessels can be easily handed down when they become too costly to maintain, often landing with a person least able to responsibly dispose of it.

PROPOSED SOLUTION:

- Establish a stronger ‘paper trail’ for transferring ownership (see more under Problem A).
- Require insurance for owning a vessel over a certain size, assuming that these vessels will be costlier in the event of abandonment. (*AS 5.25.065 Insurance Required*).
- Allow for the trial creation of a vessel turn in program through a Derelict Vessel Program. This is not proposed as a required effort, however the Task Force suggests allowing for this in statute in the event there are funds available. We see other states all moving in this direction, and saving money and time when vessels (generally smaller ones) are removed prior to their sinking/abandonment (*AS 30.30.210 Derelict Vessel Program*).

NOTES:

- Many harbors require insurance, but few require proof of insurance. Our working fishing vessels generally carry insurance already, as do many (if not all) boat owners who have sought financing for their vessel. *See the notes at the end of this document on Marine Insurance and Alaska's fleet composition.*
- The state of Washington requires marinas to require insurance if they want access to the derelict vessel removal fund (79.100.130, 88.26.030).
- In the event that a vessel sinks and is unrecoverable, consider including a penalty with money that would feed into the proposed Derelict Vessel Fund (AS 30.30.220). It would be important to ensure the amount of the penalty would be high enough to compare the cost against recovering a vessel if at all possible – that is clearly in the state's best interest. "Unrecoverable" is a judgement call – realistically right now, anything in over 100' of water isn't generally recovered.
- Washington has adopted laws that trigger "secondary liability" on certain vessel owners. If you own a 'high risk' vessel of a certain size and age (in WA this is over 65' in length and over 40 years old), you must take steps to ensure the person to whom you sell the vessel is capable of owning and maintaining it. The statute clearly lines out the required steps. If they are not taken, and a vessel is subsequently abandoned by the new owner, the previous owner can incur secondary liability and be 'on the hook' for the expenses of clean-up, disposal, etc. This is a very interesting provision in WA law, and very new – as of summer 2016 they have not used it. It is something to consider in AK moving forward.

D. PROBLEM: It is perceived as too costly/not possible to responsibly dispose of vessels in Alaska, especially larger vessels.

PROPOSED SOLUTION:

- Allow for, in statute, the creation of a Voluntary Vessel Turn In Program (VTIP) for smaller vessels, limiting the availability to the road network, etc. Allow for the trial creation of a vessel turn in program through a Derelict Vessel Program. This is not proposed as a required effort, however the Task Force suggests allowing for this in statute in the event there are funds available. We see other states all moving in this direction, and saving money and time when vessels (generally smaller ones) are removed prior to their sinking/abandonment (AS 30.30.210 *Derelict Vessel Program*).

NOTES:

- This question of what to do with old vessels is a huge piece of the puzzle. We don't have any silver bullets, but do try to allow for some efforts through the proposed Derelict Vessel Program. Ideas include but are not limited to:

- Create an online resource outlining how vessels can be disposed of around the state. This would be an excellent and pro-active effort for the proposed Derelict Vessel Program (*AS 30.30.210 Derelict Vessel Program*)
- Develop an understanding of shipbreaking operations in Alaska. Consider incentives to help this industry be part of the solution, while maintaining environmental protections.

E. PROBLEM: There is no point person or agency to address ADV in Alaska, so both within and between agencies, individuals duplicate efforts and/or cannot pursue cases in a timely and cost effective manner.

PROPOSED SOLUTION:

- Establish a Derelict Vessel Program with a point person at ADNR who: coordinates on ADV issues around the state with municipalities, other state agencies and federal agencies, and other states; communicates with the public in a pro-active manner on ADV and responsible vessel ownership/disposal; works to prevent ADV through pro-active enforcement of the regulations under revised statutes; etc. (*AS 30.30.210 Derelict Vessel Program*).

NOTES:

- Timely response and a robust knowledge of the laws, stakeholders, jurisdictions and all possible avenues of action are all required to effectively deal with ADV in the most cost-effective way possible. With incidences ranging in cost from a few thousand dollars to well over a million dollars, having a coordinated point from the state's end is absolutely imperative. We've heard from every state with a Derelict Vessel Program that even in the absence of a large pot of money having a dedicated program is integral to addressing the economic, environmental and safety concerns surrounding derelict vessels.

F. PROBLEM: There is no money to deal with ADV around the state, even when the removal costs would be relatively inexpensive.

PROPOSED SOLUTION:

- Establish an ADV Fund through statute that can receive funds through appropriations, sales, grants, taxes and fees (*30.30.220 Derelict Vessel Program Fund*)
- Raise the boat registration fee from \$24 to \$30 every three years (*AS 05.25.096 Fees*). This is still a very small amount, but the additional funds could be used to support a Derelict Vessel Program.
- Require insurance for owning a vessel over a certain size, assuming that these vessels will be costlier in the event of abandonment. (*AS 5.25.065 Insurance Required*).

NOTES:

- See the notes for Problem E for more on the need for a Derelict Vessel Program. Even a small amount of money that can help to cover a staff person within ADNR in charge of a Derelict Vessel Program will help the state to SAVE money.
- The proposed section AS 30.30.220 establishing a derelict vessel fund is very much a DRAFT. Our legal council was not sure about the best way to proceed on this front, and at this time the language here should be considered a starting point as a placeholder.

G. PROBLEM: The impoundment process is convoluted in the current statute, including different processes for whether a boat is considered “abandoned” vs. “derelict”.

PROPOSED SOLUTION:

- The proposed revisions streamline statute and bring the definition of “abandoned” under the one umbrella term of derelict. We have worked to ensure that all impoundment and hearings processes are clear and in-line with state and federal maritime law (*AS 30.30.010 Derelict Vessel Unlawful, 30.30.030 Derelict Vessel Declared, 30.30.040 Impoundment of derelict vessels, 30.30.060 Notice, 30.30.120 Pre-impoundment hearing, 30.30.125 Impoundment of derelict vessels posing imminent clear and present danger*).

H. PROBLEM: Giving “adequate” notice can be difficult, and often the certified mail doesn’t work out as it’s refused or not picked up.

PROPOSED SOLUTION:

- The requirement for sending certified mail was preserved in the current revision. Our understanding is that requiring notice be sent certified return receipt does not require that it be received, but it does add another layer of protection for the entity providing notice. This is recommended especially surrounding vessels where federal maritime law is very protective of the due process rights surrounding the impoundment and disposal of vessels. The notice provision in 30.30 was revised to include an agency or municipality’s website. This is an area to review by the AGs offices to ensure the best method is spelled out that both suites the department’s needs and also meets all due process requirements without question (*AS 30.30.060 Notice*).

I. PROBLEM: Section 30.30.010(d) currently provides that “a vessel that has been denied entrance to a harbor by a state agency or municipality may not be stored on waters of the state for more than 14 consecutive dates unless all hazardous materials and petroleum products have been removed.” This appears to grant authority for potential long-term storage of vessels once hazardous materials have

been removed. This is not the case per ADNR law or policy, and the Task Force felt this provision was misleading as such.

PROPOSED SOLUTION:

- The current proposed revision to AS 30.30 has removed this provision with the hope that its intention is preserved in the more robust addressing of derelict vessel prevention and enforcement/mitigation.

J. PROBLEM: There has been confusion as to the liability of the owner of a derelict vessel.

PROPOSED SOLUTION:

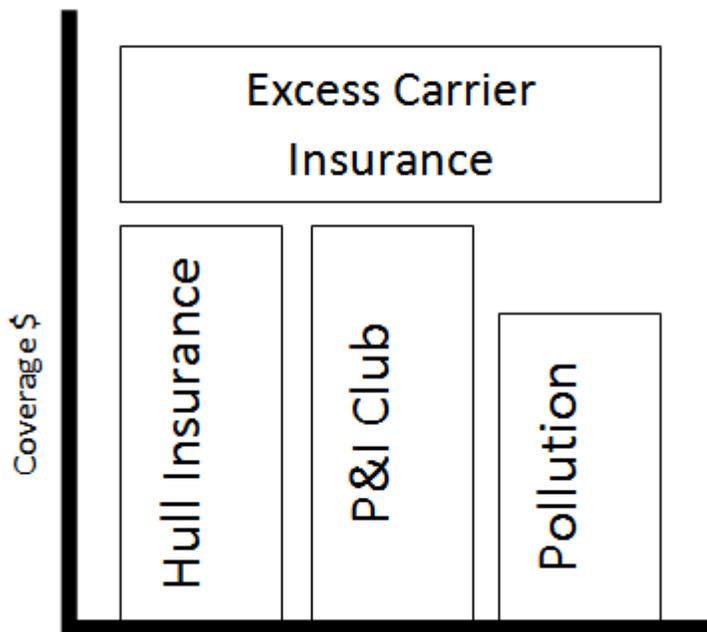
- The proposed revisions include all costs for impoundment, storage and other costs to clarify the owner's personal liability (*AS 30.30.040 Impoundment of derelict vessels*).

Marine Insurance 101 & Fleet Information

The below graph & basic points on vessel insurance were provided by Sarah Moore, ADEC and Task Force member in 2014.

Unlike the insurance types we're more familiar with, vessels will have multiple policies typically/potentially from multiple companies covering different aspects of the vessel.

- 1) Hull Insurance – covers repairs to physical damage to the hull
- 2) Protection & Indemnity (P&I) Club - covers wreck removal and 3rd party claims
- 3) Pollution Insurance – covers response to and mitigation of pollution
 - a. FV typically \$1mill
 - b. Tugs and barges typically \$5mill
- 4) Some vessels also have Excess Carrier Insurance by another company that are essentially supplemental coverage. It is a cheaper way to get lots of coverage but it must be added to primary insurance coverage and can cover multiple primary insurances (hull, P&I, pollution)



The following questions are pertinent to the discussion of potential insurance requirements for certain vessels in Alaska. The answers below are in no way comprehensive, and are a start to further investigations.

What does vessel insurance cost per year?

This is extremely variable. Factors include: type and location of fishery/business (if commercial), amount of time a vessel is operated, vessel's claims history, fair market value of the vessel, etc.

What is required to obtain a marine insurance policy?

From one insurance company we talked to (North Star Services), they indicated that they and underwriters require current surveys to determine condition and owner's maintenance/upgrades on all vessels prior to insuring. They also require an application and a skipper's questionnaire to reflect the owner and/or operator's experience running a vessel.

How many vessels are currently insured in Alaska?

We don't know, but there are some insurance pools such as the Seine Vessels Reserve and the Alaska Independent Fishermen's Marketing Association (Bristol Bay). According to the Purse Seine Vessel Owners Association (PSVOA, www.psvoa.org, per correspondence on October 29, 2014), although it's not required, "very few seiners operate without insurance".

What vessels are the "highest risk" in Alaska?

Due to our remote coastline, one could argue that almost ANY vessel wrecked or abandoned in Alaska could be very costly. But generally, the larger and older a vessel is the more of a risk it becomes to the public trust. In WA they have defined high risk vessels as anything over 65' in length and over 40 years old. An insurance agent we talked with suggested wood hulled vessels over 50 years old, however he noted that there are many larger wood hulled vessels in pristine condition!

What are the sizes of Alaska's fleets?

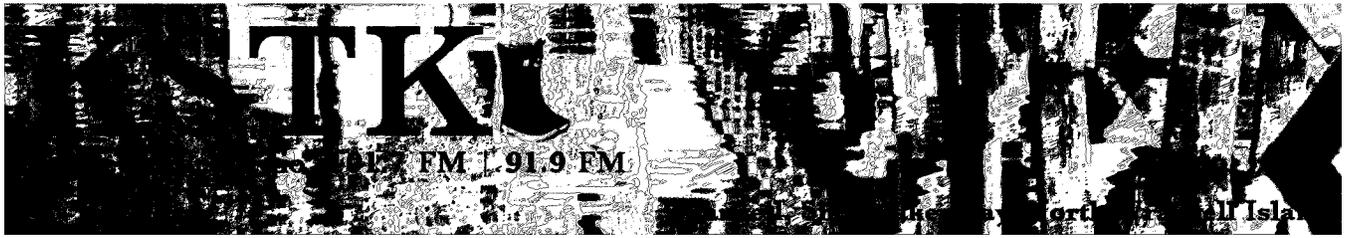
This research was done by Rachel (Task Force Facilitator), and is very basic. From a search of the 2015 vessels in the ADF&G CFEC public search, there were 9,827 fishing vessels with vessel permits in Alaska. (<https://www.cfec.state.ak.us/plook/#downloads>) Of these vessels, 65% are less than 35' in length. It should be noted that the maximum length of a Bristol Bay gillnet vessel is 32'. Seining vessels are held a maximum of 58' in length.

The table below summarizes some additional data from a 2013 update to the 2010 report from the North Pacific Fisheries Management Council. The largest overlap between fleets is 339 vessels that participate in both the Halibut IFQ fleet and the Sablefish fleet. The halibut charter fleet information was not updated from the 2010 report. The salmon fleet information is estimated from the 2015 ADF&G CFEC database.

<i>Fleet Description</i>	Number of vessels (there are some overlaps between fisheries)	Vessel Lengths	Primary Hailing Port(s)
AFA Catcher Vessels (Pollock, some cod)	81	The majority are 90-124', with ~20 vessels in the 60-89' category and 15 vessels in the 125-200+' category. The vast majority hail from WA	Washington

		and OR.	
AFA Catcher Processor Fleet	17	200' +	Washington
AFA Mothership Fleet	15	Most are 90-124'	Washington
Non-AFA Bering Sea Trawlers	17	Most are 60-89', followed by 90-124'	Washington, Kodiak, Aleutian
Amendment 80 Fleet (non-pollock Bering Sea flatfish, Atka mackerel and Pacific ocean perch in the Aleutian Islands)	21	One vessel is in the 60-89' category, the rest are 90 – 200' +	Washington
Western GOA Trawlers	45	About half are in the 30-59' category. The rest are fairly evenly divided among the 60-89', 90-124', 125-200' and 200' + categories.	Washington, Aleutian
Central GOA Trawlers	70	The majority of these vessels are in the 60-89' category. Kodiak is the primary hailing port.	Kodiak, Washington
Freezer Longliners	35	The majority are 90 – 200' +	Washington
Halibut Longliners	991	Nearly 800 vessels in the fleet are in the 30-59' category. Just under 200 vessels fall below 30'. There are a few in the 60-89' category.	Southeast AK, distantly followed by Southcentral AK and Kodiak
Halibut CDQ Fleet	238	The majority of these vessels (150) are under 30'.	All hail from Western Alaska ports.
Sablefish Longline Fleet	382	Most of these vessels (300) are between 30-59', with some in the 60-89' category.	Southeast AK, Southcentral AK, WA
Groundfish Longline Catcher Vessels	80	Nearly all are in the 30-59' category	Southcentral AK, Kodiak
Jig Fleet	244	Nearly all are in the 30-59' category, with several less than 30'	Southeast AK, Kodiak, Aleutian
Groundfish Pot Vessels	130	The majority are within the 30-59' lengths	Kodiak, Aleutian
BSAI Crab Fleet	83	The majority are within the 90-124' category	Washington
Scallop Fleet	4	Two in the 60-89' category and two in the	All Kodiak

		90-124' category	
Charter Halibut Boats *	1,090	Wide variety, but most in the 22-34' category (6-packs)	
Salmon Drift Gillnetters **	3775	30-40'. Bristol Bay is restricted to 32'.	
Salmon Purse Seiners **	2171	No more than 58' by state law	
Salmon Hand Trollers **	3665	Majority are 32'	



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FEATURED NEWS

As Alaska's boats age, Harbormasters Association pushes for tighter derelict vessel laws

by Aaron Bolton, KSTK News

November 4, 2016 4:41 pm

State agencies, harbormasters and communities around the state want stronger laws on abandoned and derelict vessels. The Alaska Association of Harbormasters and Port Administrators submitted proposed legislation to Gov. Bill Walker's office last month that would make it easier to find vessel owners and hold them accountable.

The Harbormasters Association has been working with government agencies, as well as Native and environmental organizations to develop the proposal. In a nutshell, it would require titles on all boats that are currently required to register with the state. It would also create a derelict vessel tracking program and make it a misdemeanor offense to abandon a boat.

"We need to make some changes to the law so that it empowers the state agencies and the local governments and even the private land owners to protect themselves from derelict vessels," said Bryan Hawkins, Homer's harbormaster and vice president of the Harbormasters Association.

Hawkins said the state can't ignore the problem. Several derelict vessels show up on shores, sloughs and in other waterways around the state each year.

These boats are expensive to clean up and pose safety and environmental hazards. Hawkins said the problem is growing. He noted that Bethel has about 40 barges in Steamboat Slough.

"These are 200-foot-plus vessels that have been basically dumped there," said Hawkins.

Statewide, the issue is harder to get a handle on. No one knows just how many ships are lying around. The legislation would create a Department of Natural Resources-run derelict vessel program that would track at-risk and abandoned boats. Anyone who sees a derelict vessel or denies an at-risk boat harbor access would be able to report them.

"These reporting forms would be done online, and the report is sent in and the database is generated," said Hawkins. "Pretty soon we end up with points on the map that give us real numbers for how big the current situation is."

The program would be state funded. Current boat registration would go up \$6 in 2017 and continue increasing every three years to help fund the program. Hawkins said the proposed legislation also clears up the process to dispose of or sell an impounded vessel. Some of those proceeds would go the program after covering impoundment costs.

Hawkins said derelict vessels have become an issue for two primary reasons. It's hard to track down owners, and even if you do, it's hard to hold them accountable.

“When we have a derelict vessel, often times there’s this broken paper trail for ownership. Then you get into large vessels, and they’re registered through the Coast Guard. Documentation is the process there. We find the same thing,” said Hawkins.

All motorized boats are required to be registered with the state. Hawkins said some owners don’t register vessels and enforcement can be an issue in such a large state. Derelict boat owners may also remove registration numbers, including an imprinted hull ID number. That’s a number all boat manufactures are required to brand into the hull of boats and is required to register a vessel in Alaska.

A title program would be implemented under the proposed legislation to tighten up the registration process. Hawkins said the push for a title system would create a better paper trail. If the legislation is passed as is, owners of derelict boats could be convicted of a misdemeanor.

“A class B misdemeanor to abandon a vessel on state or private or city property,” said Hawkins. “I believe there was a maximum 90 day sentence and a \$5,000 to \$10,000 fine.”

Petersburg Harbormaster Glorianne Wollen said the penalty would enable Southeast harbors to have one more thing to hold over boat owners. She said most boat ownership in Petersburg’s harbor is local, making it easier to find boat owners. But, when boats are left, it can be costly.

“We just got done demolishing a 40-foot boat that was abandoned in our harbor and sank. So I had to have it hauled out and there it sat for four or five years waiting for the owner to come back and retrieve it and settle up,” said Wollen. “He never did, and then he just dropped off the map.”

Wollen said the price tag to take care of the vessel was around \$5,000. She was happy the boat was small enough to take care of.

“So if you start having a 100 footer, then all of a sudden we don’t have facilities here to deal with that,” she said. “So then you have to end up taking it down south or to a place that does have a facility, and that’s a huge expense.”

The legislation would also require boats over 35 feet to have insurance. An unclearly outlined initiative included would be a fund dedicated to cleaning up derelict vessels and taking boats that owners can’t afford to dispose of. Hawkins said tightening up laws and getting a grasp on the current issue is only part of the problem.

“You can’t just say that’s a derelict vessel, and it can’t go here. Well, where can it go? In the end, a lot of these vessels are going to have to be disposed,” said Hawkins. “I don’t have all the answers, nobody does. It’s going to be expensive, but we have to be thinking about that.”

The association also submitted a resolution asking the state to fully fund the harbor matching grant program. It ranks harbor projects around the state and pays for half of projects it’s able to fund.

Comments

Please read our [comment guidelines](#).

**CITY OF SEWARD, ALASKA
RESOLUTION 2016-078**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEWARD,
ALASKA, ACCEPTING FUNDS FROM THE ALASKA STATE LIBRARY
FOR THE PUBLIC LIBRARY ASSISTANCE GRANT IN THE AMOUNT
OF \$6,900.00 AND APPROPRIATING FUNDS**

WHEREAS, in February 2016 the Alaska State Library sought applications for the Public Library Assistance Grant; and

WHEREAS, the staff of the Seward Community Library & Museum submitted an application for \$7000.00 with a match of \$7000.00 from the City to purchase materials and build the library collection for the benefit of the community in March 2016; and

WHEREAS, the purpose of these funds is to purchase books, serial subscriptions, media and other material to build the library collection; and

WHEREAS, the matched funds are already built into the library budget for the purchase of collection materials; and

WHEREAS, in July 2016, the Alaska State Library awarded the Public Library Assistance Grant to the Seward Community Library Museum in the amount of \$6,900.00 with a City match of \$7,000.00; and

WHEREAS, library staff and city administration signed the grant agreement with the Alaska State Library in August 2016; and

WHEREAS, a total of \$6900.00 is to be appropriated and expended by June 30, 2017.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEWARD, ALASKA that:

Section 1. The City Council hereby authorizes the city manager to accept the Public Library Assistance Grant in the amount of \$6,900.00 from the Alaska State Library.

Section 2. Funding in the amount of \$6,900.00 is hereby appropriated from Alaska State Library Public Library Assistance Grant revenue account no. 01000-1500-4252-0001-00000 to the library account number 01000-1500-7201-0001-00000.

Section 3. This resolution shall take effect immediately.

PASSED AND APPROVED by the City Council of the City of Seward, Alaska, this 21st day of November 2016.

THE CITY OF SEWARD, ALASKA

Jean Bardarson, Mayor

AYES:
NOES:
ABSENT:
ABSTAIN:

ATTEST:

Johanna Kinney, CMC
City Clerk

(City Seal)

Agenda Statement



Meeting Date: November 21, 2016
 To: City Council
 Through: Jim Hunt, City Manager 
 From: Valarie Kingsland, Library Museum Director
 Agenda Item: Alaska State Library Public Library Assistance Grant

BACKGROUND & JUSTIFICATION:

In February 2016, the Alaska State Library sought applications for the Public Library Assistance (PLA) Grant. Seward Community Library & Museum (SCLM) staff filed a grant application in March 2016 which was reviewed and accepted in July 2016 for the amount of \$6900.00 with a matching commitment from the City for \$7,000.00, for a total of \$13,900.00. A grant agreement was signed by library staff and city administration in August 2016.

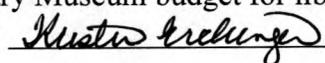
The purpose of these funds is to purchase books, serial subscriptions, media and other material to build the library collection. The City match of \$7,000.00 was already established in the library budget and is to be expended by June 30, 2017, along with the granted funds. Grant reports are due by September 1, 2017.

INTENT:

Council approval to appropriate \$6900.00 in grant funds to purchase collection materials using the Public Assistance Grant Agreement FY2017 from the Alaska State Library.

<u>CONSISTENCY CHECKLIST:</u>		Yes	No	N/A
1.	Comprehensive Plan (3.1.2.1): <i>Support existing public institutions in their effort to maintain, expand and develop.</i>	X		
2.	Strategic Plan (pg12): <i>"...expand Library Services,..."</i>	X		
3.	Other (list):			X

FISCAL NOTE:

The City match for \$7,000.00 already exists in the 2016-2017 Library Museum budget for library materials to facilitate this grant. Approved by Finance Department: 

ATTORNEY REVIEW: Yes _____ No X _____

RECOMMENDATION:

City Council approve Resolution 2016-___, accepting a grant from the Alaska State Library for the Public Library Assistance Grant and Appropriating Funds.

FY2017 ALASKA PUBLIC LIBRARY ASSISTANCE GRANT APPLICATION

DUE: April 1, 2016

Seward Community Library & Museum

1. Library Name: _____
2. Street, City, ZIP: 239 6th Ave, Seward, AK 99664
3. Head Librarian: Valarie Kingsland 4. Phone No: 907-224-4008
5. Fax No: 907-224-3521 6. E-mail: vkingsland@cityofseward.net
7. Mailing address if award is done as paper check: PO Box 2389, Seward, AK 99664

8. Schedule of Hours Library Will Be Open (Note any seasonal library schedule changes you expect this year):

Sun	Mon	Tues	Wed	Thurs	Fri	Sat	Total Hours Per Week	Weeks Open Per Year
11am To 6pm	11am To 8pm	11am To 8pm	11am To 8pm	11am To 8pm	11am To 6pm	11am To 6pm	Winter = 48 Summer = 54	52

We open at 10 am May - September

9. If the library will be open fewer than 52 weeks, which weeks will your library be closed? N/A
10. Number of branch libraries and/or bookmobiles: 0 Please fill out the enclosed **Branch Library or Bookmobile Application Addendum Page** and attach to the grant application. Currently applies just to Anchorage, Barrow, Fairbanks, Juneau, Kotzebue, and Naknek.

11. Budget Summary:

	Local Funds for Match	Public Library Assistance Grant Funds Requested	Total Project Budget
a. Personnel			
1. Salaries and Wages (Actual funds)			
2. Benefits			
3. Fair Value Rate for Volunteer Labor (#12 below)		Not Applicable	
b. Collection (Library Materials)			
1. Books in Print Format	\$7,000.00	\$7,000.00	\$14,000.00
2. Subscriptions in Print Format			
3. Audiovisuals			
4. Electronic (Digital) Materials and Online Services <i>(No computers or e-readers)</i>			
5. Initial \$500 Spent on Internet Service Provider (ISP) Fees <i>(Expend. up to \$500 and no computers)</i>			
6. Microforms, Computer Software for Patron Use, Games and Toys <i>(No computers or e-readers)</i>			
c. Other Expenditures			
1. Building Operations			
2. Furniture, Equipment, Computers & E-Readers			
3. Travel			
4. Supplies			
5. Services (Do NOT include internet service provider fees on this line)			
6. Internet Service Provider Fees Paid Beyond \$500 Total <i>(List initial \$500 of ISP fees on Line b-5 above)</i>			
7. All Other Unreported Expenditures			
d. Total	\$7,000.00	\$7,000.00	\$14,000.00

Note: If Local Funds for Match column totals \$7,000 or more, you should request \$7,000 in Grant Funds Requested column.

12. **Fair Value Rate for Volunteer Labor:** If your library is claiming volunteer labor as part of the local match, please note the number of volunteer hours you expect to accrue during FY2017 and the hourly rate claimed. You may only claim up to the total number of hours that the library is open for the entire year. *(For the hourly rate, see **Personnel** on page 6 in the enclosed packet.)*

Total Volunteer Hours: _____ times Hourly Rate: \$ _____ = Fair Value Rate for Volunteer Labor \$ _____ N/A _____

13. **Every public library that receives the Alaska public library assistance grant is required by law to provide four basic library services. Please answer the following questions for each of these four required services, even if you do not plan to use grant funds for that service.**

- a. Provide a collection of books and other materials for loan – How will this your library collections be increased or improved? What activities will you undertake to achieve your objectives? Will staff receive training in this service area? How will you evaluate improvements to your library collections? Please be specific.

All funds will be used to purchase library books and other material for the library collection, as described under section B of the budget summary. Books and media will be ordered based on reviews, as well as patron requests, and to replace damaged or lost material and/or update older material and subject areas.

Patron requests and suggestions will be collected and corresponding orders recorded to ascertain whether purchases based on requests and recommendations were successful or not.

Staff will participate in online training to increase knowledge of collection development and management.

- b. Provide access to interlibrary loan (ILL) services – How will ILL service be increased or improved? What activities will you undertake to achieve your objectives? Will staff receive training in this service area? Do you plan to use the 800# ILL and Reference Backup Service in Anchorage to provide ILLs to your patrons? (See box below.) How will you evaluate improvements to ILL services? Please be specific.

Although SCLM will be joining the Alaska Joint Library Catalog and will no longer need to request interlibrary loans from participating institutions, SCLM will continue to provide interlibrary loan service to our regular patrons for material not readily available through the Joint Library Catalog.

ILL service for Spring Creek Correctional Center for inmates was interrupted due to staffing changes, but will be resumed as soon as possible. Extensive use of this service requires careful management, so improvements will be made through the implementation of policy that results in timely service and responsible participation in the ILL system across the state and the nation as a borrowing institution.

Staff will participate in online training to improve working knowledge of ILL services.

Did you know that the State Library gives the Anchorage Public Library a grant every year to provide you with interlibrary loan and reference backup services for your patrons? If you need help with ILL, call the helpful ladies at 1-800-261-2838! (Please do NOT give this number to your patrons. Only library staff or library volunteers may use this number.)

- c. Provide reference services – How will reference services be increased or improved? What activities will you undertake to achieve your objectives? Will staff receive training in this service area? Do you plan to use the 800# ILL and Reference Backup Service in Anchorage to provide reference answers to your patrons? (See box below.) How will you evaluate improvements to reference services? Please be specific.

Reference services will be observed to determine existing reference practices and to evaluate the effectiveness of existing services in order to plan for improvements. Staff will receive reference service training to facilitate improvements.

We will review the Reference Backup Service description and implement a plan to make use of it.

Don't forget that you can call the Anchorage Public Library for help with the reference questions you get from your patrons. The State Library gives Anchorage a grant every year so you can call the helpful ladies at 1-800-261-2838! (Please do NOT give this number to your patrons. Only library staff or library volunteers may use this number.)

- d. Provide reading and/or educational programs for children – How will children’s programs be increased or improved? What activities will you undertake to achieve your objectives? Will staff receive training in this service area? How will you evaluate improvements to children’s programming? For combined school public libraries, what programs are you planning for pre-school children? Please be specific.

SCLM will continue to support literacy and educational programs for children through story times, play programs, special events, and the summer reading program, as well as the development of spaces dedicated to youth to create an atmosphere of exploration, discovery and learning.

We will increase our efforts to inform our patrons and the public about the digital resources for children available through the Alaska State Library and other reliable resources.

Staff will participate in online training opportunities to improve skills and develop ideas for programs and events.

Note: This grant application is a legal document committing your library to a specific course of action. This application MUST have two signatures from two different people.

For the Library:

For the Legal Entity:

Valarie Kingsland

Jim Hunt

Print or Type Name

Print or Type Name

Signature

Signature

Director

3/22/2016

City Manager

3-23-16

Title

Date

Title

Date

**Questions? Contact Alex Pock at 269-4606 or 1-800-776-6566 or alex.pock@alaska.gov
Scan complete application by or on April 1, 2016 or mail application (be sure to keep a copy for your files) with postmark date of April 1, 2016 to: Grants Administrator, Alaska State Library, 344 West Third Avenue, Suite 125, Anchorage, AK 99501**

Alaska Public Library Assistance Grant Agreement FY2017

This agreement made and entered into this first day of July 2016, by and between the **Alaska State Library**, hereafter referred to as the Grantor; and the **Seward Community Library Museum**, referred to as the Grantee.

Whereas, the State of Alaska has appropriated funds for public library assistance; and whereas, the application of the Grantee for a grant for public library assistance has been approved. NOW THEREFORE, for and in consideration of the mutual covenants herein contained the parties hereto agree as follows:

The Grantor will agree to:

1. Furnish funds in the amount of **\$6,900**.
2. Provide advisory services in furtherance of the grant project.

The Grantee will agree to:

1. Expend local funds of at least **\$7,000** for project purposes. Funds may be expended only for public library purposes and must be clearly attributable to public library services and operations.
2. Provide at least the following services free to residents of the municipality or community:
 - Establish and maintain a collection of books and other materials for loan;
 - Provide access to interlibrary loans;
 - Provide reading or other educational programs for children; and
 - Provide reference information.
3. Abide by the conditions set forth in its application and approved by the Grantor, including:
 - The number and timing of open hours;
 - The existing and ongoing educational requirements for the library director.
4. Expend at least \$3,500 on library materials and online services for each outlet.
5. Have trained staff on duty in the library during the scheduled open hours.
6. Submit a Final Grant and Technology Report and Public Library Annual Report by September 1, 2017.
7. Maintain accurate records for auditing purposes.
8. Return any grant funds unexpended or unencumbered by June 30, 2017, and all funds for which there is no proper accounting.
9. Repay any portion of grant funds that have not actually been matched by local funds over the course of the grant period.
10. Receive prior approval from the Grantor for any line item change that exceeds 10% of the line item, except that no prior approval is required for:
 - Line item changes of less than \$100; or
 - Line item changes that add funds to library materials and online services.

The source of funding for this agreement is as follows:

State Sources	\$6,900
---------------	---------

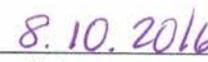
By accepting this award or agreement, the grantee may become subject to the audit requirements of State of Alaska Administrative code 2 AAC 45.010. As a result, the grantee may be required to provide for an audit and to permit independent auditors to have access to their records and financial statements. The grantee should consult with an independent auditor for assistance in determining audit requirements for each fiscal year.

The undersigned understands and agrees to the conditions of this agreement. Both signatures are required.

For the Library



 Signature

 Title Date

For the Legal Entity



 Signature

 Title Date

PLEASE MAKE A PHOTOCOPY OF THE SIGNED AGREEMENT FOR YOUR RECORDS
 RETURN BY SEPTEMBER 1, 2016 TO: LIBRARY GRANTS ADMINISTRATOR, ALASKA STATE LIBRARY,
 395 WHITTIER STREET, JUNEAU, AK 99801

**CITY OF SEWARD, ALASKA
RESOLUTION 2016-079**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEWARD, ALASKA, AUTHORIZING THE CITY MANAGER TO PURCHASE A 2017 FORD EXPLORER POLICE VEHICLE FROM CAL WORTHINGTON FORD FOR A PRICE OF \$34,979 UTILIZING THE STATE OF ALASKA'S COMPETITIVE PROCUREMENT PROCESS, AND TO PURCHASE ACCESSORIES AND EQUIPMENT FROM VARIOUS VENDORS FOR A TOTAL AMOUNT NOT TO EXCEED \$46,000.00, AND APPROPRIATING FUNDS

WHEREAS, the Police department seeks to replace the 2007 Ford Crown Vic which was damaged in an accident and will be retired, making replacement necessary; and

WHEREAS, the purchase of one new police vehicle per year is consistent with the policy of the City in order to keep the fleet in good mechanical, dependable condition; and

WHEREAS, the Seward Police Department opted to forego the purchase of one new vehicle during 2016 due to the reduced funding of the Seward Community Jail; and

WHEREAS, the last purchase of a police patrol vehicle was in 2013; and

WHEREAS, the City has an opportunity to purchase a patrol vehicle under the same contract terms that were offered to the State of Alaska by Cal Worthington Ford through a competitive bid process for a 2017 Ford Explorer Police Vehicle in the amount of \$34,979.00; and

WHEREAS, Alaska Safety, Inc. has equipped other patrol vehicles for the City with good customer service and has given an estimate of \$5,605.00 for the purchase and installation of new equipment as well as the reutilization of equipment from the 2007 patrol vehicle such as; light bar, gun rack, radio, radar gun etc.; and

WHEREAS, the vehicle must be professionally equipped with police equipment including tires, and decal package in the amount of \$1,572.96 from various vendors; and

WHEREAS, the City Council has determined that the public interest would be best served by not requiring competitive bids and makes the following finding:

1. Seward City Code Section 6.10.120 B., provides that the city may utilize competitive bids obtained by other governmental units; and
2. Cal Worthington Ford in Anchorage, Alaska has been awarded a contract to provide patrol vehicles for the State of Alaska and the City of Seward has an opportunity to purchase one patrol vehicle at a bid amount not to exceed \$34,979.00.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEWARD, ALASKA that:

Section 1. The City Manager is authorized to purchase one 2017 Ford Explorer Police Vehicle and equipment in an amount not to exceed \$46,000 in accordance with SCC Section 6.10.120(B).

Section 2. The Seward City Council hereby finds that it is in the public interest to waive the competitive procurement requirements in accordance with Seward City Code §6.10.120(B) according to the recitals above which are incorporated herein.

Section 3. Funding for the new vehicle and accessories in the amount of \$46,000, is hereby appropriated from the Motor Pool Fund reserves account no. 03000-0000-3400 to the equipment account no. 03000-1210-8103.

Section 4. This resolution shall take effect immediately upon its adoption.

PASSED AND APPROVED by the City Council of the City of Seward, Alaska, this 21st day of November, 2016.

THE CITY OF SEWARD, ALASKA

Jean Bardarson, Mayor

AYES:
NOES:
ABSENT:
ABSTAIN:

ATTEST:

Johanna Kinney, CMC
City Clerk

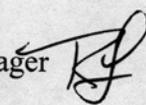
(City Seal)

Agenda Statement



Meeting Date: November 21, 2016

To: City Council

Through: James Hunt; City Manager 

From: Thomas Clemons, Chief of Police

Agenda Item: Approval for Purchase of a Police Patrol Vehicle Utilizing the State of Alaska Bid Process

BACKGROUND & JUSTIFICATION:

The administration desires to purchase a 2017 Ford Explorer Police Vehicle and accessory equipment for an amount not to exceed \$46,000.00. The purchase of one new police vehicle per year is consistent with the City's policy of keeping the police fleet in good mechanical, dependable condition. The last purchase of a police patrol vehicle was in 2013 and the Police Department will retire a 2007 Ford Crown Vic that was damaged in an accident from the fleet. The 2016 motor pool budget does not include funding in the amount of \$46,000.00 for the purchase of a fully equipped police vehicle because the Seward Police Department opted to forego funding for a new patrol vehicle in 2016 because of the lack of funding for the Seward Community Jail. Due to the unforeseen circumstances, we are asking for an amendment/supplement to the 2016 motor pool budget to allocate money not to exceed \$46,000.00 for the purchase of one new police vehicle.

The administration requests City Council approval for the purchase of a 2017 Ford Explorer Police Vehicle from Cal Worthington Ford utilizing the State of Alaska competitive bid process. This is allowed under § 6.10.120(B) of the Seward City Code, which allows the City to utilize competitive bids obtained by other governmental units.

The purchase of the patrol vehicle includes the following costs: 1) Cal Worthington 2017 Ford Explorer Police Vehicle in the amount of \$34,979.00; 2) Alaska Safety, Inc. standard police package equipment in the amount of \$5,605.00. The equipment needed for the new patrol vehicle will consist of a push bumper, headlight flasher, spotlight, prisoner partitions, Prisoner seat, gun mounts, switch control station, and installation of reusable equipment from the 2007 patrol vehicle; 3) additional miscellaneous equipment (including winter tires, decal package, etc.) from various vendors totaling approximately \$1,600.00, and leaving approximately \$3,816.00 as contingency. The City has received good customer service and quality equipment from these vendors.

The City Council has determined that the public interest would be best served by not requiring competitive bids and makes the following findings:

1. Seward City Code Section 6.10.120 B., provides that the City may utilize competitive bids obtained by other governmental units; and
2. Cal Worthington Ford in Anchorage, Alaska has been awarded a contract to provide patrol vehicles for the State of Alaska and offers the same contract price to the City of Seward at a price not to exceed \$34,979.00.

INTENT:

To purchase a 2017 Ford Explorer Police Vehicle and equipment for a total amount not to exceed \$46,000.00.

<u>CONSISTENCY CHECKLIST:</u>		Yes	No	N/A
1.	Comprehensive Plan: 2020 Comprehensive Plan, Vol. I, page 14, Adopted by City Council Resolution No 2005-26. <u>Public Safety</u> "...to ensure the highest level of public safety within the community."	X		
2.	Strategic Plan: City Strategic Plan, page 18, Approved by City Council Resolution No 99-043 <u>Promote a safe community</u> "We are a community that promotes the public health safety and welfare of its residents by ..., providing superior police, ... service"	X		
3.	Other (<i>list</i>):			X

FISCAL NOTE:

The 2016 motor pool budget does not include funding in the amount of \$46,000.00 for the purchase of a fully equipped police vehicle. This action will appropriate funding from the motor pool reserves.

Approved by Finance Department: *Kristen Kuching*

ATTORNEY REVIEW: Yes _____ No X

RECOMMENDATION:

City Council approve Resolution 2016- 079 authorizing the City Manager to purchase one 2017 Ford Explorer Police Vehicle and equipment in an amount not to exceed \$46,000.00 in accordance with SCC Section 6.10.120(B).

FORD EXPLORER, AWD, Police Interceptor MODEL K8A

1	Ford Explorer, 3.7L V6 White w/Black Hood	\$ 29,652.00	\$ 29,652.00
0	Ford Explorer, 3.7L V6, Random Color	\$ 27,780.00	\$ -
0	Engine 3.5L, EcoBoost, V6	\$2,658.00	\$
1	Ford SYNC	\$290.00	290.00
0	Reverse Sensing System	\$240.00	
1	Rearview Camera	Included	Included
1	Remote Keyless Entry (w/o keypad, less PATS)	\$250.00	250.00
1	Spot Lamp	\$385.00	385.00
1	Daytime Running Lights	\$39.00	39.00
1	Road Ready	\$3,315.00	3,315.00
0	Ballistic Door Panels, Driver Only	\$1,384.00	-
0	Ballistic Door Panels, Driver and Front Passenger	\$2,766.00	-
0	Trailer Towing Package with Class III Hitch	\$245.00	-
1	Decal Package	\$800.00	800.00
1	Equipment Outfit	\$5,605.00	5,605.00
4	Tires	\$193.24	772.96
4	Rims + Sensors	\$1,048.00	1,048.00
		PO TOTAL	\$ 42,156.96

**CITY OF SEWARD, ALASKA
RESOLUTION 2016-080**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEWARD, ALASKA, AUTHORIZING THE EXPENDITURE OF NOT TO EXCEED \$110,000 TO HAMILTON CONSTRUCTION LTD FOR THE PURPOSE OF EMERGENCY EROSION PROTECTION TO CITY'S WATERFRONT, AND APPROPRIATING MATCHING FUNDS IN THE AMOUNT OF \$60,000

WHEREAS, a poorly armored section of the City waterfront was failing and undercutting the National Historic Iditarod Trail bike path and threatening the Waterfront Community Playground and Evan Casey Skate Park; and

WHEREAS, parts of the affected area are below the tide line and therefore require US Army Corps of Engineers' authorization and approval before any work can be done; and

WHEREAS, the permit requirement triggered the need for design and engineering services, and for an as-built survey after the project is completed for purposes of permit compliance; and

WHEREAS, the City contracted with R&M Consultants to do the design and engineering work sufficient for the Corps permit, and has received the Corps permit to do the work; and

WHEREAS, this project was not budgeted in the City's current two-year budget, and the City requested the Seward Bear Creek Flood Service Area Board's financial assistance; and

WHEREAS, at its October 24, 2016 meeting the City Council accepted \$50,000 from the Kenai Peninsula Borough through the Flood Service Area via Resolution 2016-070 toward this project; and

WHEREAS, the City desired to complete the work before winter storms further destabilized the area, requested quotes from area contractors, and received two proposals on October 26, 2016; and

WHEREAS, the lowest quote, from Hamilton Construction Ltd, offered substantial savings to the City but only for a very narrow window coinciding with the availability of equipment, material and workforce in conjunction with the City's other two rock production and placement projects (Snow River Transmission Line and SMIC breakwater); and

WHEREAS, any delay increases the likelihood of further damage from winter storms and wave action, including extreme tides and storm surge potential November 13-15, increasing costs and adding risk to the upland infrastructure; and

WHEREAS, the next regular City Council meeting is November 21, 2016, and a special meeting could not be noticed and held within the time frame available for the work at the quoted price; and

WHEREAS, in order to take advantage of this savings opportunity the City Manager authorized the waiver of competitive procurement procedures as an emergency (SCC 6.10.120.A.2), and for when the public interest would best be served by not requiring competitive bids/proposals (SCC 6.1.130); and

WHEREAS, it was in the best interests of the City to have this work completed on an expedited basis to take advantage of the lower cost through timing and availability of labor; and

WHEREAS, the work was completed on October 29, 2016, and accepted on October 31, 2016; and

WHEREAS, the total amount of this project, including the Borough/Flood Service Area award, exceeds the \$50,000 Incidental Minor Purchase authority of the City Manager, and is defined as a Major Purchase, the administration requests that Council approve this expenditure retroactively.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEWARD, ALASKA that:

Section 1. The expenditure of not to exceed one hundred ten thousand dollars (\$110,000), including \$50,000 received from the Kenai Peninsula Borough, for the purpose of completing the waterfront erosion mitigation project to permit specifications, is hereby authorized.

Section 2. The City Council hereby finds that the public interest was best served by expediting this project to take advantage of lower costs contingent on the immediate availability of labor and materials from the lowest-bidding contractor, in accordance with Seward City Code §6.10.120.A(2), and authorizes the use of competitive quotes rather than fully advertised bids, in accordance with the recitals above which are incorporated herein.

Section 3. Funding in the amount of \$50,000 was previously appropriated by KPB Grant Fund no. 30071-0000-7009; an additional \$60,000 is hereby appropriated from the General Fund unassigned net assets account no. 01000-0000-3710-30070 to Erosion Fund contracted services account no. 30070-0000-7009..

Section 4. This resolution shall take effect immediately.

PASSED AND APPROVED by the City Council of the City of Seward, Alaska, this 21st day of

November, 2016.

THE CITY OF SEWARD, ALASKA

Jean Bardarson, Mayor

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Johanna Kinney, CMC
City Clerk

(City Seal)

Agenda Statement



Meeting Date: November 21, 2016

To: City Council

Through: James Hunt, City Manager

From: Ron Long, Assistant City Manager *RL*

Agenda Item: Authorizing the expenditure of not to exceed \$110,000 to Hamilton construction ltd for the purpose of emergency erosion protection to city's waterfront, and appropriating matching funds in the amount of \$60,000

BACKGROUND & JUSTIFICATION:

A poorly armored section of the City waterfront was failing and undercutting the National Historic Iditarod Trail bike path and threatening the Waterfront Community Playground and Evan Casey Skate Park. Any repair work would need an Army Corps of Engineers permit since some of the work would be below the tide line. A permit would require engineered plans before approval and an as-built survey after the work was completed. The City contracted with R&M Consultants to do the design and engineering work and applied for and received the Corps permit.

This project was not budgeted in the City's current two-year budget, and the City requested the Seward Bear Creek Flood Service Area Board's (SBCFSA) assistance. SBCFSA awarded and the City Council accepted \$50,000 towards this project.

It is important to complete the work before winter storms further destabilize the area, so the City requested quotes from area contractors, and received two proposals on October 26, 2016. The lowest quote, from Hamilton Construction Ltd, offered substantial savings to the City but only for a very narrow window coinciding with the availability of equipment, material and workforce in conjunction with the City's other two rock production and placement projects (Snow River Transmission Line and SMIC breakwater). The likelihood of further damage from winter storms and wave action, including extreme tides with high storm surge potential November 13-15, increasing costs and adding risk to the upland infrastructure, add urgency to the project.

With the next regular City Council meeting November 21, 2016, and the time involved to notice, schedule and hold a special meeting beyond the time frame available for the work at the quoted price, in order to take advantage of this savings opportunity the City Manager authorized the waiver of competitive procurement procedures as an emergency (SCC 6.10.120.A.2), and for when the public interest would best be served by not requiring competitive bids/proposals (SCC 6.1.130).

INTENT:

It was in the best interests of the City to have this work completed on an expedited basis to take advantage of the lower cost through timing and availability of labor, and the work was completed on October 29, 2016, and accepted on October 31, 2016

<u>CONSISTENCY CHECKLIST:</u>		Yes	No	N/A
1.	Comprehensive Plan p. 28 "Cooperate with the Bear Creek/Seward Flood Service Area in planning, developing and implementing flood mitigation measures in adjacent areas that impact the safety and functioning of the city."	X		
2.	Strategic Plan (p. 18): Promote a safe community We are a community that promotes the public health safety and welfare of its residents.....	X		
3.	Other (list):			

FISCAL NOTE:

The total amount of this project, including the Borough/Flood Service Area award, exceeds the \$50,000 Incidental Minor Purchase authority of the City Manager, is defined as a Major Purchase, and the administration requests that Council approve this expenditure retroactively.

Approved by Finance Department: *Kristen Erchenko*

ATTORNEY REVIEW: Yes X No Not Applicable

RECOMMENDATION:

City Council approve Resolution 2016-080 authorizing the expenditure of not to exceed \$110,000 to Hamilton Construction limited for the purpose of emergency erosion protection to City's waterfront, and appropriating matching funds in the amount of \$60,000.

**U.S. Army Corps of Engineers, Alaska District
PRECONSTRUCTION NOTIFICATION FORM**

May be used instead of Form ENG 4345 to request verification under a Nationwide Permit (NWP)

Applicant: City of Seward	Phone: 907-224-4357
Address: PO Box 167	Fax:
City, State, Zip: Seward, AK, 99664	Cell/Direct Line:
Point of Contact: James Hunt	e-mail: jhunt@cityofseward.net

Agent: R&M Consultants	Phone: 522-1707
Address: 9101 Vanguard Drive	Fax: 522-3403
City, State, Zip: Anchorage, AK, 99507	Cell/Direct Line: 646-9689
Point of Contact: Kristi McLean	e-mail: kmclean@rmconsult.com

Location of the Proposed Project Site:

Nearest Waterway: Resurrection Bay	
Section, Township, Range, and Meridian: Section 10, T1S, R1W, Seward Meridian	
Latitude and Longitude (Decimal Degrees, NAD-83): 60.102343, -149.434711	
Nearest City: Seward	Subdivision: N/A
Borough: Kenai Peninsula Borough	USGS Quad(s): Seward A-7 SE
Driving Directions to Site: From the Seward Highway turn left at D street and continue on Ballaine Blvd. From the corner of Ballaine Blvd. and Railway Drive, walk east to the site along the beach.	

Project Description:

<p>To ensure your project meets the requirements for a NWP, read all of the NWP General Conditions and Regional Conditions, which can be found on our website at http://www.poa.usace.army.mil/reg/Permits.htm#Nationwide Permits</p>
<p>Description of the proposed project, including the area of impacts and the volume of fill material to be used (If there is a NWP that you think would apply to your proposed project, please include that in this section):</p> <p>In Seward, Alaska, wave action is eroding the bank below the Iditarod National Historic Trail. The Proposed Action involves adding fill material to the bank for erosion protection during low tide (in the dry) to avoid in-water work. Coverage under NWP 13 for bank stabilization is requested for the Proposed Action which includes a total impact area of 0.26 acres below HTL, of which 0.11 acres is below MHW.</p> <p>The volume of fill material below HTL would be up to 1,880 CY, of which 600 CY is below MHW.</p>
<p>Project purpose: The purpose of this project is to stabilize a bank that is undercutting a trail in Seward, Alaska.</p>
<p>Describe any direct and/or indirect adverse environmental effects that may result from the proposed project:</p> <p>This Proposed Action would add fill material for bank stabilization. Work would be conducted during low tide in the dry. Long-term adverse environmental effects are not anticipated.</p>

Do you intend to use any other authorizations for any part of the proposed project or any related activity, for example, a NWP, General Permit (GP), or Individual Permit (IP)?

YES or NO

If YES, specify what permit type (NWP, GP, IP) and for what aspect of the project:

Will your proposed project result in the loss of greater than 1/10 of an acre of wetlands?

YES or NO

If YES, describe how you will satisfy the mitigation requirement in Nationwide Permit General Condition 23 (attached). If additional space is needed, please attach sheets.

Though fill is to be added to the project area, the Proposed Action would not disturb true wetlands. Refer to the cover letter for mitigation statement.

Are there any listed species or designated critical habitat that might be affected or is in the vicinity of the project, or is the project located in designated critical habitat? Federal agencies must provide the appropriate documentation to demonstrate compliance with the agency's procedures for compliance with the ESA. Information on the location of threatened or endangered species and their critical habitat can be obtained directly from the offices of the U.S. Fish and Wildlife Service and the National Marine Fisheries Service.

YES or NO

If YES, list all species:

Members of the Western Distinct Population Segments (DPS) of Steller sea lion, fin whale, humpback whale, grey whale, North Pacific Right Whale, Leatherback turtle, and Blue Whale, may be present in the project vicinity. There is no anticipated adverse affect to the listed species as the work would be conducted during low tide in the dry. There is no designated critical habitat within the project area.

Are there historic properties (listed on, determined to be eligible for listing on, or potentially eligible for listing on the National Register of Historic Places, including previously unidentified properties) that the proposed activity may have the potential to effect? Federal agencies must provide documentation demonstrating compliance with the Section 106 of the National Historic Preservation Act. Assistance regarding information on the location of or potential for the presence of historic resources can be sought from the State Historic Preservation Officer.

YES or NO

If YES, state which property or properties may be affected and/or attach a vicinity map indicating the location of the historic property or properties.

The paved trail above the project area, that is in danger of being eroded away, is part of the Iditarod National Historic Trail. The project is not anticipated to adversely affect the trail (labeled sidewalk and asphalt in Figures 2 and 3).

Will the proposed work involve ground disturbing activities?

YES or NO

If YES, attach a short narrative describing the topsoil or organic materials (including seed) that you intend to use for rehabilitation. If you intend to use other locally-obtained native materials, identify the source.

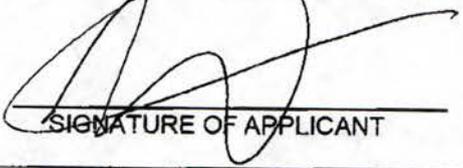
Attach the following in addition to the above applicable items:

- Drawings of the site and project plans (For more information on acceptable drawings and plans, please visit our website at <http://www.poa.usace.army.mil/reg/permitapp.htm> and click on "Guide to Drawings")
- The PCN must include a delineation of wetlands, other special aquatic sites (riffle and pool complexes, sanctuaries and refuges, mudflats, vegetated shallows, and/or coral reefs), and other waters, such as lakes and ponds, and perennial, intermittent, and ephemeral streams, on the project site. Wetland delineations must be prepared in accordance with the current method required by the Corps. The applicant may request the Corps to delineate the special aquatic sites and other waters and if the PCN does not include a delineation we will take that to mean you are requesting the Corps for one. In these cases, the PCN will not be considered complete until we complete the delineation.

Note: If you request a Corps delineation, you may be delayed in receiving authorization for your proposed project.

Application is hereby made for a permit or permits to authorize the work described in this preconstruction notification form.

I certify the information in this preconstruction notification form is complete and accurate. I further certify that I possess the authority to undertake the work described herein or am acting as the duly authorized agent of the applicant.


SIGNATURE OF APPLICANT

12/24/15
DATE

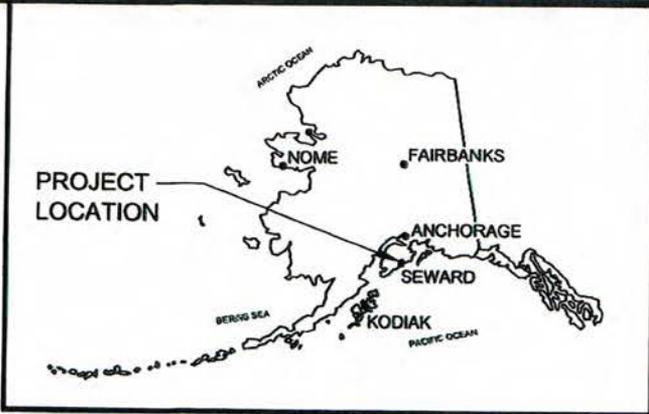
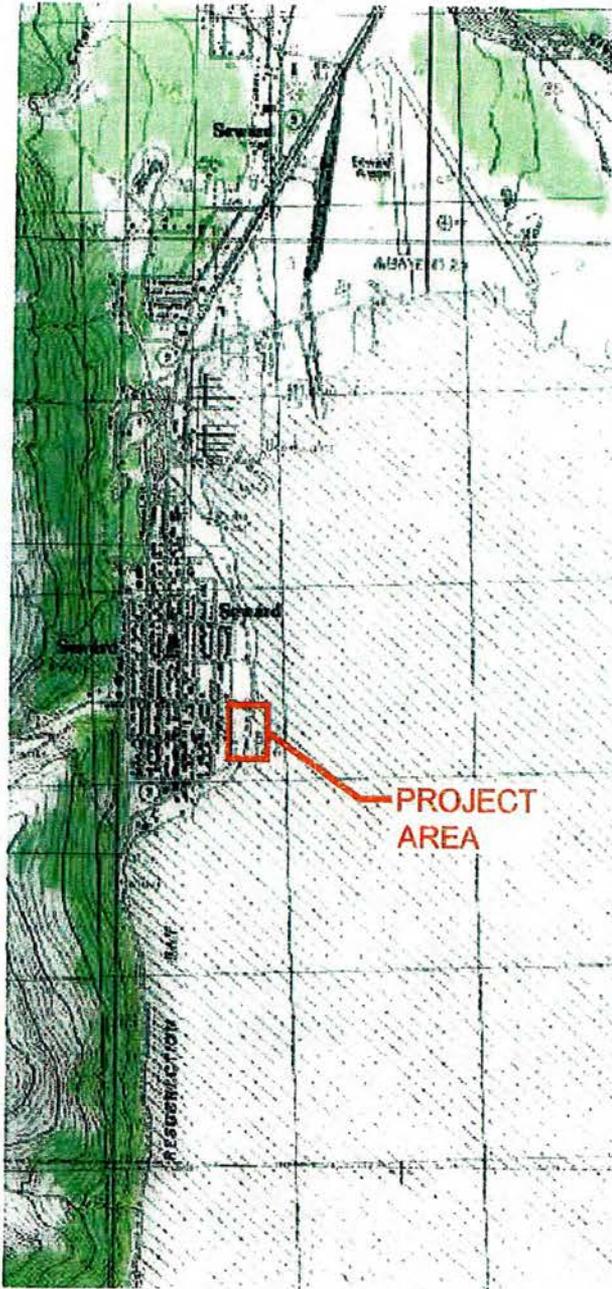

SIGNATURE OF AGENT

12/21/15
DATE

KARIN STURDY, DIRECTOR
CITY OF SEWARD
PARKS & RECREATION DEPARTMENT
PO BOX 167
SEWARD, NE 68664-0167
www.cityofseward.us

Z:\projects\2016\13 C SEWARD Beach Erosion Engineering Survey And Permitting\Earth\Environment\ACAD\2016_13 - USACE Permit 1.dwg

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PROJECT AREA



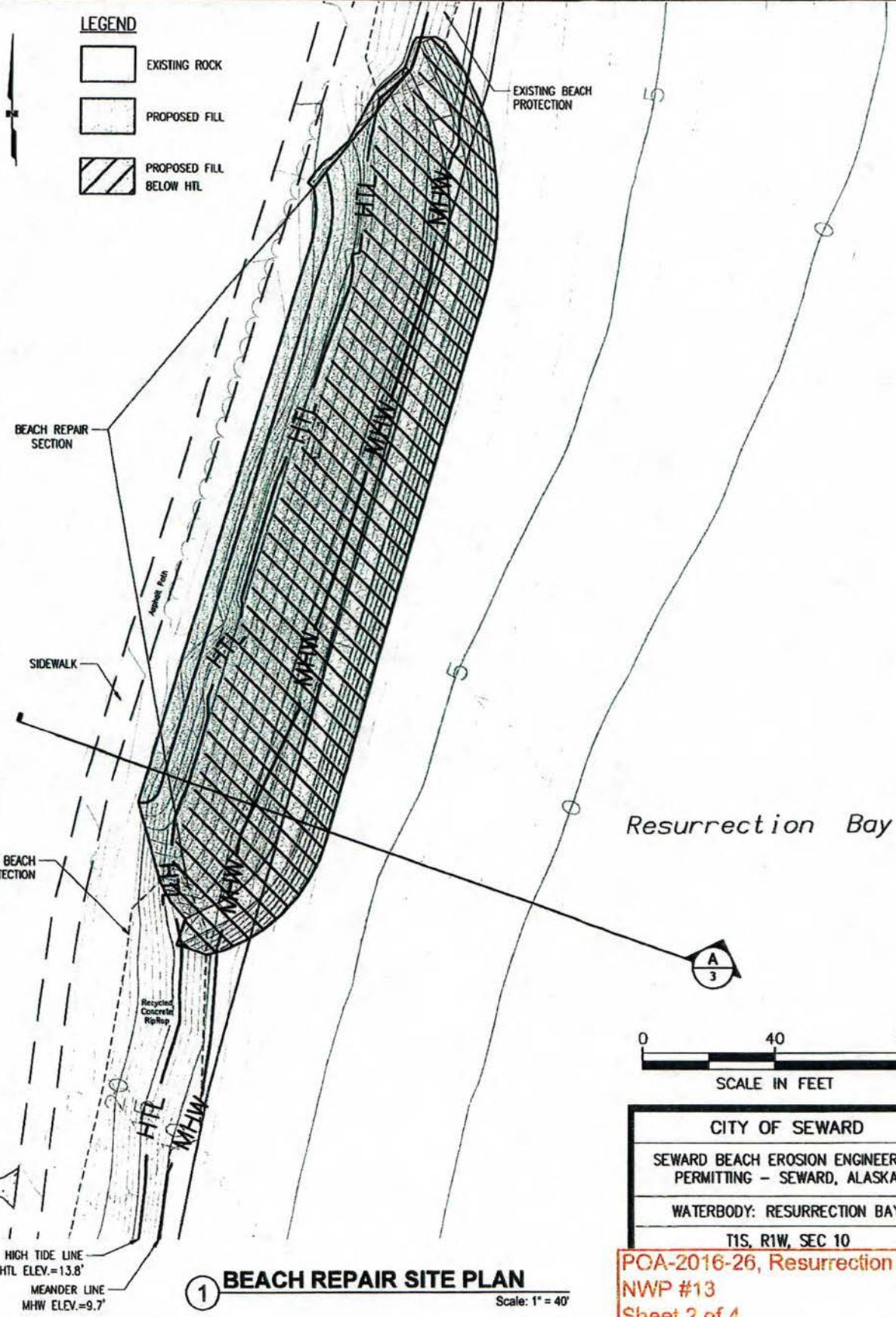
SCALE IN FEET

CITY OF SEWARD
SEWARD BEACH EROSION ENGINEERING PERMITTING - SEWARD, ALASKA
WATERBODY: RESURRECTION BAY
T1S, R1W, SEC 10

POA-2016-26, Resurrection Bay
 NWP #13
 Sheet 1 of 4
 February 2016

LEGEND

-  EXISTING ROCK
-  PROPOSED FILL
-  PROPOSED FILL BELOW HTL



EXISTING BEACH PROTECTION

BEACH REPAIR SECTION

SIDEWALK

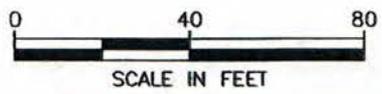
Recycled Concrete RipRap

HTL

MHW

HIGH TIDE LINE
HTL ELEV.=13.8'
MEANDER LINE
MHW ELEV.=9.7'

Resurrection Bay



CITY OF SEWARD
SEWARD BEACH EROSION ENGINEERING PERMITTING - SEWARD, ALASKA
WATERBODY: RESURRECTION BAY
T1S, R1W, SEC 10

1

BEACH REPAIR SITE PLAN

Scale: 1" = 40'

POA-2016-26, Resurrection Bay
NWP #13
Sheet 2 of 4
February 2016

Printed 12/20/16 10:50 AM by Brian Pugatch
 Z:\projects\2016\161 C SEWARD Beach Erosion Engineering Survey And Permitting\GIS\mxd\2016_161\161\161\161.dwg



HAMILTON CONSTRUCTION, LLC

Ms. Karin Sturdy
Parks & Recreation
P.O. Box 167
Seward, Alaska 99664

10/26/16

Dear Miss Sturdy,

Thank you for the opportunity to provide the City of Seward (CoS) a cost proposal to perform bank stabilization to an area of the beach affected by erosion below the bank of the Iditarod National Historic Trail.

Based on our site visit, our meeting with you on 27SEP16, and the quantities provided on Sheet 'C2.1' of the plan set generated by R&M Consultants, Inc., Hamilton Construction, LLC (HCL) can perform the work for the lump sum price of \$508,538.75 USD. Alternatively, HCL can perform the work outlined in the same plan set mentioned above but with substituting the 'Toe Berm' and 'Beach Fill' rocks with Class III AKDOT&PF Riprap and 12-17" minus coarse aggregate, respectively, for the lump sum of \$100,000.00 USD. HCL is offering this discounted pricing as a gesture of good will toward the CoS. With continuing support from the CoS, HCL intends to continue performing projects for and employing local residents from the city of Seward for years to come. In addition, both parties will benefit from the business and tax revenue generated. Construction activities would commence upon issuance and acceptance of a Notice-to-Proceed from the CoS.

The abovementioned prices are based on the following assumptions, inclusions, and exceptions:

- Prior acceptance of aggregate materials by R&M Consultants, Inc. for both the City of Seward Quarry and the Granite Cove Quarry (Shakmanof Cove, Kodiak Island, Alaska), therefore requiring no additional site visits (Granite Cove Quarry) or additional rock quality tests.
- All permits are acquired by the CoS prior to the beginning of work.
- HCL will file an eNOI with the Alaska Department of Environmental Conservation and the subsequent eNOT upon completion, if required.
- The generation of a Storm-Water Pollution Prevention Plan (SWPPP) is not required.
- Temporary Traffic Control personnel are not required to supplement hauling activities.
- As-built survey is to be completed by others.
- If geotextile fabric is required, the CoS will supply the material.
- Mobilization rates are based on an accelerated schedule to coincide with HCL's Snow River Erosion Repair project.
- Meals and temporary housing are provided by the Contractor.
- All equipment, fuel, housing, labor, and materials required are provided by the Contractor.
- Royalties for material extracted from the CoS Quarry are waived for project material and royalties for material extracted from the Granite Cove Quarry are paid by HCL.
- Any organic material generated from the clearing and grubbing activities will be disposed of within the CoS Quarry.
- Excavation of any obstructions within the project limits above on-site equipment is excluded.

As HCL cannot offer its subcontractors professional services at a discounted rate, the as-built survey will be an additional cost to the CoS. HCL will bill the CoS separately for services performed by a Professional Land Surveyor registered in the State of Alaska. The expected cost of the as-built survey is not expected to exceed \$10,000.00 USD.

Thank you for the opportunity to provide this proposal. If additional questions arise regarding our proposal or if I can be of further assistance, please contact me directly at 907.441.9807 to discuss further.

Regards,

Jeff D. Hamilton



2701 Seward Highway • Seward, Alaska 99664
(907) 224-3151 Office • (907) 224-3514 Fax
metcoinc@gci.net

October 27, 2016

City of Seward Beach Erosion Project

Scope of Work:

- Mobe equipment to and from jobsite
- Haul City owned rock from quarry to beach
- Place rock as per plans with City provided rock
- Place fabric as per specs

Lump Sum Bid: \$134,270.00

Excludes

- 1) Permits
- 2) Surveying
- 3) SWPPP
- 4) Testing
- 5) As Built

If you have any questions please contact us at the number listed above. Thank you.

CITY OF SEWARD

P.O. Box 167
410 Adams Street
Seward, Alaska 99664-0167



- Main Office (907) 224-4050
- Police (907) 224-3338
- Harbor (907) 224-3138
- Fire (907) 224-3445
- City Clerk (907) 224-4046
- Community Development (907) 224-4049
- Utilities (907) 224-4050
- Fax (907) 224-4038

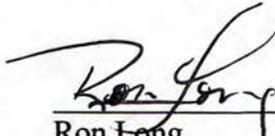
28 October 2016

Dear Mr. Hamilton,

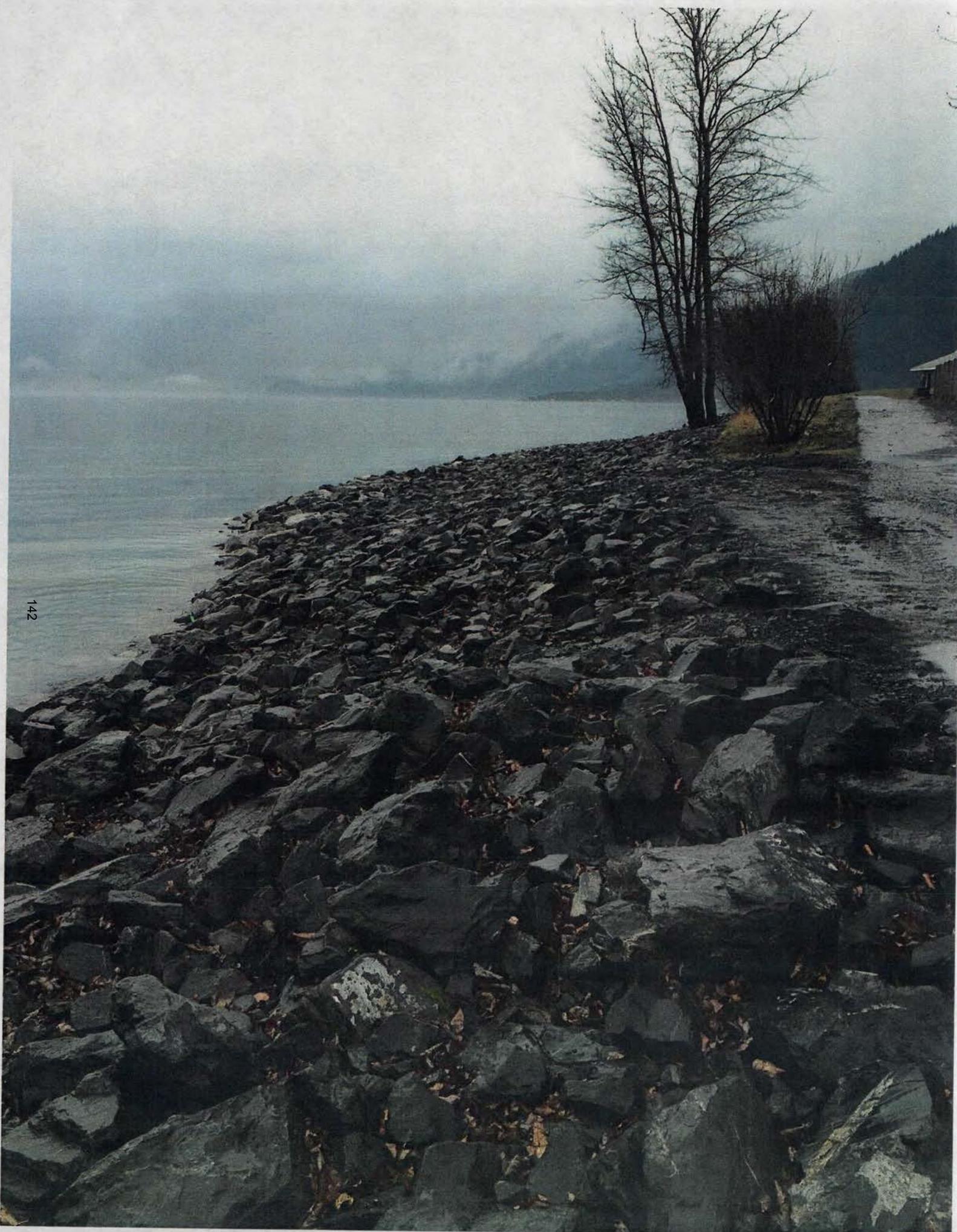
We have received your proposal for the bank stabilization project near the Branson Pavilion along the City waterfront, and find the alternative amount of \$100,000 for the work, with the rock gradation substitutions and other deliverables, assumptions, inclusions and exceptions listed in the proposal, to be the successful proposal for this project. We understand that the as-built survey will be separate work and a separate billing.

This letter shall serve as your notice to proceed. Thank you for your thorough proposal, and we look forward to working with you on this project.

Sincerely,



Ron Long,
Assistant City Manager





**CITY OF SEWARD, ALASKA
RESOLUTION 2016-081**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEWARD, ALASKA, AUTHORIZING A SOLE SOURCE CONTRACT WITH STURGEON ELECTRIC FOR A JOINT COMMUNICATIONS PROJECT WITH TELALASKA COMMUNICATIONS TO BORE UNDER SNOW RIVER FOR AN AMOUNT NOT TO EXCEED \$89,951.40, AND APPROPRIATING FUNDS

WHEREAS, the transmission line to the Seward area is a radial feed; and

WHEREAS, the transmission line at approximately mile 17.75, crossing Snow River and constructed parallel to the Seward Highway, has two three-pole structures that cannot hold underbuild distribution nor communication lines; and

WHEREAS, constructing a distribution line under Snow River would give the electric department an alternative feed South from the Lawing Substation; and

WHEREAS, TelAlaska (TelAk) has already contracted Sturgeon Electric to bore under Snow River and have invited the electric department to join in the project; and

WHEREAS, the electric department will achieve cost efficiencies by joining TelAk rather than independently contracting for the work; and

WHEREAS, all the required permits are already in place from TelAk and the electric department could add amendments to any permits requiring changes for less cost than filing the permits independently; and

WHEREAS, the funds for this project will come from the electric department's major repair and replacement fund (MRRF); and

WHEREAS, Seward City Code section 6.10.130 allows for exemptions from competitive procurement stating, "Restrictions and provisions of this title shall not apply where the city council determines and makes written findings that the public interest would be best served by not requiring competitive bids/proposals. The best interest determination may be based upon, but is not limited to, a finding that the services or articles can be procured at a lower cost without competitive bidding."

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEWARD, ALASKA THAT:

Section 1. The City Council finds that it is in the public interest to sole source to Sturgeon Electric for the construction of boring and trenching to cross Snow River underground with electric distribution conductors based on the recitals above which are incorporated herein.

Section 2. The City Manager is hereby authorized to enter into a sole source agreement with Sturgeon Electric to perform the construction of trenching and boring to cross under Snow River within the utility easement.

Section 3. Funding in an amount not to exceed \$89,951.40 is hereby appropriated from the Electric MRRF Fund reserves account no. 15001-0000-3400 to contracted services account no. 15001-0000-7009.

Section 4. This resolution shall take effect immediately.

PASSED AND APPROVED by the City Council of the City of Seward, Alaska, this 21st day of November.

THE CITY OF SEWARD, ALASKA

Jean Bardarson, Mayor

AYES:
NOES:
ABSENT:
ABSTAIN:

ATTEST:

Johanna Kinney, CMC
City Clerk

(City Seal)

Agenda Statement



Meeting Date: November 21, 2016
 To: City Council
 Through: Jim Hunt, City Manager *[Signature]*
 From: John Foutz, Electric Utility Manager
 Agenda Item: Snow River Boring and Trenching

BACKGROUND & JUSTIFICATION:

Utilities often share the same space or easement corridor. Telalaska (TelAk) has requested to attach to some Seward Public Utilities electric poles and bore under Snow River with their communication lines. TelAk has extended an offer to the electric department to join with them in their project by installing electrical lines at the same time they install their communication lines. The electric department has attempted to contract for this work in the past and found the cost to be prohibitive. This added electrical infrastructure will give the electric department an alternative distribution feed heading south out of the Lawing Substation. Having a second feed from the south would be a step toward upgrading the transmission line from 69kV to 115kV in the future. By joining with TelAk the City saves money related to filing for permits, mobilization, and demobilization of construction crews. The electric department will still pay for the construction portion of its requested underground line. TelAk has already chosen a contractor through their procurement procedures and the electric department will enter into a separate agreement with the contractor to realize the cooperative savings. The City may enter into an agreement with Sturgeon Electric according to Seward City Code section 6.10.130 which allows for exceptions in procurement when it is determined to be in the best interest of the public.

INTENT:

The intent is to realize cost savings to the electric department by joining in to an already existing construction project by another utility in the same geographical area, so as to achieve cost efficiencies related to construction crew mobilization, demobilization, permitting, and shared project cost savings.

<u>CONSISTENCY CHECKLIST:</u>		Yes	No	N/A
1.	Comprehensive Plan (1.3, 3.7.3.1, 3.7.3.2): <i>Continue to upgrade and expand utilities to meet existing needs and encourage future development.</i>	X		
2.	Strategic Plan : <i>The mission of the City of Seward government is to provide quality leadership and economic wellbeing of its citizens</i>	X		
3.	Other (list):			X

FISCAL NOTE

Funding for this project will come from the Electric Major Repair and Replacement Fund which currently has a cash balance in excess of \$1.5 million. This project was identified as a moderate-risk capital project in the 2016/2017 Capital Improvement Plan.

Approved by Finance Department: *Austin Erickson*

ATTORNEY REVIEW: Yes _____ No X Not Applicable _____

RECOMMENDATION:

To authorize the City Manager to enter into an agreement with Sturgeon Electric for the construction of the Snow river boring and trenching to achieve cost savings to construct the project.



November 4, 2016

John Foutz
Electric Utility Manager
City of Seward Alaska
Office: (907) 224-4071

Job Title: Snow River Bore

Scope of Work:

Re: Sturgeon Electric to Install by directional boring 1ea 4” SDR 11 HDPE in a joint bore with TelAlaska for the two channel river crossing at Snow River. Estimated footage for length of bore is 826 foot. Starting point of bore will be approx 70’ back from rap to accommodate a 25’ depth by the south river channel and maintain a similar depth until under the north side rap. Bore includes all labor, equipment, 4” HDPE SDR 11 bore pipe, material handling, offloading, freight, overhead, and profit. From north end of bore Sturgeon will open a trench to pole T198 (approx 275’) and will work with Seward Electric to place conduit joint with TelAlaska. On south end of bore Sturgeon will open a trench to pole T196 (approx... 80’). Scope to include but not limited to the following:

Scope of work detail:

- This proposal in based on the drawings given to us.
- Work schedule is 6 ten hour days a week for approx. 2 weeks
- Install directional bore 826’
 - Mobilization and Demobilization to project site
 - All consumable and permanent materials required to complete the project
 - Labor & room and board
 - All equipment and fuel
 - Tools including hand and line tools

Exclusions:

- Surveying
- Clearing or Grubbing of ROW
- Electrical utility relocations
- Any work that requires a Journeyman Electrical Lineman

Submittals:

- Sturgeon will supply submittals on materials supplied

Project Closeout:

- Close Out – Furnish redline prints showing placement in vicinity of ROW, all changes in running line, Bore profile of depth on conduit, All unused material will be returned to City of Seward

Project Warranties:

- Project Warranty – Warranties required by the Contract Documents shall commence on the Date of substantial Completion. Such Warranty shall continue for a minimum period of one (1) year from the date of the Substantial Completion of the work.

Safety Requirements:

- Sturgeon agrees to abide by all environmental, safety, and health requirements.

Material Delivery Project Start up:

- Sturgeon shall coordinate with Seward Electric Utility all project deliveries of equipment, materials and manpower to perform this scope of work

Sincerely,

Ron Briggs
Telecom Estimator
Sturgeon Electric Inc.

PH : (907) 529-4673 FAX : (907) 522 -2068 * 1301 E 64th Street Anchorage, AK 99518

Page 2

**CITY OF SEWARD, ALASKA
RESOLUTION 2016-082**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEWARD, ALASKA, AUTHORIZING THE CITY MANAGER TO ENTER INTO A SOLE SOURCE PURCHASE AGREEMENT WITH ALASKA PUMP & SUPPLY, INC. TO REPLACE #1 LIFT STATION PUMP, FOR AN AMOUNT NOT TO EXCEED \$32,918.00, AND APPROPRIATING FUNDS

WHEREAS, the current pump at Lift Station No. 1 is not operational and un-salvageable due to age, and availability of parts; and

WHEREAS, the sole FLYGT pump distributor and repair center in Alaska is Alaska Pump & Supply; and

WHEREAS, Alaska Pump & Supply has bid \$32,918.00 for the replacement of the pump which is primary and essential to services to the harbor and surrounding areas, in order to continue to provide sanitary services to the public; and

WHEREAS, Seward City Code 6.10.120(b) allows the City to utilize a specific product if that product is only available from a single vendor.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEWARD, ALASKA that:

Section 1. The Seward City Council hereby finds that it is in the public interest to sole source the purchase of a replacement pump at Lift Station No. 1 to Alaska Pump & Supply, Inc. based on the recitals above which are incorporated herein

Section 2. The City Manager is authorized to approve the purchase a new #1 Lift Station Pump for an amount not to exceed \$32,918.00.

Section 3. Funding in the amount of \$32,918.00 is hereby appropriated from the Wastewater Enterprise Fund reserves account no. 18000-0000-3400 to the equipment account no. 18000-4500-8101.

Section 4. . This resolution shall take effect immediately upon adoption.

PASSED AND APPROVED by the City Council of the City of Seward, Alaska, this 21st day of November, 2016.

THE CITY OF SEWARD, ALASKA

Jean Bardarson, Mayor

AYES:
NOES:
ABSENT:
ABSTAIN:

ATTEST:

Johanna Kinney, CMC
City Clerk

(City Seal)

Agenda Statement



Meeting Date: November 21, 2016

To: City Council

Through: Jim Hunt, City Manager *[Signature]*

From: Doug Schoessler, Public Works Director

Agenda Item: Replace #1 lift station pump for an amount not to exceed \$32,918.00, from Alaska Pump & Supply, Inc.

BACKGROUND & JUSTIFICATION:

The primary Sewage Lift Pump at Lift Station #1 is no longer operational and un-salvageable, and due to its age, repairs are not an option. The #1 lift station pump is primary and essential to the Boat Harbor and surrounding areas. Alaska Pump & Supply has provided a bid \$32,918.00 for the replacement of pump. This vendor is the sole pump distributor and repair center for the FLYGT pump in Alaska.

INTENT:

The City Council authorizes the City Manager to enter into an agreement with Alaska Pump & Supply, Inc. To replace #1 lift station pump, for an amount not to exceed \$32,918.00. The replacement of the sewer lift pump at Lift Station #1, LF-1 would be fully operational, more efficient, and the cost to operate would be lower.

<u>CONSISTENCY CHECKLIST:</u>		Yes	No	N/A
1.	Comprehensive Plan:			X
2.	Strategic Plan:			X
3.	Other <i>(list)</i> : replace of sewage pump	X		

FISCAL NOTE:

Funding for this purchase will be from the Wastewater Enterprise Fund reserves.

Approved by Finance Department: *[Signature]*

ATTORNEY REVIEW: Yes X No

RECOMMENDATION:

City Council approve Resolution 2016⁰⁸², authorizing the expenditure of \$32,918.00 to replace the pump at lift station no. 1.



ALASKA PUMP & SUPPLY, INC

261 EAST 56TH AVE, BLDG. A • ANCHORAGE, ALASKA 99518 • PHONE: (907)563-3424 • FAX: (907)562-5449

August 25, 2016

ATTN: NORT ADELMANN - CITY OF SEWARD

QUOTE: AKP16-0794

Project: CITY OF SEWARD

Subject: REPLACEMENT FOR PUMP SEN

We are pleased to provide pricing for the following equipment:

Qty	Part #	Description	Each	Total
1	NP3202.095	FLYGT REPLACEMENT FOR CP3201.090 THE NEW REPLACEMENT IS MODEL FOR THIS NP3202.095 35HP 460 VOLT 3PH 642 IMPELLER. 8" DISCHARGE FM FLS. SEE ATTACHED DATA	\$ 32,918.00	\$ 32,918.00
Please reference AKP16-0794 when placing order.				Total: \$32,918.00

Subject to Alaska Pumps Terms & Conditions of Sale. Net Thirty (30) Terms are subject to Alaska Pumps' credit department approval.

F.O.B: SEWARD

Ships: 10-12 WEEKS ARO

Notes: WE HAVE DETERMINES THRU THE MOTOR AND IMPELLR THAT THE OLD MODEL WAS A CP3201.090 35HP 636 IMPELLER RATED AT 2000 GPM @ 50'. DUE TO HOW OLD THIS UNIT IS MANY OF THE PARTS ARE NO LONGER AVAILABLE THAT WE NEED. SEALS, COOLING JACKET SOME OF THE BRACKETS. PLUS WE THINK THE PUMP IS FROM LATE 80'S

Regards,

Mark Ornellas

Industrial Sales

Alaska Pump & Supply, Inc.

PH: (907) 563-3424

FAX: (907) 562-5449

Mark.Ornellas@dxpe.com

This quotation is the sole property of Alaska Pump & Supply, Inc. It is issued to you for your confidential use only. In consideration of this quote, the issued party agrees that this quotation shall not be reproduced or copied or disposed of directly or indirectly, or issued for the purpose other than that for which it has been supplied for without written permission. Alaska Pump & Supply, Inc. reserves the right to refuse to sell all or part of this quotation. Quote is valid for 30 days unless noted.

ALASKA PUMP & SUPPLY, INC.
STANDARD TERMS & CONDITIONS OF SALE

Terms of Payment: Payment is due thirty (30) days after the date of the invoice. Interest on the unpaid balance will be charged on all overdue monies at the rate of 18% per annum or the highest rate allowable by law, whichever is less.

Identification and Risk of Loss: The products, goods and/or equipment shall be identified to the contract and risk of loss shall pass to Buyer when the products, goods and/or equipment are placed in the hands of the carrier.

Freight: All prices are FOB point of manufacture and do not include freight unless specifically listed as included. Seller shall not be responsible for actions, inactions or delays by the carrier.

Conditions: All orders are accepted with the understanding that they are subject to Seller's ability to obtain the necessary products, goods and/or equipment.

Not Included: Unless specifically provided herein, the products, goods, equipment, and/or services listed do not include freight, haulage, unloading, freight claims, installation, erection, concrete, grout, water, utilities, lubricating grease and oil, power, tools, labor, controls, conduit, wiring, meters, main disconnects, piping, valves, fittings, gaskets, hardware, taxes, covers, field painting, insurance, testing, royalties, maintenance, operation, erection supervision, start-up services, personnel transportation, anchor bolts, welding rod, or asset.

Inspection: Buyer shall inspect Seller's products, goods and/or equipment upon receipt and if Buyer's inspection reveals any defects, Buyer shall notify the Seller within three (3) days after receipt of the products, goods and/or equipment of any claim Buyer might have concerning such defects or of any claim discovered by Buyer.

Errors: Seller reserves the right to correct any clerical and/or stenographic error or omission.

Cancellation: Buyer may cancel this order only upon written notice and payment to Seller of reasonable cancellation charges.

Returns: Seller will not accept returns of chemicals, electrical items or special orders. Seller will not accept returns of any products, goods and/or equipment after ninety (90) days from the date of the invoice.

Approvals: Buyer is responsible for obtaining any required engineers', owners', and/or governmental agencies' approval of the products, goods, equipment and/or services. Seller does not warrant that the products, goods, equipment and/or services will meet any such approvals or specifications.

Limitation of Liability: In no event shall Seller be liable for any lost profits, down time, lost sales, operating or maintenance costs, or for any other special, indirect, incidental or consequential damages of Buyer.

Warranties: SELLER MAKES NO EXPRESS WARRANTIES WITH RESPECT TO ANY PRODUCT, GOODS AND/OR EQUIPMENT SOLD OR SERVICES PERFORMED AND SELLER SPECIFICALLY DISCLAIMS ANY IMPLIED WARRANTIES, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. Seller does not authorize anyone to make a warranty of any kind on its behalf and Buyer should not rely on any statement to that effect.

Integration: These Terms and Conditions constitute the entire agreement between Buyer and Seller with respect to this transaction and supercede and replace all prior negotiations agreements, and representation, oral or written. These Terms and Conditions may not be amended or modified except pursuant to a written document signed by both parties.

Governing Law: The terms of this agreement and all rights and obligations of the parties hereunder shall be governed by the laws of the State of Alaska.

Binding Effect: These Terms and Conditions shall be binding on the parties hereto and their heirs, personal representatives, successors, and assigns. The undersigned acknowledges and agrees to Alaska Pump & Supply, Inc. terms and conditions of sale/quote as referenced in our quote AKP16-0794 and is subject to Alaska Pump & Supply Inc.'s Standard Terms and Conditions of Sale which are outlined above and agrees to be bound by said Terms and Conditions.

Letters and Quotes: Notwithstanding any language to the contrary, nothing contained in our letters or quotes constitutes or is intended to constitute engineering work requiring a stamp or engineering seal by Alaska Pump & Supply, Inc.. We neither convey nor imply that the company or persons are practicing engineering herein.

Customer Name Printed

Company Name Printed

X
Customer Signature

Date:

CALL TO ORDER

The September 26, 2016 regular meeting of the Seward City Council was called to order at 7:00 p.m. by Mayor Jean Bardarson.

OPENING CEREMONY

Corporal Patrick Messmer led the Pledge of Allegiance to the flag.

ROLL CALL

There were present:

Jean Bardarson presiding and
Marianna Keil
Deborah Altermatt
Sue McClure

Ristine Casagrande *Arrived at 7:05 p.m.
Dale Butts

comprising a quorum of the Council; and

Eddie Athey, Fire Chief
Brenda Ballou, Acting City Clerk

Absent – Squires

CITIZEN COMMENTS ON ANY SUBJECT EXCEPT THOSE ITEMS SCHEDULED FOR PUBLIC HEARING

Bob Valdatta had lived on the alley side of 528 Fifth Avenue for 35 years. There was a continual problem with that alley and pooling water. The alley desperately needed to be graded, or even upgraded to better material. Pedestrians and AVTEC students had a difficult time walking through that alleyway. Also, the road to Lowell Point was in rough shape too.

APPROVAL OF AGENDA AND CONSENT AGENDA

Motion (Keil/McClure)

Approval of Agenda and Consent Agenda

Motion Passed

Unanimous

The clerk read the following approved consent agenda items:

Resolution 2016-059, Officially Correcting The Misspelling Of The Right Of Way Currently Known As Chamberlain Road To Chamberlin Road Located On The West Side Of The Seward Lagoon.

Resolution 2016-060, Authorizing A 90-Day Extension To The Lease With The U.S.

Department Of Army For Lot 9A, Fort Raymond Subdivision Replat No. 1 (U.S. Army Rec Camp).

Appoint Colby Lawrence to the Port And Commerce Advisory Board (PACAB).

SPECIAL ORDERS, PRESENTATIONS AND REPORTS

Proclamations & Awards – None

Chamber of Commerce Report. Cindy Clock thanked all the candidates for coming to the Meet The Candidates Night, and she encouraged everyone to come out and vote. She said reports indicated that 2016 has been a banner year for tourism. Year to date, there had been over 15,000 visitors stop by the chamber to get information. Nearly every one of the 90,000 Seward Destination Guides had been distributed. On October 7, 2016, Cliff Cochran from the Small Business Development Center would speak at the chamber luncheon. Kris Harris, Shelly Shank and Cindy Clock were going to the Alaska Travel Industry Association (ATIA) conference in Anchorage the first week in October. The chamber's draft marketing budget would come to council in October for review. The Seward Energy Forum & Fair would be held for two days in mid-October at AVTEC. There would be a new science contest added, and they would once again have the art contest. Clock thanked Harbormaster Norm Regis, his staff, and the Electric Utilities Department for installing five new electric pedestals at the Seward Marine Industrial Center (SMIC). Seward was currently vying for a school superintendent conference next fall, and Clock was working hard to get the conference which would bring about 100 visitors. In 2018, there would be a big Rotary International Conference in the spring the weekend after Mother's Day, bringing about 220 attendees.

In response to Casagranda, Clock recited the names of the chamber's board. There were three seats open on the board this fall, and Clock encouraged people to put in.

Borough Assembly Report. Brandii Holmdahl the assembly had two assembly meetings since her last report. She participated in one telephonically; the Seward Bear Creek Flood Service Area Board (SBCFSAB) made a \$30,000 appropriation to address sediment management on the forest road bridge over Lost Creek. The invocation procedures at the assembly remained unchanged. Last Tuesday the assembly meeting was held in Homer. One ordinance on that agenda was the mayor's proposal to reduce the Planning Commission; that was reconsidered and would be addressed again at the next meeting. The other item was adopting the most recent FEMA flood insurance study, and that was approved.

In response to Butts, there was no reason provided for the reconsideration, and it was not required.

City Manager Report. Fire Chief Eddie Athey said there had been no purchase orders made by the City Manager between \$10,000 and \$50,000 since the last meeting.

Keil said she had spoken with both City Manager Jim Hunt and Assistant City Manager Ron Long about the AVTEC gym, and they said administration was currently waiting for a response from AVTEC. Bardarson added that travel schedules on both sides were delaying negotiations.

McClure called attention to a reference in the City Manager Report about the Waterfront Park beach erosion issue; she had not noticed any work being done.

In response to Casagranda, Bardarson and Keil said the city manager was at the International City Manager Association Conference and the Assistant City Manager was at a harbor training in Portland, Maine. Casagranda expressed her concern that there was not at least one member of the management team present.

Other Reports, Announcements and Presentations

Student Exchange Presentation from Obihiro, Japan by Students Meghan Mullaly and Megan Koster.

Kenai Peninsula Borough Ballot Propositions Presentation by ~~Borough Mayor Mike Navarre and Larry Persily.~~

PUBLIC HEARINGS

Ordinance 2016-007, Approving The Removal Of The Word Small From The Phrases Seward Small Boat Harbor Or Small Boat Harbor Within The Seward City Code Title 7 Chapter 7.10. Harbor And Port Facilities.

Motion (Keil/Casagranda) Enact Ordinance 2016-007

Notice of the public hearing being posted and published as required by law was noted and the public hearing was opened. No one appeared to address the Council and the public hearing was closed.

McClure reiterated for the public that this ordinance had been thoroughly explained at the last meeting, and it was very straightforward.

Motion Passed Unanimous

Resolution 2016-058, Approving The Removal Of The Word Small From The Phrases Seward Small Boat Harbor Or Small Boat Harbor Within The 2016 Harbor Tariff.

Motion (Keil/Casagranda) Approve Resolution 2016-058

Notice of the public hearing being posted and published as required by law was noted and the public hearing was opened. No one appeared to address the Council and the public hearing was closed.

Motion Passed Unanimous

UNFINISHED BUSINESS – None

NEW BUSINESS

Ordinances For Introduction

Ordinance 2016-008, Amending And Revising Title 10, Public Peace, Morals And Welfare, To Conform With Modern Practice And Law.

Motion (Keil/Casagranda)

Introduce Ordinance 2016-008

Athey said Police Chief Tom Clemons and City Attorney Will Earnhart had been working together to update this language.

Casagranda did not support the introduction of this ordinance because she had questions for administration and the City Attorney.

Motion Passed

Yes: Keil, Altermatt, McClure, Butts, Bardarson
No: Casagranda

Other New Business Items

Schedule a work session to discuss the AVTEC gym/contract. (Casagranda) Casagranda wanted to ask for a work session to enable the public to have an input opportunity. The public wanted to be heard and she wanted to insure they had ample opportunity. Bardarson said administration sent a proposal to AVTEC on September 13, 2016 and AVTEC was due to respond on September 23, 2016 but it hadn't been received yet. Bardarson, like Casagranda, said she also expected to see a contract tonight from administration. *By Unanimous Consent, council agreed to postpone this item to the October 10, 2016 agenda.*

Schedule a work session to discuss the evaluation forms, procedures, and policies for the City Attorney, City Manager, and City Clerk. Altermatt was concerned about the absence of administration and suggested this be a discussion item in the future. *By Unanimous Consent, council agreed to postpone this item to the October 10, 2016 agenda.*

INFORMATIONAL ITEMS AND REPORTS

July 2016 Financials for Providence Seward Medical Center.

COUNCIL COMMENTS

Casagranda said the Seward Music & Arts Festival was phenomenal. She appreciated the dedicated core group of volunteers who put in many, many hours to make that happen. She wished everyone a happy equinox.

Butts congratulated awardees Austin Chapman for State Firefighter Of The Year, Jillian Chapman for Dell Moffett Award, and Eddie Athey for the Ken Akerley Leadership Award. As well, Wendy Bryden from Moose Pass won the fastest time in full gear competition.

Altermatt thanked Colby Lawrence for joining the Port and Commerce Advisory Board (PACAB). She noted the “No Wake” signs had been installed at the harbor and people seemed to be adhering. She had recently spoken with Charles McEldowney at Icycle Fisheries about the new ownership of the company by the Cook family who were from New Brunswick. The new owners were excited about their new endeavor, but were also concerned about employee housing availability.

McClure said Sunday there would be the annual dessert extravaganza by the Episcopal Church held at the library. In reading the Parks and Recreation Department report, McClure noted that they were applying for grants to replace the interpretive signs along the bike path.

Keil attended the Jujiro Wada statue unveiling and there had been a large contingency from Japan in attendance. She had attended the Planning and Zoning Commission’s work session about 30’ x 100’ lots. The Seward Music & Arts Festival was a great success. Keil thanked Colby Lawrence for stepping forward on PACAB, and she congratulated the Fire Department on all their awards.

Bardarson congratulated the Fire Department and its volunteers. She also had attended the Jujiro Wada statue unveiling and said the children did a great job singing. There were approximately 15 delegates from Japan in attendance. Gail Phillips from Senator Lisa Murkowski’s office had contacted Bardarson and requested her public endorsement; Bardarson would endorse Murkowski privately, and not as the mayor. Bardarson thanked all the community volunteers for all the work they did throughout the year.

Keil added, in response to Bob Valdatta’s comments, the concerns about the alleyway would be passed along to the city’s new Public Works Director.

CITIZEN COMMENTS – None

COUNCIL AND ADMINISTRATION RESPONSE TO CITIZEN COMMENTS – None

ADJOURNMENT

The meeting was adjourned at 8:20 p.m.

Brenda Ballou, CMC
Acting City Clerk

Jean Bardarson
Mayor

(City Seal)

CALL TO ORDER

The October 10, 2016 regular meeting of the Seward City Council was called to order at 7:00 p.m. by Mayor Jean Bardarson.

OPENING CEREMONY

Fire Chief Eddie Athey led the Pledge of Allegiance to the flag.

ROLL CALL

There were present:

Jean Bardarson presiding and
Marianna Keil
Deborah Altermatt
Sue McClure

Ristine Casagrande
Dale Butts
Dave Squires

comprising a quorum of the Council; and

Jim Hunt, City Manager
Brenda Ballou, Acting City Clerk
Will Earnhart, City Attorney

Absent – None

CITIZEN COMMENTS ON ANY SUBJECT EXCEPT THOSE ITEMS SCHEDULED FOR PUBLIC HEARING – None

APPROVAL OF AGENDA AND CONSENT AGENDA

Motion (Keil/Casagrande)

Approval of Agenda and Consent Agenda

McClure placed Resolution 2016-055 on the consent agenda.

Bardarson added an item to Other New Business to discuss scheduling a special meeting for the organization of council.

Motion Passed

Unanimous

The clerk read the following approved consent agenda items:

Resolution 2016-055, Approving The Removal Of The Word Small From The Phrases Seward Small Boat Harbor Or Small Boat Harbor Within The Seward Small Boat Harbor Plan.
Postponed from the September 12, 2016 meeting.

Approval of the September 12, 2016 City Council Meeting Minutes and the September 16, 2016 City Council Special Meeting Minutes.

Certification of the October 4, 2016 Municipal Election.

THREE (3) CITY COUNCIL SEATS AVAILABLE (TWO-YEAR TERMS)

	<u>Election Day Votes</u>	<u>After Canvass Votes</u>	<u>Total Votes</u>
<i>Ristine Casagrande</i>	169	39	208
<i>Suzanne Towsley</i>	159	25	184
<i>John D. Hull, Jr.</i>	44	6	50
<i>Dale R. Butts</i>	168	33	201
<i>Erik R. Slater</i>	165	41	206
<i>Marianna Keil</i>	161	42	203
<i>Write-Ins</i>	6	0	6

**SEWARD PROPOSITION NO. 1
 GENERAL OBLIGATION BONDS FOR SEWARD ROAD IMPROVEMENTS**

Shall the City of Seward incur debt and issue general obligation bonds in an amount not to exceed three million dollars (\$3,000,000) to finance the planning, design and construction of road improvements in the City?

The bonds shall be secured by a pledge of the full faith and credit of the City. It is expected that annual payments of principal and interest on the Bonds will be Two Hundred Thirty Thousand dollars (\$230,000), or a 0.72 increase in the mill rate (from 3.12 mills to 3.84 mills, equal to an increase of \$72 per \$100,000 in property value) or the approximate equivalent of a one-fifth of one percent (0.005) sales tax (from 4.0% to 4.2%).

	<u>Election Day Votes</u>	<u>Canvass Votes</u>	<u>Total Votes</u>
YES	240	57	297
NO	90	18	108

SUMMARY

*A total of 333 people voted at this election.
 There were 65 absentee in-person and by-mail ballots.
 There were 3 special needs ballots.
 There were 9 questioned ballots.
 Therefore, 410 voters turned out.*

SPECIAL ORDERS, PRESENTATIONS AND REPORTS

Proclamations & Awards – None

City Manager's Report. Jim Hunt there were no purchase orders between \$10,000 and \$50,000 approved by the City Manager since the last meeting.

Hunt had attended the International City Manager Association Conference, and Assistant City Manager Ron Long attended the International Association of Maritime and Port Executives training. Long received the designation of Certified Marine Port Executive. The City Hall asbestos abatement and carpet replacement project was moving along with Jackie Wilde acting as the in-house project manager. On October 25 and 26, 2016 there would be a charrette with the U.S. Army Corps of Engineers regarding the Lowell Canyon Diversion Tunnel. Responding to citizen complaints, Hunt was working on some nuisance issues in town.

In response to McClure, **Assistant City Manager Ron Long** said the Waterfront Park erosion abatement project was gearing up. Long said there was a stockpiling of rock and the engineers were considering using two rock sizes; the city was awaiting sign off from the engineers for substituting two classes of rock.

Hunt provided an update on the U.S. Air Force Recreation Camp, saying administration was negotiating an acceptable exit strategy. Hunt then distributed laydown photos provided by the Electric Department showing bird diverters being installed on Nash Road and Preacher's Pond.

Long provided an update on the AVTEC gym contract. He had received a response from AVTEC and thought their proposal had the bones for making a good foundation for an agreement.

In response to Casagranda, Long said he had sent two requests for information regarding the Jesse Lee Home, and had received no response. Long said the next step would be to check on the status of their licenses and permits to see if they were being kept current. The Friends of the Jesse Lee Home were in good standing this year, but the renewals for 2017 would be happening soon so it was something to watch.

In response to Butts, **Electric Utility Manager John Foutz** said he had submitted a contract to the contractor last Friday regarding the Snow River Repair Project, which would come back to council for approval. All permits the city was responsible for obtaining completed and in place. The contractor's permits for lane closure and Stormwater Pollution Prevention Plan (SWPPP) had been filed. The contractor was proactive and should be ready to start in two weeks, and the project should take two weeks to complete. In response to Butts, Foutz said there were scenarios already considered within this contract for weather conditions, ice dam release, etc.

McClure noticed that Two Lakes Park was now closing at 6:00 p.m. and wondered how that came about. Hunt said it was in response to public request to limit late night hours and mitigate alcohol consumption on site.

Bardarson pointed out some confusing data reported on the Parks and Recreation Department's report where varying revenues were reported. Hunt said he would get clarification.

In response to Butts, Long said the Requests For Proposals for the road repairs would go out in February, 2017.

City Attorney's Report, Will Earnhart said Orion had requested a reconsideration from the court; that was anticipated to be denied. His firm helped with the Snow River construction contract. In January or February, 2017 the Bradley Lake agreements would be coming up for review. Earnhart was pleased to be here for the borough's dispatch consolidation work session, and had concern that Seward's potential exposure to liabilities be thoroughly vetted.

Squires was concerned about the cameras the city received through grants, and what the impact would be if they were no longer monitored through the Seward dispatch. Earnhart said he would have to review the grant requirements. Further, Earnhart had concerns about monitoring the jail remotely because once the city took someone into custody, liabilities attached.

In response to Casagranda on what the options for the Friends of the Jesse Lee Home were, Long said the contract was performance-based within a certain timeline, and said it was important to consider how quickly the city wanted to act on taking back a property that was a liability. Long added that some of the state funds had already been suspended until or unless they came into compliance. **Council directed administration to review the contract and provide council with a status, considering the performance of the Friends of the Jesse Lee Home specifically as it related to abatement, utilities, and security and in relation to timeframe.**

Other Reports, Announcements and Presentations

Quarterly Report from the Seward Planning and Zoning Commission.

PUBLIC HEARINGS

Ordinance 2016-008, Amending And Revising Title 10, Public Peace, Morals And Welfare, To Conform With Modern Practice And Law.

Motion (Keil/Casagranda)

Enact Ordinance 2016-008

Earnhart said this title had been out of date for some time, and he had worked with Police Chief Tom Clemons to review and update it. Some of the provisions contained in Title 10 were already covered in Title 9, and others were already covered under state or federal statute, so in both cases there was no need to duplicate it.

Notice of the public hearing being posted and published as required by law was noted and the public hearing was opened. No one appeared to address the Council and the public hearing was closed.

Butts asked regarding loitering on school grounds, which was a portion of the code left intact, Earnhart said there was no state statute for loitering in general, except if on school grounds. This would be up to the city to enforce, and was an arrestable offense. **Police Chief Tom Clemons** said the Seward Police Department would respond to a school complaint; the perpetrator would be requested to leave, then trespassed, then arrested on a state charge of trespassing.

Motion to Amend (Altermatt/Keil) **Amend Ordinance 2016-008 by deleting Section 10.10.020.**

Motion to Amend Passed **Unanimous**

Main Motion Passed **Unanimous**

UNFINISHED BUSINESS

Schedule a work session to discuss the AVTEC gym/contract. (Casagranda) *Postponed from the September 26, 2016 meeting.* Council decided to cancel this item.

Schedule a work session to discuss the evaluation forms, procedures, and policies for the City Attorney, City Manager, and City Clerk. *Postponed from the September 26, 2016 meeting.* Council suspended this discussion to later in the agenda.

NEW BUSINESS

Resolution 2016-061, Authorizing The City Manager To Sign The Automatic Aid Agreement And Operational Plan Between The City Of Seward Fire Department And The Bear Creek Fire And Emergency Services Area.

Motion (Keil/Casagranda) **Approve Resolution 2016-061**

Athey said the borough had requested council postpone approving this resolution and the next one in order to allow their attorneys an opportunity to review them.

Motion to Postpone (Keil/Casagranda) **Postpone Resolution 2016-061 to the October 24, 2016 agenda.**

Motion to Postpone Passed **Unanimous**

Resolution 2016-062, Authorizing The City Manager To Sign The Mutual Aid Agreement And Operational Plan Between The City Of Seward Fire Department And The Bear Creek Fire And Emergency Services Area.

Motion (Keil/Casagranda) **Approve Resolution 2016-062**

Motion to Postpone (Keil/Casagranda) **Postpone Resolution 2016-062 to the October 24, 2016 agenda.**

Motion to Postpone Passed **Unanimous**

Other New Business Items

Discuss canceling the November 14 and 28, 2016 City Council meetings, and scheduling a City Council meeting for November 21, 2016.

Motion (Keil/Casagrande)

Cancel the November 14 and 28, 2016 City Council meetings, and schedule a City Council meeting on November 21, 2016.

Motion Passed

Unanimous

Discuss scheduling a special meeting for the organization of council. After some discussion, council decided they did not need to schedule a special meeting.

Schedule a work session to discuss the evaluation forms, procedures, and policies for the City Attorney, City Manager, and City Clerk. *Postponed from the September 26, 2016 meeting.* Council scheduled a work session on November 21, 2016 at 5:30 p.m.

INFORMATIONAL ITEMS AND REPORTS

Quarterly Report from the Seward Planning and Zoning Commission.

COUNCIL COMMENTS

Casagrande announced that she would miss the next council meeting. She congratulated the Seward High School football team for winning the conference championships, and for demonstrating great sportsmanship. She congratulated everyone who ran for this election; she felt everyone was a winner.

Butts said the football team did great. He said Saturday, October 15, 2016 there would be an Open House at 11:00 a.m. at the Seward Fire Department. Butts thanked council for having him; he said it had been fun and a great learning experience.

Altermatt said she would miss Council Member Butts. She congratulated Casagrande, Keil and Slater. In reference to a letter distributed recently from a recreational boater, there were "No Wake" signs installed in the harbor and they looked great. Altermatt announced she would be absent for the next meeting.

Bardarson thanked Butts for his contributions to council. She congratulated Keil and Casagrande, and welcomed Slater. Bardarson welcomed Maddi McGraw as a new employee at the museum, and thanked the Resurrection Bay Historical Society (RBHS) for having the museum open on Sundays this summer. She congratulated the high school football and cross country teams. Bardarson gave a big congratulation to the three state firefighter award winners from Seward. Bardarson announced she would be absent for the next meeting. Bardarson mentioned that she had received a flyer about eliminating single-use plastic bags, and said council could consider it.

Keil said this election showed that every vote counted. She thanked Butts for his warm and generous spirit. Keil was looking forward to remaining on council for the next two years.

Squires would miss Council Member Butts. He congratulated Casagrande and Keil, and welcomed Slater as a new team member. He challenged the community to improve the election turnout. Squires congratulated Austin Chapman for State Firefighter of the Year, Jillian Chapman for Del Moffitt Award, and Fire Chief Eddie Athey for Ken Ackerly Award. Squires wished council would set their own project goals for 2017 in order to keep themselves on track for accomplishing projects.

McClure would miss Butts. She congratulated the election winners and everyone who ran. McClure complimented the City Manager for his responsiveness on certain issues, like the bird diverters and Two Lakes Park. She announced there would be a Borough Assembly meeting tomorrow.

Hunt said Fire Engine #3 was sent out to be donated to Esther, Alaska.

Bardarson asked Squires to compile a project list and send it to the clerk.

CITIZEN COMMENTS

Kelly Lane was happy to back in Seward.

COUNCIL AND ADMINISTRATION RESPONSE TO CITIZEN COMMENTS – None

ADJOURNMENT

The meeting was adjourned at 8:31 p.m.

Brenda Ballou, CMC
Acting City Clerk

Jean Bardarson
Mayor

(City Seal)

CALL TO ORDER

The October 24, 2016 special meeting of the Seward City Council was called to order at 6:00 p.m. by Mayor Jean Bardarson.

OPENING CEREMONY

Council Member Marianna Keil led the Pledge of Allegiance to the flag.

ROLL CALL

There were present:

Jean Bardarson presiding, and
Marianna Keil
Dale Butts

Dave Squires
Sue McClure

comprising a quorum of the Council; and

Jim Hunt, City Manager
Johanna Kinney, City Clerk
Brenda Ballou, Deputy City Clerk

Absent – Casagrande, Altermatt

CITIZEN COMMENTS ON ANY SUBJECT EXCEPT THOSE ITEMS SCHEDULED FOR PUBLIC HEARING – None

APPROVAL OF AGENDA AND CONSENT AGENDA

Motion (Keil/McClure)

Approval of Agenda and Consent Agenda

Motion Passed

Unanimous

SPECIAL ORDERS, PRESENTATIONS AND REPORTS – None

PUBLIC HEARINGS – None

UNFINISHED BUSINESS – None

NEW BUSINESS

Resolution 2016-071, Authorizing A Facility Use Agreement With Alaska's Institute Of Technology (AVTEC), Providing Access For Public Recreation At AVTEC's Student Service Center.

Motion (Keil/McClure)

Approve Resolution 2016-071

Assistant City Manager Ron Long said administration heard loud and clear from the public that they wanted to regain use of the AVTEC gym. Before council tonight was an agreement, and not a schedule of services. Some of the differences between this agreement and past ones were that custodial services were not included, and also this new agreement was based on a per diem fee so the city would pay for services as they needed and as demand fluctuated. The net result of this agreement would be that it resulted in providing gym time five days a week over a nine month period, and three days a week for the remaining three months.

In response to Bardarson, Long said the sauna would be available on a more limited basis because it had a very large utility demand.

In response to Butts, Long said he felt this was a fair and balanced agreement. Butts posed the same questions to **Parks and Recreation Director Karin Sturdy** who said she also felt that this agreement was fair and balanced.

In response to McClure, Sturdy said the public would be able to regain access in as little as one week's time.

In response to Squires, Long said the city would have to pay for the office space on site if the gym was occupied for less than 10 days each month. AVTEC students and staff would continue to sign in as such, and those numbers were differentiated and tracked apart from regular users. Squires requested that Sturdy provide reliable and accurate usage numbers.

In response to Keil, Sturdy said the public had never had a seven day per week schedule, at least during her tenure. Sturdy added that Sundays in particular were reserved as AVTEC-only days.

Motion Passed

Unanimous

INFORMATIONAL ITEMS AND REPORTS – None

COUNCIL COMMENTS

Butts said he was pleased that this agreement got done, even though it took a while.

Keil thanked Butts for his service on council.

Squires thanked administration for getting this agreement done, and the public for speaking out about it.

McClure said it grieved her that this had become such a problem before it was dealt with. Even through the angst, this agreement looked good to her and she was hopeful that the public would use the gym to its fullest.

Bardarson thanked the public for coming out and letting council know their wishes. She thanked administration for pulling this together.

CITIZEN COMMENTS

Willard Dunham, speaking on behalf of the State Advisory Board for AVTEC, said he was pleased to see this agreement come together. It was his understanding that this may result in an even better arrangement than what was in place previously.

Andy Wilder was wondering where he could find a copy of the agreement to view. Bardarson said it was available on the city website.

Helen Mathias said she thought tonight's meeting was at the library. She was concerned that the Senior Center didn't have seat liners in the restrooms and asked council to please do something about it.

COUNCIL AND ADMINISTRATION RESPONSE TO CITIZEN COMMENTS

Bardarson offered to have the agreement sent to Andy Wilder directly.

In response to McClure, Long said this was an agreement, not a schedules of uses. Long said administration intended to identify demonstrated usage patterns and would adapt the schedule accordingly. In six months when this agreement was reviewed again, administration would assess the budget requirements and use experience.

McClure said she would ask the Senior Center tomorrow if they could accommodate Helen Mathias' request.

ADJOURNMENT

The meeting was adjourned at 6:22 p.m.

Johanna Kinney, CMC
City Clerk

(City Seal)

Marianna Keil
Vice Mayor



AGENDA STATEMENT

Meeting Date: November 21, 2016
From: Johanna Kinney, City Clerk *JK*
Agenda Item: Non-Objection to the Transfer of Beverage Dispensary Liquor License #822 for Christo's Palace

BACKGROUND & JUSTIFICATION:

The City Council has an opportunity to object to the transfer of a Beverage Dispensary Liquor License #822 for Christo's Palace.

The City of Seward Police Department, Fire Department, Utilities Department and the Kenai Peninsula Borough Finance Department have no objections to the liquor license transfer for this business.

FISCAL NOTE:

In the event the City of Seward chooses to file a protest for the above liquor license transfer, then under Alaska Statutes the City of Seward will be required to assist in, or undertake the defense of its protest.

RECOMMENDATION:

Non-objection to the transfer of a Beverage Dispensary Liquor License #822 for Christo's Palace.



MEMORANDUM

Date: September 28, 2016

To: Naneth Ambrosiani Finance/Leases
Sarka Calocci Finance/Public Utilities
Chief Tom Clemons Police Department
Chief Eddie Athey Fire Department

From: Brenda Ballou, Acting City Clerk *BB*

RE: Verifying Compliance For The Application Of Transfer Of Liquor License

The following business has applied for a transfer of a liquor license. Please review for compliance with all utilities, lease payments and assessments. Thank you.

Name of Business: Christo's Palace

Type of License: Beverage Dispensary

License Number: 822

Previous Owner: Manolakakis, Inc.

New Owner: Klondike Pizzeria II, LLC

Department	Status	Initials
Finance/Leases	OK	NA
Finance/Utilities	OK	SC
Police Chief	OK	<i>[Signature]</i>
Fire Chief	OK	<i>[Signature]</i>

Johanna Kinney

From: Ring, Katie <kring@kpb.us>
Sent: Thursday, September 29, 2016 10:31 AM
To: Senquiz, Shilo L (CED) (shilo.senquiz@alaska.gov); AMCO Local Government Only (CED sponsored) (amco.localgovernmentonly@alaska.gov); Johanna Kinney
Subject: Non-Objection to Transfer
Attachments: 2016 - Ltr to ABC - Nonobjection to Transfer - Christo's.pdf

Good Morning!

Please find attached a non-objection to the transfer of ownership for Christo's Palace.

If you have any questions, please contact our office.

Thank you.

Katie Ring
Borough Clerk Secretary
907-714-2160

NOTE: This message was trained as non-spam. If this is wrong, please correct the training as soon as possible.

Spam

Phish/Fraud

Not spam

Forget previous vote



KENAI PENINSULA BOROUGH

144 North Binkley Street • Soldotna, Alaska 99669-7520

PHONE: (907) 714-2160 • FAX: (907) 714-2388

Toll-free within the Borough: 1-800-478-4441 Ext 2160

Email: assemblyclerk@boroughkenai.ak.us

**JOHNI BLANKENSHIP, MMC
BOROUGH CLERK**

September 28, 2016

Sarah Oates-Daulton
Records & Licensing Supervisor
Alcohol & Marijuana Control Office
550 W 7th Ave. Ste. 1600
Anchorage, AK 99501

RE: Transfer Application for Change in Ownership

Licensee/Applicant	:	Klondike Pizzeria II, LLC
Business Name	:	Christo's Palace
License Type	:	Beverage Dispensary
Location	:	City of Seward
License No.	:	822
Previous Licensee	:	Manolakakis, Inc.

Dear Sarah,

The Kenai Peninsula Borough Finance Department has reviewed its files and has raised no objection, based on unpaid or delinquent taxes, to the transfer of ownership as referenced above.

Should you have any questions, please don't hesitate to let us know.

Sincerely,

John Blankenship, MMC
Borough Clerk

JB/klr

cc: Applicant
KPB Finance Department
City of Seward
File



Alaska Alcoholic Beverage Control Board

Form AB-01: Transfer License Application

What is this form?

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

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

Section 1 – Transferor Information

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

Licensee:	Manolakakis Inc		License #:	822	
License Type:	Beverage Dispensary		Statutory Reference:	04.11.090	
Doing Business As:	Christo's Palace				
Premises Address:	133 4 th Avenue				
City:	Seward	State:	Alaska	ZIP:	99664
Local Governing Body:	Kenai Peninsula Borough				

Transfer Type:

- Regular transfer
- Transfer with security interest
- Involuntary retransfer

OFFICE USE ONLY

Complete Date:	9/7/16	Transaction #:	14077
Board Meeting Date:	10/20/16	License Years:	2015-16
Issue Date:		BRE:	SVS



Alaska Alcoholic Beverage Control Board

Form AB-01: Transfer License Application

Section 2 - Transferee Information

Enter information for the new applicant and/or location seeking to be licensed.

Licensee:	Klondike Pizzeria II LLC			
Doing Business As:	Christo's Palace			
Premises Address:	133 4 th Avenue			
City:	Seward	State:	Alaska	ZIP: 99664
Community Council:				

Mailing Address:	1120 E Huffman 24 PMB 416			
City:	Anchorage	State:	Alaska	ZIP: 99515

Designated Licensee:	Toni Straws		
Contact Phone:	[Redacted]	Business Phone:	
Contact Email:	chattermark@yahoo.com		

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

Section 3 - Premises Information

Premises to be licensed is:

- an existing facility a new building a proposed building

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

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

Nearest school grounds is Seward Elementary School, 2.4 miles away

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

Nearest church is Resurrection Bay Baptist, 351 ft away



Alaska Alcoholic Beverage Control Board

Form AB-01: Transfer License Application

Section 4 – Sole Proprietor Ownership Information

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

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

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

This individual is an: applicant affiliate

Name:					
Address:					
City:		State:		ZIP:	

This individual is an: applicant affiliate

Name:					
Address:					
City:		State:		ZIP:	

Section 5 – Entity Ownership Information

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

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

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

Entity Official:	ZPA LLC				
Title(s):	Member	Phone:		% Owned:	100
Address:	1120 E Hartman 24 PMB 416				
City:	Anchorage	State:	AK	ZIP:	99515



Alaska Alcoholic Beverage Control Board

Form AB-01: Transfer License Application

Entity Official:	Toni Strauss				
Title(s):	manager	Phone:	[REDACTED]	% Owned:	0
Address:	1120 E Huffman 24 PMB 416				
City:	Anchorage	State:	Alaska	ZIP:	99515

Entity Official:	Charles E Jackson Jr				
Title(s):	manager	Phone:	[REDACTED]	% Owned:	0
Address:	1120 E Huffman 24 PMB 416				
City:	Anchorage	State:	Alaska	ZIP:	99515

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

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

DOC Entity #:	10038727	AK Formed Date:	5/24/2016	Home State:	Alaska
Registered Agent:	Toni Strauss	Agent's Phone:	[REDACTED]		
Agent's Mailing Address:	1120 E Huffman 24 PMB 416				
City:	Anchorage	State:	Alaska	ZIP:	99515

Residency of Agent: Yes No

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



Alaska Alcoholic Beverage Control Board

Form AB-01: Transfer License Application**Section 6 - Other Licenses**

Ownership and financial interest in other alcoholic beverage businesses:

Yes No

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



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

Charles E Jackson Sr & Toni Strauss have financial interest in 3 restaurants in Seward, Alaska that each have Restaurant/Eating Place - Public Convenience licenses:
Chattermark: 5040, Railway Cantina: 4040, Alaska Seafood Gr. II: 3021

Section 7 - Authorization

Communication with AMCO staff:

Yes No

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



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



Alaska Alcoholic Beverage Control Board Form AB-01: Transfer License Application

Section 8 – Transferor Certifications

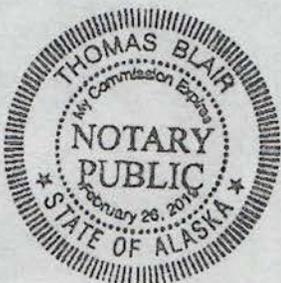
Additional copies of this page may be attached, as needed, for the controlling interest of the current licensee to be represented.

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

[Signature]
Signature of transferor

JOANNIS MA CLARAKIS
Printed name of transferor

Subscribed and sworn to before me this 29 day of July, 2018.



[Signature]
Signature of Notary Public

Notary Public in and for the State of Alaska

My commission expires: 2-26-19

Signature of transferor

Printed name of transferor

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

Signature of Notary Public

Notary Public in and for the State of _____

My commission expires: _____



Alaska Alcoholic Beverage Control Board Form AB-01: Transfer License Application

Section 9 – Transferee Certifications

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

Initials

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

TS

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

TS

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

TS

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

TS

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

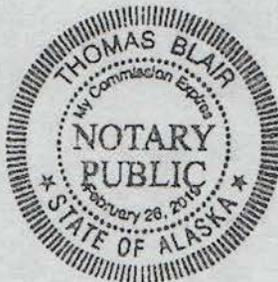
TS

As an applicant for a liquor license, I declare under penalty of unsworn falsification that I have read and am familiar with AS 04 and 3 AAC 304, and that I have examined this application, including all accompanying schedules and statements, and to the best of my knowledge and belief find them to be true, correct, and complete.

Toni L. Strauss
Signature of transferee

Toni L. Strauss
Printed name

Subscribed and sworn to before me this 29 day of July, 2016.



[Signature]
Signature of Notary Public

Notary Public in and for the State of Alaska

My commission expires: 2/26/19



Alaska Alcoholic Beverage Control Board

Form AB-03: Restaurant Designation Permit Application

What is this form?

A restaurant designation permit application is required for a licensee desiring designation under 3 AAC 304.715 – 3 AAC 304.795 as a bona fide restaurant, hotel, or eating place for purposes of AS 04.16.010(c) or AS 04.16.049. Designation will be granted only to a holder of a beverage dispensary, club, recreational site, golf course, or restaurant or eating place license, and only if the requirements of 3 AAC 304.305, 3 AAC 304.725, and 3 AAC 304.745, as applicable, are met. A **detailed floor plan** of the proposed designated and undesignated areas of the licensed business and a **menu** or expected menu listing the meals to be offered to patrons must accompany this form. Applicants should review AS 04.16.049 – AS 04.16.052 and 3 AAC 304.715 – 3 AAC 304.795. All fields of this form must be completed. The required \$50 permit fee may be made by credit card, check, or money order.

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

Section 1 – Establishment Information

Enter information for licensed establishment.

Licensee:	Klondike Pizzeria II LLC				
License Type:	Beverage Dispensary	License Number:	822		
Doing Business As:	Christo's Palace				
Premises Address:	133 4 th Avenue				
City:	Seward	State:	AK	ZIP:	99664

Section 2 – Type of Designation Requested

This application is for the request of the following designation(s) (check all that apply):

- Bona fide hotel, restaurant, or eating place: AS 04.11.100, 3 AAC 304.715 – 3 AAC 304.745
- Dining by persons 16 – 20 years of age: AS 04.16.049(a)(2)
- Dining by persons under the age of 16 years, accompanied by a person over the age of 21: AS 04.16.049(a)(3)
- Employment for persons 16 or 17 years of age: AS 04.16.049(c)
- Dining by persons 21+ years of age after standard closing hours: AS 04.16.010(c)

OFFICE USE ONLY					
Issue Date:		Transaction #:	14077	BRE:	LS



Alaska Alcoholic Beverage Control Board

Form AB-03: Restaurant Designation Permit Application

Section 3 – Additional Information

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

May through September hours open intend to be between 6 AM and 12 AM, 7 days a week.
October through April hours open intend to be between 8 AM and 10pm, 7 days a week.

Are any forms of entertainment offered or available within the licensed business or on the proposed designated portions of the premises? Yes No

If "Yes", describe the entertainment offered or available:

Food and beverage service offered or anticipated is:

table service buffet service counter service other

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

Is an owner, manager, or assistant manager 21 years of age or older always present on the premises during business hours? Yes No

Blueprints, CAD drawings, or other clearly drawn and marked diagrams may be submitted in lieu of the third page of this form.

I have attached blueprints, CAD drawings, or other supporting documents in addition to, or in lieu of, the third page of this form that meet the requirements of this form. Yes No

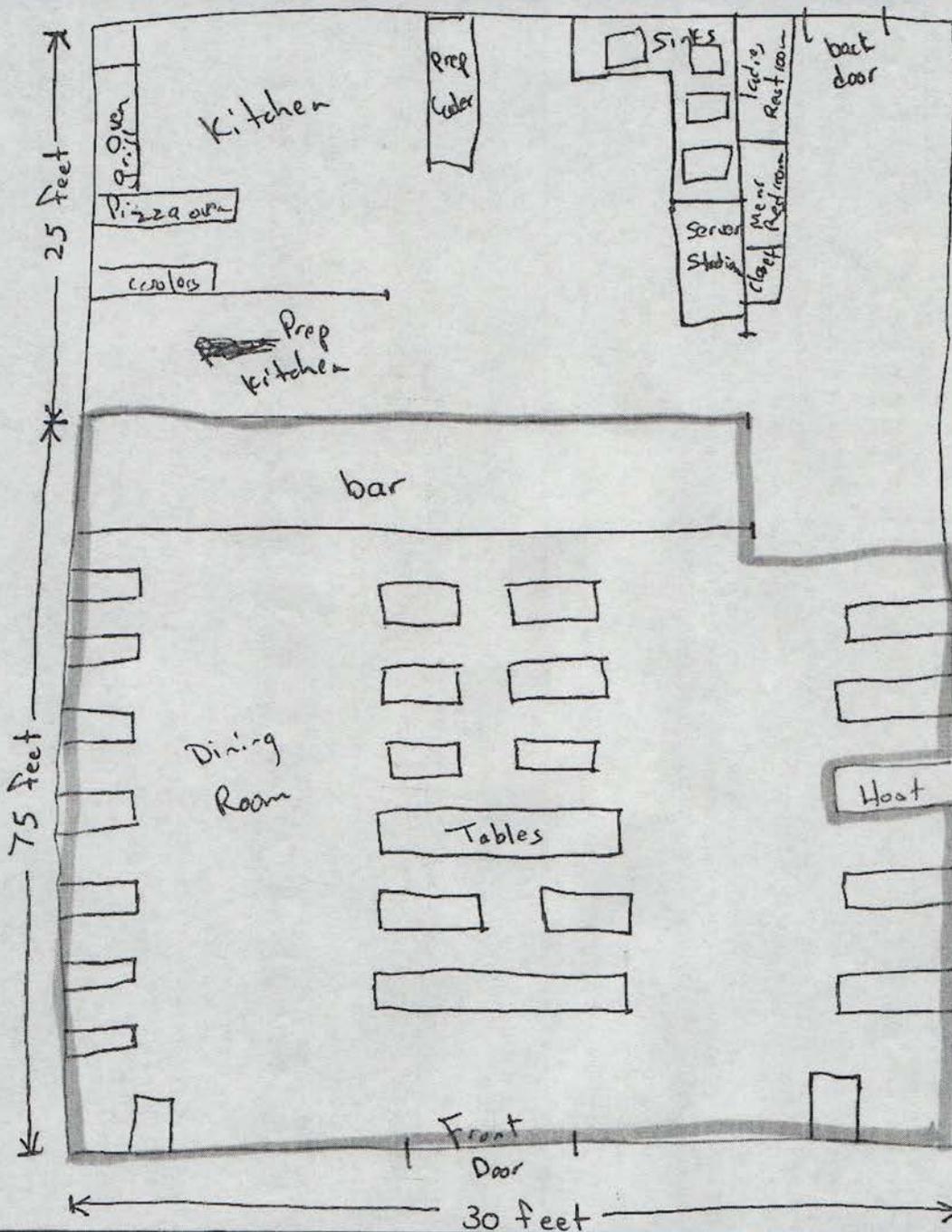


Alaska Alcoholic Beverage Control Board

Form AB-03: Restaurant Designation Permit Application

Section 4 - Detailed Floor Plan

Provide a detailed floor plan that clearly indicates the proposed designated and undesignated areas of the licensed business.



Layout is the same as under the current licensee.

Door to basement is in host station. Alcohol is stored in a locked room in basement. Alcohol is served at bar + in dining room.



Alaska Alcoholic Beverage Control Board

Form AB-03: Restaurant Designation Permit Application

Section 5 – Certifications and Approvals

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

Initials

I have included with this form a detailed floor plan of the proposed designated and undesignated areas of the licensed business.

B

I have included with this form a menu, or an expected menu, listing the meals to be offered to patrons.

B

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

B

I declare under penalty of perjury that I have examined this form, including all attachments and accompanying schedules and statements, and to the best of my knowledge and belief find it to be true, correct, and complete.

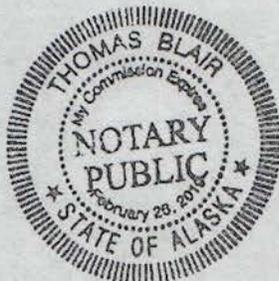
T. L. Straw
Signature of licensee

[Signature]
Signature of Notary Public

T. L. Straw
Printed name of licensee

Notary Public in and for the State of Alaska

My commission expires: 2-26-19



Subscribed and sworn to before me this 29 day of July, 2016.

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

Approved Disapproved

Signature of local government official

Date

Printed name of local government official

Title



Alaska Alcoholic Beverage Control Board

Form AB-03: Restaurant Designation Permit Application

AMCO Enforcement Review:

Signature of AMCO Enforcement Supervisor

Printed name of AMCO Enforcement Supervisor

Enforcement Recommendations:

AMCO Director Review:

Approved Disapproved

Signature of AMCO Director

Printed name of AMCO Director

Date

Limitations:



Alaska Alcoholic Beverage Control Board

Form AB-02: Premises Diagram

What is this form?

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

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

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

Yes No

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

Section 1 – Establishment Information

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

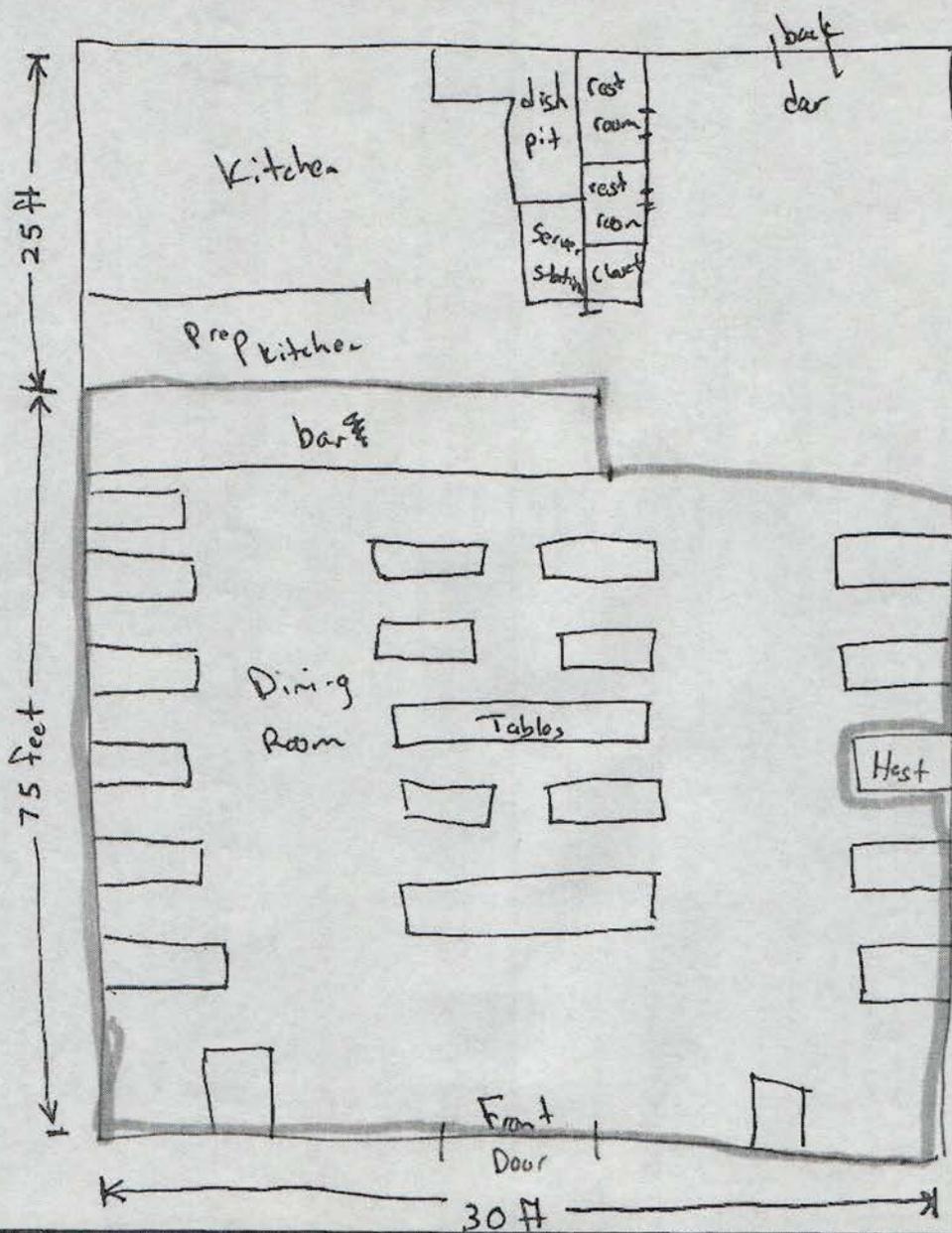
Licensee:	Klondike Pizzeria II LLC	License Number:	822		
License Type:	Beverage Dispensary				
Doing Business As:	Christa's Palace				
Premises Address:	133 4 th Avenue				
City:	Seward	State:	AK	ZIP:	99664



Alaska Alcoholic Beverage Control Board Form AB-02: Premises Diagram

Section 2 – Detailed Premises Diagram

Clearly indicate the boundaries of the premises and the proposed licensed area within that property. Clearly indicate the interior layout of any enclosed areas on the proposed premises. Clearly identify all entrances and exits, walls, bars, and fixtures, and outline in red the perimeter of the areas designated for alcohol storage, service, and consumption. Include dimensions, cross-streets, and points of reference in your drawing. You may attach blueprints or other detailed drawings that meet the requirements of this form.



Layout is the same as under the current Licensee.

Door to basement is in host station. Alcohol is in a locked room in basement for storage. Alcohol is served at bar & in dining room.



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

September 7, 2016

City of Seward
Attn: Brenda Ballou & Johanna Kinney, City Clerks
VIA Email: bballou@cityofseward.net
jkinney@cityofseward.net
Cc: joanne@borough.kenai.ak.us
iblankenship@borough.kenai.ak.us
kring@borough.kenai.ak.us

Klondike Pizzeria II, LLC DBA Christo's Palace
Transfer of Beverage Dispensary-License 822 dba: Christo's Palace

- New Application
- Renewal Application
- Transfer of Location Application
- Transfer of Ownership Application
- Transfer of Controlling Interest Application

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

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

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

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

Sincerely,

Cynthia Franklin, Director
amco.localgovernmentonly@alaska.gov

Christo's Palace

Christo's Palace ~ Casual Year Round Dining in Seward
Steaks, Seafood, Pastas & Gourmet Pizzas



Char-Broiled Burgers & Sandwiches

Half pound hand pressed patties. All burgers come with mayo, lettuce, tomato, onion and pickles. Choice of French fries, onion rings or soup of the day

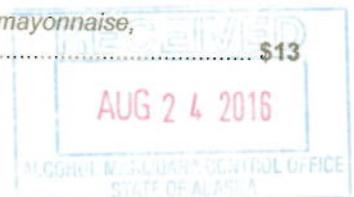
Hamburger	.....	\$11
Cheeseburger	.....	\$12
Bacon Cheeseburger	.....	\$13
Christo's Burger	..... w/pepperoni, smoked ham and American cheese	\$13
Mushroom Cheeseburger	..... w/ Swiss cheese	\$13
Garden Burger	.....	\$10
Teriyaki Chicken Burger	.....	\$13
Chicken Burger	.....	\$13
Grilled Cod Burger	..... w/capers, sun-dried tomato, jalapeno and aioli sauce	\$15
Grilled Salmon Burger	..... w/capers, sun-dried tomato, jalapeno and aioli sauce (when available)	\$17

plus 7% sales tax ~ 18% gratuity added to parties of 6 or more

Subs

Served with French fries, onion rings, or soup of the day

Italian Sub	..... toasted French bread, filled with pepperoni, smoked ham, salami, melted provolone, mozzarella, fresh tomato, lettuce, Greek vinaigrette	\$13
Veggie Sub	..... toasted French bread, filled w/ mushrooms, onions, green peppers, olives, zucchini, broccoli, melted mozzarella, provolone, lettuce, fresh tomato	\$13
French Dip	..... toasted French bread with roast beef, served with au jus	\$13
Philly Steak	..... toasted French bread, steak strips, grilled green peppers, onions and melted Swiss cheese	\$14
Chicken Philly	..... toasted French roll with grilled green peppers, onions, mushrooms and melted swiss cheese	\$13
Roast Beef Sandwich	..... oven roasted roast beef baked on French bread with mayonnaise, mozzarella, provolone, lettuce and tomato	\$13



Christo's Palace

Christo's Palace ~ Casual Year Round Dining in Seward
Steaks, Seafood, Pastas & Gourmet Pizzas



We use the best quality of ingredients and vegetables. Our dough is made daily and our cheese blend consists of mozzarella, provolone and fresh Parmesan. All pizzas come standard with our tomato pizza sauce. All pizzas are served with family style salad and breadsticks (dine in only)

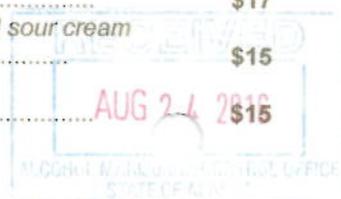
Hand Tossed Pizzas

Our Pizzas come with choices: 5 sauces & 18 toppings

Specialty Sauces Ranch ~ Pesto ~ Alfredo ~ Olive Oil ~ Butter

Toppings pepperoni, Italian sausage, mushroom, portabello, black olives, fresh garlic, artichoke hearts, pineapple salami, sun-dried tomato, Roma tomato, tomato, spinach, jalapeno, Canadian bacon, hamburger, green pepper, onion

	small 12"	medium 14"	large 16"
Cheese Blend	\$11	\$14	\$16
One Topping	\$12	\$15	\$18
Two Topping	\$13	\$16	\$19
Extra Toppings	\$2.00	\$2.50	\$2.75
Feta Cheese	\$2.50	\$3.00	\$3.50
Veggie	\$15	... \$19	... \$23
<i>mushrooms, green pepper, onion, fresh tomato and black olives</i>			
Veggie Supreme	\$17	... \$23	... \$26
<i>olive oil, roasted garlic, mushrooms, olives, onion, green pepper, broccoli, sun-dried tomatoes, Roma tomatoes, green onion, spinach</i>			
Christo's Special	\$14	... \$18	... \$22
<i>pepperoni, Canadian bacon, mushrooms and green pepper</i>			
BBQ Chicken	\$15	... \$19	... \$25
<i>BBQ sauce, grilled chicken, red onion, pineapple and jalapeños</i>			
Mama Mia (extra thick crust)	\$17	... \$24	... \$28
<i>pepperoni, Canadian bacon, sausage, hamburger, mushrooms, black olives, green peppers, onion, fresh tomato, pineapple</i>			
Chicken Ranch	\$17	... \$22	... \$26
<i>ranch sauce, broccoli, grilled chicken, green onion, Roma tomatoes</i>			
Greek Style	\$17	... \$22	... \$26
<i>butter crust, garlic, pepperoni, beef, feta cheese, onion and tomato</i>			
Greek Gyro	\$17	... \$22	... \$26
<i>butter crust, gyro meat, feta cheese, roasted garlic, onion, tomato and Jajiki sauce on the side</i>			
Greek Spinach Pie	\$17	... \$22	... \$26
<i>olive oil, roasted garlic, spinach, feta cheese</i>			
Classic Margherita	\$16	... \$19	... \$24
<i>olive oil, basil, Roma tomatoes and roasted garlic</i>			
Portabello Mushroom	\$17	... \$21	... \$24
<i>Alfredo sauce, sun-dried tomatoes, thyme, roasted garlic and portabello mushrooms</i>			
Mexican Style	\$17	... \$22	... \$26
<i>taco meat, cheddar cheese, lettuce, tomato, onion, olives and sour cream</i>			
Meat Lovers	\$15	... \$19	... \$24
<i>pepperoni, Canadian Bacon, salami, sausage and ground beef</i>			
Pesto Chicken	\$15	... \$18	... \$25



Christo's Palace

Christo's Palace ~ Casual Year Round Dining in Seward
Steaks, Seafood, Pastas & Gourmet Pizzas



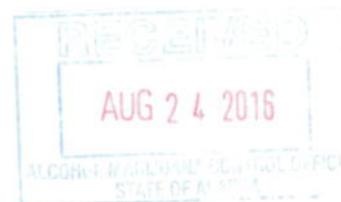
Dinner Menu

All dinners are served with family style salad and breadsticks (dine in only)

Grilled Halibut Portabello	<i>grilled Alaskan halibut on a bed of fettuccine topped with fresh spinach portabello and asparagus in a light cream sherry sauce</i>	\$33
	<i>substitute cod</i>	\$27
Seafood Sauté	<i>prawns, scallops, salmon, cod and crab sauteed with fresh vegetables in a garlic wine sauce over Jasmine rice</i>	\$29
Seafood Pasta	<i>prawns, scallops, salmon and cod tossed in a creamy garlic sauce or zesty marinara with your choice of pasta</i>	\$27
Smoked Salmon Fettuccine ..	<i>locally smoked salmon tossed with Fettuccine pasta in a rich creamy garlic sauce</i>	\$20
Cajun Chicken Fettuccine	<i>tender chicken breast in a creamy Alfredo sauce with minced garlic, mushrooms, onion and zucchini</i>	\$21
Chicken & Artichoke	<i>tender chicken breast tossed with artichoke hearts, zucchini, onion, tomato, Penne Pasta in sour cream Alfredo sauce topped with melted parmesan cheese</i>	\$22
Spaghetti or Fettuccine	<i>served with your choice of marinara, Alfredo or blush sauce</i>	\$15
Athenian Gyros	<i>open faced Gyro served with a side of Jajiki sauce and Greek Salad</i>	\$19

Crab Bucket

Enjoy the best Alaska has to offer in this ultimate Alaskan cold water crab feast. 1 lb of King crab legs, 1 lb of Dungeness Crab legs, 1 lb of Snow Crab legs, sweet corn and roast potatoes ... **\$80**



The following dinners are served with the vegetable of the day and a choice of Jasmine rice or red skinned mashed potatoes or herb roasted potatoes.

Alaska's Best	<i>6 oz grilled Halibut fillet and ½ lb King crab</i>	\$37
Grilled Seafood Combo	<i>3 oz Halibut fillet, 3 oz Salmon fillet and 3 Jumbo prawns mall grilled with lemon butter</i>	\$32
Stuffed Baked Halibut	<i>halibut fillet stuffed with seafood stuffing, topped and baked with light cream and parmesan cheese</i>	\$33
	<i>substitute cod</i>	\$37
Slow Roasted Prime Rib	<i>with 3 jumbo prawns</i>	\$28

	with ½ pound King crab	\$37	
10 oz Filet Mignon			\$28
	with 3 jumbo prawns	\$32	
	with ½ pound King crab	\$37	
Alaskan King Crab	½ pound		\$27
	full pound		\$38
Alaskan Salmon	grilled with lemon butter or blackened		\$25
Alaskan Halibut	grilled with lemon butter or blackened		\$30
Alaskan Cod	grilled with lemon butter or blackened		\$25
Fried Prawns	6 jumbo prawns hand breaded and deep fried		\$25
Fried Cod	8 pieces of beer-battered Alaskan cod		\$25
Fried Halibut	8 pieces of beer-battered Alaskan Halibut		\$30

Daily Lunch & Dinner Specials ~ Military & Large Group Discounts
 Summers: 11am to 10pm (907) 224-5255 133 Fourth Ave Seward, Alaska

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<i>pesto sauce grilled chicken, onion, mushrooms, spinach, diced tomatoes</i>			
Buffalo Wings	\$14 \$17 \$23
<i>blue cheese sauce, buffalo chicken, green onion</i>			
Hearty pan Pizza .....		.... \$25	....
<i>our hearty deep dish pizza with your choice of four ingredients (lots of cheese)</i>			

Calzones

Take a Pizza, fold the crust over, now it's a Calzone!

Calzone (choice of four ingredients from list above)			\$15
extra ingredients	\$1.00	extra feta cheese	\$2.00
Greek Style Calzone	<i>pepperoni, onion, tomato, green pepper, feta cheese, and butter crust</i>		\$17
	<i>plus 7% sales tax ~ 18% gratuity added to parties of 6 or more</i>		

Daily Lunch & Dinner Specials ~ Military & Large Group Discounts
Summers: 11am to 10pm (907) 224-5255 133 Fourth Ave Seward, Alaska

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Seafood

Fried Prawns	<i>comes with choice of French fries or soup of the day</i>	\$17
Fried Cod	<i>6 pieces of local cod w/ French fries or soup of the day</i>	\$17
Fried Halibut	<i>6 pieces beer-battered Alaskan Halibut w/ fries or soup of the day</i>	\$24

Gyros

Gyros	<i>char-broiled tender gyro meat wrapped in a fluffy pita with onion, tomato and home made Jajiki sauce, w/ choice French fries or soup of the day</i>	\$14
Chicken	<i>char-broiled tender chicken wrapped in a fluffy pita with onion, tomato and home made Jajiki sauce, w/ choice French fries or soup of the day</i>	\$14
Athenian	<i>open faced Gyro served with a side of Jajiki sauce and Greek Salad</i>	\$17

plus 7% sales tax ~ 18% gratuity added to parties of 6 or more

Daily Lunch & Dinner Specials ~ Military & Large Group Discounts

Summers: 11am to 10pm (907) 224-5255 133 Fourth Ave Seward, Alaska

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AGENDA STATEMENT

Meeting Date: November 21, 2016
From: Johanna Kinney, City Clerk 
Agenda Item: Non-Objection to the Transfer of Package Store Liquor License #3909
AK, Inc d/b/a Seward Marketplace

BACKGROUND & JUSTIFICATION:

The City Council has an opportunity to object to the transfer of a Package Store Liquor License #3909 for AK, Inc d/b/a Seward Marketplace.

The City of Seward Police Department, Fire Department, Utilities Department and the Kenai Peninsula Borough Finance Department have no objections to the liquor license transfer for this business.

FISCAL NOTE:

In the event the City of Seward chooses to file a protest for the above liquor license transfer, then under Alaska Statutes the City of Seward will be required to assist in, or undertake the defense of its protest.

RECOMMENDATION:

Non-objection to the transfer of a Package Store Liquor License #3909 for AK, Inc d/b/a Seward Marketplace.



MEMORANDUM

Date: October 20, 2016

To: Naneth Ambrosiani Finance/Leases
 Sarka Calocci Finance/Public Utilities
 Chief Tom Clemons Police Department
 Chief Eddie Athey Fire Department

From: Brenda Ballou, Acting City Clerk *WJP*

RE: Verifying Compliance For The Application Of Transfer Of Liquor License

The following business has applied for a transfer of a liquor license. Please review for compliance with all utilities, lease payments and assessments. Thank you.

Name of Business: AK, Inc d/b/a Seward Marketplace

Type of License: Package Store

License Number: 3909

Previous Owner: Three Bears Alaska, Inc.

New Owner: Paracorp Incorporated

Department	Status	Initials
Finance/Leases	<i>Good</i>	<i>Naneth Ambrosiani 10/20/16</i>
Finance/Utilities	<i>Good</i>	<i>S. Calocci 10-20-16</i>
Police Chief	<i>Good</i>	<i>[Signature]</i>
Fire Chief	<i>ck</i>	<i>[Signature]</i>



KENAI PENINSULA BOROUGH

144 North Binkley Street • Soldotna, Alaska 99669-7520

PHONE: (907) 714-2160 • FAX: (907) 714-2388

Toll-free within the Borough: 1-800-478-4441 Ext. 2160

Email: assemblyclerk@borough.kenai.ak.us

**JOHNI BLANKENSHIP, MMC
BOROUGH CLERK**

October 26, 2016

Sarah Oates-Daulton
Records & Licensing Supervisor
Alcohol & Marijuana Control Office
550 W 7th Ave. Ste. 1600
Anchorage, AK 99501

RE: Transfer Application for Change in Name and Ownership

Licensee/Applicant	:	AK, Inc.
New Business Name	:	Seward Marketplace
License Type	:	Package Store
Location	:	City of Seward
License No.	:	3909

Previous Licensee : Three Bears Alaska, Inc.

Dear Sarah,

The Kenai Peninsula Borough Finance Department has reviewed its files and has raised no objection, based on unpaid or delinquent taxes, to the transfer of ownership and name change as referenced above.

Should you have any questions, please don't hesitate to let us know.

Sincerely,

John Blankenship, MMC
Borough Clerk

JB/klr

cc: Applicant
KPB Finance Department
City of Seward
File



Alaska Alcoholic Beverage Control Board

Form AB-01: Transfer License Application

Alcohol and Marijuana Control Office

550 W 7th Avenue, Suite 1600

Anchorage, AK 99501

alcohol.licensing@alaska.gov

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

Phone: 907.269.0350

What is this form?

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

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

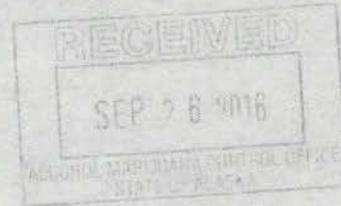
Section 1 – Transferor Information

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

Licensee:	Three Bears Alaska, Inc.	License #:	3909
License Type:	Package Store	Statutory Reference:	AS04.11.150
Doing Business As:	Three Bears		
Premises Address:	1711 Old Seward Highway		
City:	Seward	State:	Alaska
		ZIP:	99664
Local Governing Body:	Kenai Peninsula Borough		

Transfer Type:

- Regular transfer
- Transfer with security interest
- Involuntary retransfer



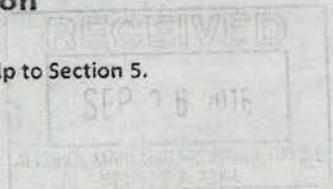
OFFICE USE ONLY			
Complete Date:		Transaction #:	14099
Board Meeting Date:		License Years:	2016-17
Issue Date:		BRE:	SLB



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

Alaska Alcoholic Beverage Control Board
Form AB-01: Transfer License Application

Section 4 – Sole Proprietor Ownership Information



This section must be completed by any sole proprietor who is applying for a license. Entities should skip to Section 5.
 If more space is needed, please attach a separate sheet with the required information.
 The following information must be completed for each licensee and each affiliate (spouse).

This individual is an: applicant affiliate

Name:				
Address:				
City:	State:	ZIP:		

This individual is an: applicant affiliate

Name:				
Address:				
City:	State:	ZIP:		

Section 5 – Entity Ownership Information

This section must be completed by any entity, including a corporation, limited liability company (LLC), partnership, or limited partnership, that is applying for a license. Sole proprietors should skip to Section 6.
 If more space is needed, please attach a separate sheet with the required information.

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

Entity Official:	Sammer Anabi			
Title(s):	President, Treasurer & Director	Phone:	(909) 394-4728	% Owned:
Address:	3823 Hollins Ave.			
City:	Claremont	State:	CA	ZIP: 91711



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Alaska Alcoholic Beverage Control Board

Form AB-01: Transfer License Application

Entity Official:	Rawa Anabi				
Title(s):	Secretary & Director	Phone:	(909) 394-4728	% Owned:	
Address:	3823 Hollins Ave.				
City:	Claremont	State:	CA	ZIP:	91711

Entity Official:	Rawa Anabi as Trustee of the Sammer and Rawa Anabi Family Trust				
Title(s):	Trustee	Phone:	(909) 394-4728	% Owned:	51%
Address:	3823 Hollins Ave.				
City:	Claremont	State:	CA	ZIP:	91711

Entity Official:	Sammer I. Anabi as Trustee of the Sammer and Rawa Anabi Family Trust				
Title(s):	Trustee	Phone:	(909) 394-4728	% Owned:	49%
Address:	3823 Hollins Ave.				
City:	Claremont	State:	CA	ZIP:	91711

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

DOC Entity #:	10024884	AK Formed Date:	11-4-14	Home State:	Alaska
Registered Agent:	Paracorp Incorporated	Agent's Phone:	(800) 533-7272		
Agent's Mailing Address:	3085 Mountainwood Circle				
City:	Juneau	State:	AK	ZIP:	99801

Residency of Agent:

Yes No

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



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Alaska Alcoholic Beverage Control Board

Form AB-01: Transfer License Application

Section 6 – Other Licenses

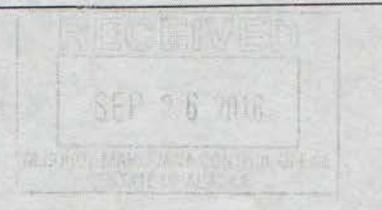
Ownership and financial interest in other alcoholic beverage businesses:

Yes No

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

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

See Attachment



Section 7 – Authorization

Communication with AMCO staff:

Yes No

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

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

- 1) James Sturley, General Manager of Alaska site. Mr. Sturley is knowledgeable enough to receive/provide information from/to ABC.
- 2) Hilarie Vazquez, Assisting in gathering, preparing and submitting application for transfer of license.
- 3) Solomon Saltsman & Jamieson, Legal representation for matters related to this license.



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Alaska Alcoholic Beverage Control Board

Form AB-01: Transfer License Application

Section 8 – Transferor Certifications

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

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

Three Bears Alaska, Inc.

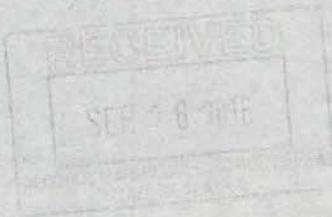
By: *[Signature]*

Signature of transferor

Stephen D. Mierop

Printed name of transferor

Subscribed and sworn to before me this 1st day of September, 2016.



[Signature]
 Signature of Notary Public

Notary Public in and for the State of Alaska.

My commission expires: 02/14/2017

 Signature of transferor

 Printed name of transferor

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

 Signature of Notary Public

Notary Public in and for the State of _____.

My commission expires: _____



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<https://www.commerce.alaska.gov/web/amco>
 Phone: 907.269.0350

Alaska Alcoholic Beverage Control Board
Form AB-01: Transfer License Application

Section 9 – Transferee Certifications

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

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

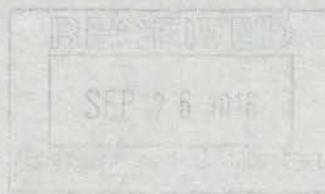
I certify that all proposed licensees have been listed with the Division of Corporations. SA

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

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

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

As an applicant for a liquor license, I declare under penalty of unsworn falsification that I have read and am familiar with AS 04 and 3 AAC 304, and that I have examined this application, including all accompanying schedules and statements, and to the best of my knowledge and belief find them to be true, correct, and complete.

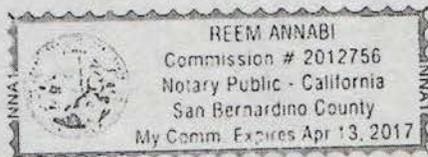


Sammer Arabi
 Signature of transferee

Sammer Arabi
 Printed name

Subscribed and sworn to before me this 13th day of September, 2016.

R Annabi
 Signature of Notary Public



Notary Public in and for the State of California

My commission expires: April 13, 2017



Alaska Alcoholic Beverage Control Board

Form AB-02: Premises Diagram

What is this form?

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

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

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

Yes No

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

Section 1 – Establishment Information



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

Licensee:	AK, Inc	License Number:	3909		
License Type:	Package Store				
Doing Business As:	Seward Marketplace				
Premises Address:	1711 Old Seward Highway				
City:	Seward	State:	AK	ZIP:	99664

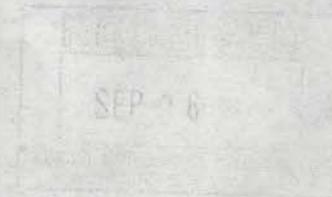


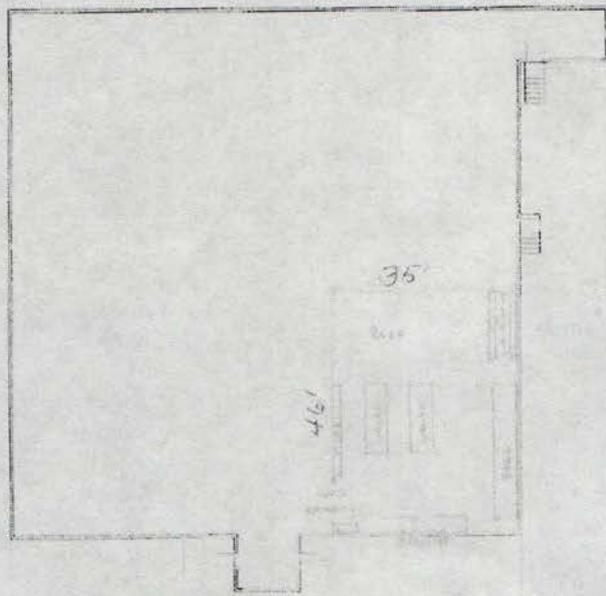
Alaska Alcoholic Beverage Control Board
Form AB-02: Premises Diagram

Section 2 – Detailed Premises Diagram

Clearly indicate the boundaries of the premises and the proposed licensed area within that property. Clearly indicate the interior layout of any enclosed areas on the proposed premises. Clearly identify all entrances and exits, walls, bars, and fixtures, and outline in red the perimeter of the areas designated for alcohol storage, service, and consumption. Include dimensions, cross-streets, and points of reference in your drawing. You may attach blueprints or other detailed drawings that meet the requirements of this form.

See Attachment





SEP 26

SEWARD COMMUNITY HEALTH CENTER
Board of Directors to Seward City Council
October 27, 2016

Recommendation

Topic: Three-Year Review of Section 3.4 of Co-Applicant Agreement

Recommended By: SCHC Board of Directors

Recommendation: At its regular monthly meeting held on October 27, 2016, the Board of Directors of Seward Community Health Center unanimously voted to recommend to the Seward City Council that Section 3.4 of the Co-Applicant Agreement allowing that employees of the Health Center be City employees be extended without further amendment for an additional three-year period ending February 20, 2020.

Discussion:

The current Co-Applicant Agreement between Seward Community Health Center, Inc. (the Governing Board) and the City of Seward, entered into for purposes of mutually establishing and operating a federally qualified health center, became effective on February 20, 2014. Section 3.4 of the Agreement states that it is mutually beneficial that the employees of the Health Center be deemed employees of the City for a limited period of time. This section also states that this arrangement shall be reconsidered by the parties no later than three years from the effective date of the Agreement, or February 20, 2017. Section 3.4 is further developed into a number of subsections that address more specific topics related to this arrangement.

The Coordinating Committee held its regular quarterly meeting on October 14, 2016. Committee members felt the arrangement has been working well with no problems or issues experienced by either party. Under this arrangement, the Health Center independently administers all aspects of its personnel program without City support and at its own cost. Health Center employees participate in the City Health Plan at Health Center cost. The representatives from the City requested that the Governing Board act on this reconsideration first and bring its recommendation to the City Council at its meeting scheduled for November 21, 2016.

Accordingly, the Board of Directors discussed the current arrangement at its meeting held on October 27, 2016. The arrangement continues to be mutually beneficial. The Health Center is able to provide good health insurance to its employees at a reasonable cost and the City benefits by having more people covered by its plan, resulting in lower premiums for the entire group. All Board members and administrative representatives present concluded that no changes or amendments to the terms set forth in Section 3.4 were required. Therefore, those Directors present unanimously voted to recommend to the City Council that the employment arrangement referenced in Section 3.4 be extended for an additional three-year period, and that no other amendments to Section 3.4 and its associated subsections were needed at this time. The Board presumes that the parties should reconsider this arrangement again no later than February 20, 2020.

- 3.3. Executive Director. The Executive Director shall be the chief executive officer of the Health Center and shall be subject to the direction and supervision of the Governing Board.
- 3.3.1. The Executive Director shall have responsibility for the management, supervision, and direction of the Health Center's affairs in furthering policies, procedures and programs established by the Governing Board.
- 3.3.2. The Executive Director shall have the authority to negotiate, execute and administer all contracts for goods and services required for the Health Center in accordance with any contract administration, procurement and conflict of interest policies approved by the Governing Board that are in effect. All major purchases (defined as a single contract amount exceeding \$50,000) shall be made in accordance with competitive procurement Ordinance and purchasing policies of the City except Governing Board approval would replace City Council approval.
- 3.3.3. The Executive Director shall ensure that the Health Center becomes and remains eligible for Federal Tort Claims Act ("FTCA") coverage, and that once attained, FTCA deemed status shall be maintained.
- 3.3.4. The Executive Director shall coordinate with the City Manager or the manager's designee on administrative actions pursuant to applicable City policies (i.e. purchasing policies, grant reporting requirements).
- 3.3.5. The Executive Director shall bring any and all new federal guidance pertaining to this Agreement to the attention of the Parties.
- 3.3.6. The Executive Director of the Health Center shall ensure that the Health Center maintains all licenses, permits, certifications and approvals necessary and appropriate for the operation of the Health Center and ensure that all employees who work at or for the Health Center apply for and maintain all professional licenses and certifications necessary and appropriate.
- 3.4. The Health Center will work closely and cooperatively with the City as co-applicants of Section 330 federal grant funding. The City Council and the Governing Board have agreed that it is mutually beneficial for the employees of the Health Center to be deemed to be City employees for a limited period of time. Therefore, the issue of employment will be reconsidered by the parties no later than three years from the Effective Date of this Agreement, and the following shall apply:
- 3.4.1. To the extent the Health Center requests administrative assistance from the City and such is approved by Resolution of the City Council, the Health Center shall comply with applicable administrative, fiscal, information technology, risk management and human resource policies of the City except as described in Section 3.4.2. Pursuant to City fiscal policies, the Governing Board shall be responsible for maintaining a balanced budget.
- 3.4.2. For a period of no longer than three years, Health Center staff, including the Executive Director, shall be City employees subject solely to the Personnel Policies of the Seward Community Health Center, as approved by the Governing Board. The Health Center is fully and solely responsible for all aspects of employment, including payroll administration, hiring, training, supervision, discipline, grievances, and

termination, in accordance with the Personnel Policies adopted by the Governing Board.

- 3.4.3. The Health Center may adopt provisions of the City of Seward's personnel ordinances as components of its employment policies and procedures, subject to approval of the Governing Board.
- 3.4.4. The Health Center will maintain health insurance, liability insurance and workers' compensation insurance coverage for so long as health center employees remain City employees.
- 3.4.5. For a period of no longer than three years, Health Center staff may be eligible to participate in City employee benefit plans authorized by the Governing Board, with the exception that they are expressly prohibited from participating in the Public Employees Retirement System.
- 3.4.6. For a period of no longer than three years, Health Center Staff are expressly considered to be City employees for the purpose of participating in health insurance coverage and retirement plans other than the Public Employees Retirement System, although the Health Center may also pursue an alternate retirement defined contribution plan, if necessary.
- 3.4.7. The Governing Board of the Health Center shall have exclusive responsibility for hiring, evaluating, managing, and terminating the Executive Director.
- 3.4.8. The Executive Director of the Health Center shall be appointed by the Governing Board and shall serve at the sole pleasure of the Governing Board.
- 3.4.9. All employees of the Health Center, including those serving under individual employment contracts (e.g., physicians) shall be appointed by the Executive Director of the Health Center and shall serve at the pleasure of the Executive Director. Health Center employees have all the rights afforded them under the Seward Community Health Center Personnel Policies, as approved by the Governing Board, and as amended from time to time.

SECTION 4. THE CITY AND CITY COUNCIL: ROLES AND RESPONSIBILITIES.

- 4.1. Retention of Authorities. The City Council and the City Manager shall retain all authority not delegated to the Governing Board by federal law or through the terms of this Agreement.
- 4.2. City Administrative Policies and Resources.
 - 4.2.1. The City may provide general administrative services to the Health Center, such as accounting services, risk management services, personnel assistance, etc., subject to approval by the Seward City Council by Resolution.
 - 4.2.2. The City shall provide, without limitation, fiscal management and oversight of grant and local funds passed through the City of Seward, in accordance with applicable law and City policies.
 - 4.2.3. The City will treat the Health Center as a separate accounting fund of the City (the "Community Health Center Fund") for purposes of accounting for and

City of Seward, Alaska
Grant Awards

2013 Grants	\$27,551,440
2014 Grants	\$20,980,939
2015 Grants	\$18,320,212
Three-year total grant awards:	<u>\$66,852,591</u>

2013

<u>Grant</u>	<u>Award Amount</u>
Road/Levee Construction	\$ 1,750,000
Security/Fire Prevention for CPV's	2,000,000
Community Library	4,700,000
Water Storage Tank	1,992,000
Fishing Fleet Relocation Study	400,000
Cruise Ship Boardwalk Extension	25,000
Harbor Restroom Rennovations	130,000
Marine Industrial Center Expansion	10,000,000
D Float Replacement	20,000
Dairy Hill Drainage Upgrade	87,496
December 09 Storm Surge	441,181
October 06 Storm/Flood	182,124
November 2011 Windstorm	16,793
September 2012 Flood	100,489
October 2013 Flood/Storm	29,376
Jesse Lee Home Rehab Phase II	1,000,000
Wastewater Recycling Facility	710,381
Public Library Assistance	6,600
Power Plant Integration	3,960,000
Total 2013 Grant Awards:	<u>\$ 27,551,440</u>

2014

<u>Federal</u> Volunteer Fire Assistance	\$ 9,455
Alaska OWL Project Aide	6,160
Harbor Navigation Projects	11,386,763
Harbor Sewage Pump-Out Station	39,576
Harbor Fish Cleaning Station	579,000
Historic Preservation Plan Revision	11,052
Bullet Proof Vest Program	1,282
AK DUI Safety	1,982
Continuing Education Program	2,000
CHC HRSA Grant	1,039,750
Assistance to Firefighters	94,286
ASFPM Conference	5,000
September 2012 Flood (FEMA)	390,187
October 2013 Flood (FEMA)	121,336

State Homeland Security Program	48,336
Marine Industrial Center Expansion	5,900,000
	<hr/>
	\$ 19,636,165

<u>State</u>	Dairy Hill Mitigation	175,967
	2014 Fire Incident in Soldotna	18,921
	D Float Replacement	1,143,286
	Public Library Assistance	6,600
		<hr/>
		\$ 1,344,774

	Total Federal	\$ 19,636,165
	Total State	\$ 1,344,774
		<hr/>
	Total 2014 Grant Awards:	<u><u>\$ 20,980,939</u></u>

2015

Federal

Volunteer Fire Assistance	\$ 6,170
Historic Preservation Fund	646
State & Community Highway Safety	780
Continuing Education Program	1,500
CHC HRSA Grant	1,021,595
State Homeland Security Program (2011)	16,423
State Homeland Security Program (2014)	65,462
Lowell Point Lagoon Sludge Removal	707,447
	<hr/>
	\$ 1,820,023

State

Marine Industrial Center Expansion	\$ 10,000,000
Lowell Point Lagoon Sludge Removal	1,300,000
B, C, S Dock Replacement	2,684,000
Public Library Assistance	6,650
Early Literacy Place Space Mini Grant	1,539
North Seward Water Storage Tank	2,508,000
	<hr/>
	\$ 16,500,189

	Total Federal	\$ 1,820,023
	Total State	\$ 16,500,189
		<hr/>
	Total 2015 Grant Awards:	<u><u>\$ 18,320,212</u></u>

November 2016

November 2016

Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

December 2016

Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

	Sun	Mon	Tue	Wed	Thu	Fri	Sat
Oct 30 - Nov 5	Oct 30	31	Nov 1	2	3	4	5
			7:00pm 10:30pm P&Z Mtg (City Annex Building)	12:00pm 2:00pm PACAB Mtg (Library Upstairs)		7:00pm 10:30pm HP WS (Library Room 205)	
Nov 6 - 12	6	7	8	9	10	11	12
				6:30pm 10:30pm HP Mtg & WS (Council Chambers)		Veteran's Day (
Nov 13 - 19	13	14	15	16	17	18	19
			6:00pm 9:30pm P&Z WS (City Annex Building)	12:00pm 2:00pm PACAB Work Session (Chamber) 4:00pm 7:00pm City Comprehensive Plan public forum			
Nov 20 - 26	20	21	22	23	24	25	26
		5:30pm 7:00pm CC WS 7:00pm 10:30pm CC Mtg (Chambers)			Thanksgiving H	Holiday (Office	
Nov 27 - Dec 3	27	28	29	30	Dec 1	2	3

December 2016

December 2016

Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

January 2017

Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

	Sun	Mon	Tue	Wed	Thu	Fri	Sat
	Nov 27	28	29	30	Dec 1	2	3
Nov 27 - Dec 3							
	4	5	6	7	8	9	10
Dec 4 - 10			6:00pm 7:00pm P&Z WS w/Flood Board (City Annex Building) 7:00pm 9:30pm P&Z Mtg (Annex)	12:00pm 2:00p m PACAB Mtg			10:00am 1:00p m HP WS (Chambers)
	11	12	13	14	15	16	17
Dec 11 - 17		7:00pm 10:30p m CC Mtg (Chambers)		6:00pm 7:00pm KPB (Sales Tax)			
	18	19	20	21	22	23	24
Dec 18 - 24				12:00pm 2:00p m PACAB Work Session (Chambers)		12:00pm 5:00p m Christmas Holiday (Offices Close at Noon)	12:00pm 5:00p m Christmas Eve (Offices Close at Noon)
	25	26	27	28	29	30	31
Dec 25 - 31	Merry Christma	Merry Christma	7:00pm 10:30p m CC Mtg (Chambers)				