

KODIAK CITY COUNCIL

PLANNING WORK SESSION AGENDA

Saturday, January 26, 2019
Kodiak Fisheries Research Center
301 Research Court
10 a.m.

Planning sessions are extended work sessions of the City Council where Councilmembers discuss policy issues and projects and receive information from staff. Additional items not listed on the planning work session agenda are sometimes discussed when introduced by the Mayor, Council, or staff; no formal action is taken at planning work sessions, and items that require formal Council action are placed on a regular Council meeting agenda. Public comments intended for the "official record" should be made at a regular City Council meeting.

Discussion Items

1. **Public Comments** (limited to 3 minutes)
2. **Organizational/Policy Issues**
 - a. Discuss FY2020 Draft Budget Goals.....1
 - b. Emergency Management and Tsunami Siren Update.....4
 - c. Review Special/Standing Rules10
 - d. Update on Lobbyist RFP
3. **Property**
 - a. Airports Update.....13
 - b. Discuss City-Owned Property at 417 Hillside Dr.22
 - c. Update on American President Lines, LLC (APL) Agreement
 - d. Update on Gibson Cove Property.....24
 - e. Update on Fire Station
4. **Other Staff/Council Comments**
 - a. Council Training Needs
 - b. Other Staff/Council Comments

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CITY OF KODIAK
RESOLUTION NUMBER 2018-04

**A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK APPROVING
THE CITY COUNCIL'S BUDGET GOALS FOR FY2019**

WHEREAS, budget guidelines help ensure that the City's budget is prepared in a manner consistent with City Council desires; and

WHEREAS, the City Council discussed and selected the list of budget goals at their January 6, 2018, planning meeting; and

WHEREAS, management will use the listed budget goals as a framework when developing the FY2019 budget.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, that the following budget goals will be used in the development of the City of Kodiak's FY2019 budget:

Revenue

Revenues will continue to be estimated conservatively using an analytical and objective approach.

One-time revenues will be used only for one-time expenditures. The City will avoid using temporary revenues or grants to fund routine City services or positions.

Charges for Fees and Services will be reviewed and updated annually to ensure quality service delivery and adequate revenues.

Operating Expenses

General Fund operating (non-personnel) expenses for FY2019 will endeavor to match FY2019 projected revenues. Increases will be justified to the City Manager in writing and, if approved, presented by department heads to the City Council for final consideration during budget presentations.

Review existing programs and services to assess how well budgeted performance indicators met goals and objectives.

City management will continue to examine ways to maintain efficiencies of expenditures without significant impact to level and quality of services provided to residents.

Personnel Goals

The City will maintain adequate staffing in accordance with the approved FY2019 budget. FTEs will not increase unless new operational needs or mandates require additional employee positions.

Sections of the PR&R will continue to be reviewed and amended to improve practices that reflect recognized Human Resources standards.

General Fund

Council will review ways to increase revenues in the General Fund to help offset increases in operating expenses, meet infrastructure needs, and increase the fund balance, per the plan outlined in "Setting the Course for the Future," 1/14/12.

General Fund revenues will be forecast conservatively and take into consideration possible state funding policies that may affect City revenues such as community assistance program, shared fisheries and other shared business taxes, pension costs and liabilities, and the required allocation of sales tax.

The General Fund will be budgeted without a deficit and with a goal to maintain up to three months' operating reserves in fund balance. Council may appropriate additional funds for capital projects.

Enterprise Funds

The major enterprise funds will develop long-term plans to include maintenance and repairs, needed facility replacement or expansion, and a schedule for rate reviews.

Enterprise Funds will continue to conduct rate studies every five years and present them to the City Council for implementation.

The Shipyard will strive to maintain positive cash flows through charges for services to meet debt service payments and maintain facilities operations and maintenance costs. The Shipyard will highlight the services offered by developing a business plan and marketing campaign to maximize revenues. This plan will be reviewed annually for marketing effectiveness.

Ensure adequate revenues are established to continue to maintain and improve Harbor facilities that support fisheries and support sector services and activities.

Community Support

The total cash amount available to fund non-profit requests will continue to follow the Council established level of funding which shall not exceed 1% of budgeted General Fund revenues. In-Kind contributions shall be subject to Council approval.

Capital

Within resources available, the City will maintain capital assets and infrastructure at a level that is adequate to protect its investment, to minimize future replacement and maintenance costs, and to maintain existing service levels.

The City Manager and management staff developed the City’s first formal five-year capital improvement plan (CIP) that identifies and ranks projects for capital and major maintenance projects. The plan has additional information for ten-year expense projections for all departments and funds. The City will utilize the planning document and develop policies and procedures identifying criteria and steps for implementation. The capital budget will link to, and flow from, the multi-year capital improvement plan.

Debt Service

The City will not incur new debt without appropriate analysis to:

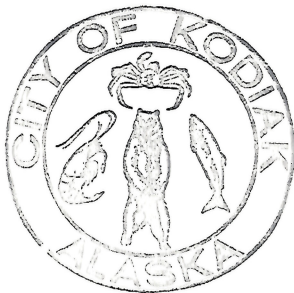
- Show impacts on rates or taxpayers, or
- Analyze financial capacity for proposed capital projects, or
- Determine if the debt is required for projects mandated by the state or federal government, needed for economic development, environmental, aesthetic or quality of life, or health and safety improvements.

Quality of Life

The City will provide adequate services that meet the community needs, priorities, challenges and opportunities with consideration given to the condition of the economy, the composition of the population, technology, legal or regulatory issues, intergovernmental issues, and physical or environmental issues.

Economic Development

The City will continue to promote and support economic development to help ensure a diverse, sustainable, and healthy economy for Kodiak.



CITY OF KODIAK

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MAYOR

ATTEST:

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 DEPUTY CLERK

Adopted: January 25, 2018



City of Kodiak
KODIAK POLICE DEPARTMENT
Office of the Chief of Police



MEMORANDUM

To: Mike Tvenge, City Manager
From: Timothy Putney, Chief of Police
Date: January 16, 2019
Subject: Siren Alert and Warning System (SAWS)

Introduction

The City of Kodiak's Siren Alert and Warning System (SAWS) is comprised of Plectron sirens, Alerting Communicators of America (ACA) RDT/TTS sirens, and American Signal Corporation sirens. The Plectron and ACA sirens were acquired between 1984 and 1986, and the American Signal Corporation sirens were acquired sometime in the 1990's.

The sirens are activated through radio consoles at the Kodiak Police Department's Public Safety Answering Point (PSAP). The activation or cancellation signal is sent to Pillar Mountain where it is transmitted and received by the individual sirens. The activation or cancellation signal can be sent to Pillar Mountain through a radio signal or hard line which offers some redundancy. The Kodiak Fire Department also has the ability to activate the alarms if necessary.

The City owns 12 sirens and the Kodiak Island Borough owns an additional 9 sirens along the road system. City and Borough sirens are all part of the same system activated through the PSAP, and maintenance is the responsibility of their respective municipal body.

Maintenance and Inspections

The City and Borough both utilize Aksala Electronics for siren maintenance. The City had an annual contract with Aksala to inspect the individual sirens between 2004 and 2014. Aksala produced a report each year describing the general condition of the speaker array, electronics box, and battery box at each location and recommended repairs. The speaker arrays, electronics enclosures, and battery boxes were originally manufactured using sheet metal. As the metal rusts away, Aksala replaces the speaker arrays with aluminum boxes and the electronics enclosures and battery boxes are replaced with fiberglass. The City continues to use Aksala to inspect and repair faulty

sirens. Aksala has recently finished extensive repairs on the siren erected outside the Harbor Master's Office, and the siren in the 700 block of Mission Road is being repaired now.

In 2009 the City of Kodiak received \$34,609 in grant money to hire a communications consultant who subsequently completed a comprehensive assessment of the City and Borough SAWS.

The result of the study was that at least another 6 years of service could be expected from the current SAWS. The recommendation was to continue annual inspections and regular maintenance until the sirens were replaced. This study recommended relocating 5 of the City sirens; however, the current inundation zone could not have been considered, nor did the study address acoustical effectiveness of the current or suggested locations.

Individual Siren Evaluations

The sirens owned by the City consist of the following: 2 Alerting Communicators of America (ACA) RDT/TTS, 5 Plectron, and 2 American Signal Corporation, and 3 American Signal Corporation Compulert computer programmable sirens. I reviewed Aksala Electronics' 2012, 2013, and 2014 annual inspections of the City's sirens. The inference from the reports is critical repairs were prioritized, most of the battery banks were 10 years old but still functioning well, and moisture and rust were a regular concern. The following is a summary of the current inventory with notes on each siren.

Siren at Gibson Cove is an ACA RDT/TTS

- Speaker array rusting through and was recommended for replacement in 2014
- Replaced gel cell batteries in 2017
- Inspected again in late 2017
- This siren is not operational today.

Siren at Pier III is an American Signal Corporation

- Electronics enclosure and speaker array were rusting through in 2014
- Repairs were made in 2016 to keep the siren functioning

Siren on Jack Hinkle is a Plectron

- Electronics enclosure was rebuilt in 2004
- Speaker array was replaced in 2010
- Inspected in 2016 and 2018

Siren at Harbor Master's Office is an American Signal Corporation Compulert

- Siren battery replaced in 2018
- Speaker array and electronics enclosure were rebuilt in January 2019

Siren behind the Fire Department is an ACA RDT/TTS

- Surface rust on the speaker array

Siren on Hemlock Street is a Plectron

- Speaker array showing signs of rust
- Repairs made in 2016 and 2018

Siren in the 700 block of Mission Road is a Plectron

- Gel cell batteries replaced in 2017
- Another inspection made in late 2017
- Siren is not operational today and is scheduled for repairs now

Siren in Dog Bay is a Plectron

- Speaker array is rusting
- Repairs were made in 2016 to keep it functional

Siren in the alley behind 1300 block of Rezanof Drive is a Plectron

- Repairs were made in 2016
- Speaker array has rust holes
- Siren output is muffled by Spruce trees growing around it (tree branches are in contact with speaker array). They should be trimmed back at least 10 feet.
- This siren is not in the inundation zone. There is potential to slightly relocate this siren to a more strategic location, depending on available property access and nearby utilities.

Siren at the Dairy Barn (Signal Hill) is an American Signal Corporation Compulert

- Siren speaker array appears rusted
- This siren is not functioning today
- This siren is far from the inundation zone and may not serve any notification purpose for a tsunami

Siren at the National Guard Armory is an American Signal Corporation Compulert

- This siren is not functioning today
- This siren is far from the inundation zone and may not serve any notification purpose for a tsunami

Siren at the Civil Air Patrol (CAP) Hangar is an American Signal Corporation

- Speaker array has a large rust hole
- Electronics box shows signs of rust and should be replaced
- This siren is far from the inundation zone and serves no notification purpose for a tsunami

Note: In each annual report I reviewed, Aksala recommended removing or relocating the sirens at the Civil Air Patrol Hangar, National Guard Armory, and the Dairy Barn.

Conclusion

The units making up the current SAWS are 25 to 35 years old with some individual units having newer enclosures or electrical components. The software used in the three “new” computer programmable Compulert sirens is from the 1990’s and requires the almost obsolete DOS (disk operating system) to run.

New sirens come in different sizes which are capable of broadcasting signals that reach about 1,200 feet to 4,200 feet. The further a siren’s signal reaches the bigger and more expensive it is. A good starting point for budgetary considerations would be approximately \$57,000 per siren. This includes a new mounting pole, shipping to Kodiak, and installation. If a new siren can be integrated into the existing SAWS it will sound different.

The inundation zones and communication methods have all changed since the current SAWS was designed and installed. Further evaluation of the current site locations and any potential relocation site is being conducted.



Shown with optional side-light kit¹

► Model MOD Series

Modulator High-Powered Omni Speaker

Federal Signal's Modulator High-Powered Speaker Array offers the same proven technology as the original Modulator with the exception of a smaller compact chassis. Modulator provides a flat frequency response up to 2000Hz producing intense warning signals and digital voice messaging over a large area. The Modulator design enables the siren to produce a high sound level and intelligible voice communications.

The innovative omni-directional electronic Modulator speaker array consists of modules that utilize four 100 watt drivers. It also provides clear voice communication and offers warning signals which are produced by Federal Signal's UltraVoice™ electronic controller and amplifier system. Custom tones and professionally recorded voice messages for the UltraVoice controller are available and can be purchased upon request.

The Modulator High-Powered Speaker Array combined with the UltraVoice controller is ideal for community/municipal, industrial and military applications where immediate instruction is necessary. The MOD6032 and MOD6048 have been replaced by the MOD8032B, which is shorter, lighter and more compact.

The Modulator and UltraVoice controller can be networked via radio, IP, landline, cellular and/or satellite communications. Powering is available in AC, DC, or solar. The system typically operates from batteries which are charged from either AC or Solar. Federal Signal can also provide customized solutions to fit your special applications.

¹ Modulator models purchased after September, 2017, are pre-configured to support top and side lights kits for visual signaling options.

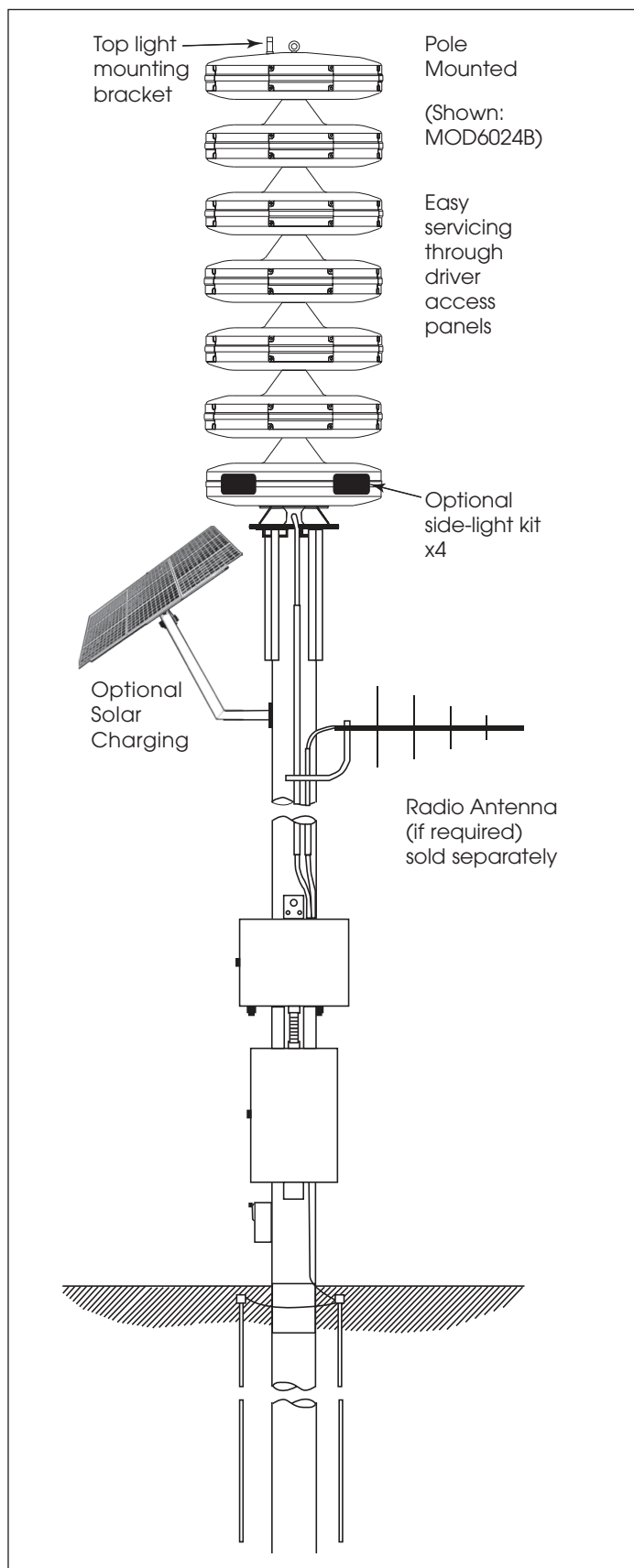
FEATURES

- Light-weight, compact design
- Utilizes Federal Signal Ultravoic™ for control and amplification
- Excellent frequency response for clear voice reproduction
- 360° coverage without sound variation in horizontal planes
- Easy servicing through convenient access panels
- Anechoic chamber-certified
- Optional visual signaling accessories available
- Optional steel/concrete pole mounting

MODEL	ACTIVE MODULES	TOTAL WATT	DECIBELS @ 100'	EFFECTIVE RANGE @ 70 dBc	HEIGHT IN	MM	NET WEIGHT LBS	KG	SHIPPING WT LBS	KG
MOD1004B¹	1	400	106 dBc	1,200'	28"	71	125	56.8	264	120
MOD2008B¹	2	800	112 dBc	1,800'	43"	109.2	190	86.4	294	133.6
MOD3012B¹	3	1200	115 dBc	2,200'	57"	144.7	255	115.9	444	201.8
MOD4016B¹	4	1600	118 dBc	2,800'	72"	182.8	320	145.5	544	247.3
MOD5020B¹	5	2000	120 dBc	3,100'	86"	218.4	385	175	744	338.2
MOD6024B¹	6	2400	121 dBc	3,400'	101"	256.5	450	204.5	960	436.4
MOD8032B¹	8	3200	124 dBc	4,200'	130"	330.2	580	263.6	1392	632.7

¹Add the letter C to the Modulator model name for steel/concrete pole mount model

Modulator® High-Powered Omni Speaker (MOD)



SPECIFICATIONS

Frequency Response:	200-2000Hz
Color	Off-White
Paint Type	TGIC-polyester powder coat
Modulator Horn Type	Hyperbolic flare
Horizontal Coverage	360° +/- 1 dBc
Diameter	35"/88.9cm
Wind Loading @ 110mph wind velocity ¹ :	
MOD1004B	251 lbs
MOD2008B	377 lbs
MOD3012B	503 lbs
MOD4016B	629 lbs
MOD5020B	755 lbs
MOD6024B	881 lbs
MOD8032B	1133 lbs

¹ Wind loading is the calculated force of wind at 110mph (shoreline), exposure D (flat, unobstructed coastal areas) on frontal area 4.64 ft. per American National Standards Institute A58.1 "Minimum design loads for buildings and other structures."

HOW TO ORDER

Contact our Federal Signal Sales Engineers to design a system that meets your specific requirements.

Specify speaker array model number – each speaker array model must be ordered with a specific corresponding UV and Amplifier.

Speaker	Controller ²
MOD1004B ¹	UV + 1 UV400
MOD2008B ¹	UV + 2 UV400
MOD3012B ¹	UV + 3 UV400
MOD4016B ¹	UV + 4 UV400
MOD5020B ¹	UV + 5 UV400
MOD6024B ¹	UV + 6 UV400
MOD8032B ¹	UV + 8 UV400

¹ Add the letter C to the Modulator model for Steel/Concrete pole mount (i.e. MOD1004BC)

² Controllers available in Radio, IP, and Landline.

Note: 40 feet of cable is supplied with siren. Extension cable in 10 foot increments is also available. Mounting the UV controller further than 100 feet is not recommended (further mounting may decrease power output).

See page 50 for the Solar Panel option.

OPTIONAL ACCESSORIES

Description	Part Number
Hazardous Location LED Light	191XL-024*
Side-light Kit	MOD-QF-KIT

*Indicate color: (A) Amber, (B) Blue, (C) Clear, (G) Green or (R) Red

REPLACEMENT PARTS

Description	Part Number
Driver, 100 watt	K8570063A

**CITY OF KODIAK
RESOLUTION NUMBER 2012-05**

A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK RESCINDING RESOLUTION NUMBER 08-02 AND RE-ESTABLISHING STANDING AND SPECIAL RULES OF THE COUNCIL

WHEREAS, the City Council initially established its Standing and Special Rules with Resolution No. 02-01 and subsequently amended its Rules with Resolution Nos. 05-6; and 08-02; and

WHEREAS, the City Council reviewed its Special and Standing Rules at the January 28, 2012, planning meeting; and

WHEREAS, the City Council desires to amend Section 3, Work Session Agenda Discussion .

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, that Resolution No. 08-02 is hereby rescinded.

BE IT FURTHER RESOLVED by the Council of the City of Kodiak, Alaska, that the following Rules are hereby adopted and shall remain in effect until rescinded or amended:

- Section 1: Items for Regular Meeting Agendas.** Regular meeting agenda items shall be established by the Mayor, any two Councilmembers, and/or the City Manager. The Clerk may also place routine items on the agenda.
- Section 2: Agenda Amendments.** Except in the event of an emergency, or to consider an extremely time-sensitive issue, motions to amend the agenda shall not be made. (Any amendment to an agenda that results in an official Council action for which sufficient public notice has not been given is a violation of the Alaska Open Meetings Act and is grounds for recall.)
- Section 3: Work Session Agenda Discussion Items.** Work session agendas are set at the weekly agenda setting meetings by the Mayor, Council Representative(s), Manager, and Clerk. Any two Councilmembers may also add an item to the work session agenda. At the request of a citizen, the Mayor, a Councilmember, the City Manager, or the City Clerk, an item may be listed on the work session agenda under "To Be Scheduled."
- Section 4: Time Limits for Public Comments.** Unless the Mayor announces a different time limit for public comments, the Clerk shall set a timer for three minutes for public comments during regular and special meetings and work sessions.

- Section 5: Presiding Officer in the Absence of the Mayor and Deputy Mayor.** The most recent Deputy Mayor shall preside at meetings when both the Mayor and Deputy Mayor are absent.
- Section 6: Cell Phones.** Cell phones must be turned off or muted during regular and special meetings. A member cannot leave the chambers to answer a cell phone unless a recess has been called.
- Section 7: Certificates of Appreciation, Proclamations, Letters of Support, etc.** The Mayor is authorized to proclaim events, issue certificates of appreciation, and sign letters of support for various nonprofit agencies, etc.
- Section 8: City of Kodiak Membership in Organizations.** As a matter of policy, the City of Kodiak shall decline membership in organizations whose mission does not promote or support municipal government. Unless otherwise directed by the Council, the City shall maintain membership with the following: Alaska Municipal League, Southwest Alaska Municipal Conference, and National League of Cities.
- Section 9: Public Hearings/Amendments to Motions.** The following process shall be followed with respect to public hearings:
- The agenda item shall be read by the Mayor.
 - A staff report shall be given.
 - A main motion shall be made and seconded.
 - The public hearing shall be opened.
 - The public hearing shall be closed after public comments are made.
 - Amendments to the main motion may be made, if desired.
 - The public hearing shall be reopened **ONLY** if an amendment alters the substantive content of the ordinance.
 - The roll call vote shall be taken on any amendment(s).
 - The roll call vote shall be taken on the main motion.
- Section 10: Restatement of Motion.** Once made and seconded, a motion is considered to be before the Council and does not need to be restated by the Mayor.
- Section 11: Right of Motion Maker to Modify or Withdraw Motion.** The maker of a motion may modify or withdraw the motion before debate/discussion has begun. After debate/discussion has begun, the motion “belongs” to the entire Council and can only be withdrawn by Council consent or amended through the usual process of amendment.
- Section 12: Voting Order.** Unless a conflict has been determined in accordance with KCC 2.10.060(d), a Councilmember shall vote when his or her name is called and may not pass.

Section 13: Change of Vote. The Clerk shall inquire if anyone desires to change a vote before the result is announced.

Section 14: Reintroduction of a Defeated Motion/Proposal. A defeated motion/proposal may not be reintroduced for one year. However, a motion may be reintroduced following an election or appointment of new Councilmembers.

Section 15: Postponed Motions. A motion may be postponed until a specific future meeting. The Councilmember who moves to postpone a motion shall state in the motion when it will be reintroduced.

Section 16: Vote on a Motion To Reconsider. When a motion has been made to reconsider an action of the Council, the vote on the motion to reconsider shall be taken at the next regular meeting, unless otherwise stated in the motion.



CITY OF KODIAK

Pat Braun

MAYOR

ATTEST:

Dulce Marie
CITY CLERK

Adopted: February 23, 2012



December 7, 2018

To: Municipal Airport Lease Holders

Subject: Compliance with the Terms of Existing or Expired Leases

Dear Lease Holder, (Lessee),

Due to the recent break-ins along Mill Bay Road, we will be controlling access at the Municipal Airport. We will be recoding the airport access key cards during the first week of January 2019. As lease holders of the airport facility, you will be required to pick up new key cards at the Kodiak Public Works office located at 2410 Mill Bay Road during business hours; Monday-Friday 8:00 a.m. to 12:00 p.m. and 1:00 p.m. to 5:00 p.m. Each lease holder will be issued two (2) key cards at no charge. Additional key cards will be available/provided at cost of \$50.00 each, with a limit of 10 total cards per lease holder.

Additionally, in an effort to improve the conditions of the City of Kodiak's airport facilities, this letter is a reminder of the terms within the lease agreements that were in place as part of your use of the airport facilities. As general aviation use at City airports has become much more active in recent years, it is important to keep the focus on aviation use of the facilities. Many locations have significant non-aviation items that are hindering the use of the facility by aviation users.

Please refer to your entire lease for all the conditions.

Please comply with the terms of use. We will begin actively addressing the use of airport property with particular attention to the key points addressed in section 5, 6 and 13 of the use agreements.

5. Location on Premises. The Lessee shall properly locate the boundaries of the leased premises, shall confine use within those boundaries and shall not encroach on other lands owned by the Lessor or other parties.
6. Utilization of Premises. The premises subject to this lease shall be utilized solely for the parking or storage of airplanes owned or used by Lessee and for other activities incidental to the parking, storage and use of the same. The premises are for air-worthy items on a temporary basis only and are not to be used for non air-worthy items or long term storage.
13. Maintenance of Premises. The Lessee shall at all times keep and maintain the entire premises in an orderly and sightly condition. Lessee shall not cause or permit any litter, debris, scrap, or other materials not having a recognized commercial value, including garbage, to be accumulated or stored upon the leased premises without the express

permission of the Lessor. The Lessee agrees to remove all debris, litter, and similar materials when requested by the Lessor and upon the failure of the Lessee to do so within five (5) days after written notification, the Lessor may remove the offensive materials at the Lessee's expense.

The goal of this letter is to improve the overall use of the airport for all users. I hope this can be a cooperative effort to avoid undo cost to all airport users. On February 1, 2019, I will begin contacting Lease Holders to address particular site conditions and use of the area.

If you have any questions about your rental agreement or need information as to the location, please give me a call at (907) 486-8060 or email me at cwalton@city.kodiak.ak.us.

Sincerely,

Craig Walton
Public Works Director

cc: Mike Tvenge, City Manager
Cindy Cortez, Fiscal Analyst
Gena Diniega-Wandersee, Administrative Specialist PW/Engineering

CITY OF KODIAK

Municipal Airport Tiedown

Lease Agreement

THIS LEASE is made and executed on the day and year hereinafter last specified by and between the CITY OF KODIAK, a municipal corporation organized and existing under the laws of the State of Alaska, hereinafter referred to as the "Lessor", and _____, hereinafter referred to as the "Lessee":

WITNESSETH:

WHEREAS, the Lessor is the owner of property situated at the Kodiak City Municipal Airport, as shown in Exhibit "A", attached hereto and incorporated by reference; and

WHEREAS, Lessee desires to lease a portion of that property under terms and conditions as set forth in this lease,

NOW, THEREFORE, in consideration of the covenants, conditions, and stipulations herein contained, the parties mutually agree as follows:

1. Premises. The Lessor does hereby lease to the Lessee for the term and upon the conditions set forth in this lease agreement those certain premises located in the Kodiak Island Borough, State of Alaska, designated as Lot __, Block __, USS ____.

2. Term. This lease agreement shall be effective for a term commencing on the 1st day of July, 1994, and ending at midnight on the 30th day of June, 1999, unless sooner terminated as herein provided.

3. Rentals. The first year rental for the premises subject to this lease is \$. The annual rental shall be reviewed, and may be adjusted, for each succeeding year of the lease term. Rental shall be paid in advance on the first day of July 1994, for the first twelve months of the lease term and on the first day of July of each year thereafter.

4. Possession. Lessor shall deliver possession of the premises at the commencement of the term of this lease free and clear of any rights or claims by tenants or persons occupying under authority from Lessor.

5. Location on Premises. The Lessee shall properly locate the boundaries of the leased premises, shall confine use within those boundaries and shall not encroach on other lands owned by the Lessor or other parties.

6. Utilization of Premises. The premises subject to this lease shall be utilized solely for the parking or storage of airplanes owned or used by Lessee and for other activities incidental to the parking, storage and use of the same.

7. **Improvements Prohibited.** Lessee may not construct or install any improvements, whether permanent or temporary, on the leased premises without first obtaining the written consent of the Lessor, which consent the Lessor may withhold in its absolute discretion. Upon expiration or termination of this lease, Lessee shall remove all improvements from the premises and return the premises to the same condition as existed prior to the construction or erection of the same, all at the Lessee's sole expense.

8. **Fuel Storage Tanks.** No buried or partially buried fuel or lubricant or heating oil storage tanks of any kind shall be permitted on the leased premises. No other fuel storage tanks shall be located upon the leased premises without the advance written consent of the Lessor. Before seeking such consent Lessee shall present Lessor with written information describing the capacity, construction, method of installation and proposed location of any such tank and shall demonstrate Lessee's compliance with or ability to comply with all applicable local, state, and federal laws and regulations governing the same. Strict compliance with all such applicable laws and regulations is the responsibility solely of the Lessee. Lessee acknowledges and agrees that Lessor may, in its absolute discretion, refuse to permit the location of fuel storage tanks on the leased premises or impose such restrictions and requirements (in addition to those otherwise imposed by law) in connection with such tanks as Lessor deems appropriate. Such additional requirements may include requirements that Lessee provide insurance coverage which is broader in scope and greater in amount than that otherwise mandated by this agreement.

9. **Subleasing.** (a) Except as provided in subparagraph (b) of this paragraph, Lessee may not sublease or assign, mortgage, pledge, or otherwise encumber all or any portion of the premises without first obtaining the written consent of the Lessor, which consent may be withheld in its absolute discretion. Any assignment, pledge, or encumbrance approved by the Lessor shall subject the assignee to all the terms and provisions of this lease. An assignment, pledge, or encumbrance executed without the prior approval of the Lessor shall be void and of no force and effect.

(b) When, with the advance consent of Lessor, Lessee has constructed a hangar or similar improvement upon the leased premises, Lessee shall be entitled to assign this lease to any party purchasing that improvement from Lessee; provided, however, that before selling or offering to sell the hangar or similar improvement to a party of Lessee's choice, Lessee shall first offer the improvement, at the same price and on the same terms and conditions, to every person or party on any waiting list for tiedown space which may be maintained by Lessor in such order as Lessor may determine, and, provided further, that the assignee agrees to assume all obligations of Lessee under this Lease.

10. **Rights-of-Way.** The Lessor reserves to itself: (a) The right to reasonable ingress and egress over and across the leased premises for the purposes of constructing or maintaining any utility or road right-of-way which the City is authorized to construct or maintain, and to grant to itself reasonable easements over and through the leased premises for these purposes.

(b) The right to grant easements or rights-of-way across the premises to others if it is determined to be in the best interest of the City to do so.

11. Waste. The Lessee shall not remove stone, gravel, soil, or other materials from, nor shall Lessee permit any other form of waste or injury to, the leased premises. Lessee shall take all reasonable precautions to prevent and suppress grass, brush, or other fires on the leased premises.

12. Compliance with Laws. Lessee shall comply with all laws as currently existing or hereinafter amended or enacted, relating to the possession, use, and occupancy of the leased premises, including but not limited to, applicable zoning rules and regulations, and ordinances of the City of Kodiak and the Kodiak Island Borough.

13. Maintenance of Premises. The Lessee shall at all times keep and maintain the entire premises in an orderly, and slightly condition. Lessee shall not cause or permit any litter, debris, scrap, or other materials not having a recognized commercial value, including garbage, to be accumulated or stored upon the leased premises without the express permission of the Lessor. The Lessee agrees to remove all debris, litter, and similar materials when requested by the Lessor and upon the failure of the Lessee to do so within five (5) days after written notification, the Lessor may remove the offensive materials at the Lessee's expense.

14. Inspection. The Lessee shall permit the authorized agents and employees of the Lessor to enter upon the premises at any reasonable time for the purpose of inspecting the condition of the premises or the use thereof.

15. Taxes and Charges. In addition to the rentals provided in this agreement, the Lessee shall pay when due all taxes and other charges which are levied at any time during the term of the lease upon the leasehold interest and any improvements on the premises.

16. Liens and Encumbrances. The Lessee shall maintain the premises free and clear of all liens of encumbrances. If at any time during the term of this lease a lien or encumbrance is filed against the premises or any part thereof, the Lessee shall, at its own expense, obtain the release and discharge of the lien by payment, bonding, or otherwise within thirty (30) days after receipt of written notice from the Lessor. If the Lessee fails to procure the discharge of any lien or encumbrance, the Lessor may, at Lessor's option, terminate this lease without further notice to the Lessee.

17. Nonwaiver. The failure by the Lessor to insist upon strict performance of any term, condition, or covenant of this lease or to exercise any right or remedy available upon a breach thereof, or the acceptance of full or partial payment during the continuance of any breach shall not constitute a waiver of any such breach or any applicable term, condition, or covenant of this agreement. Waiver of any term, condition or covenant of this lease, or of any breach of it, shall be only by written instrument executed by the Lessor. A waiver of any default shall not affect or alter any term, condition, or covenant of this lease and those terms, conditions, and covenants shall continue in full force and effect with respect to any subsequent default.

18. Hold Harmless. Lessee agrees to indemnify, save, and hold the Lessor harmless from any liability for damage or injury to any person or property

arising from the use, possession, or occupancy of the premises by the Lessee, including costs and reasonable attorney's fees associated with the defense of any such claim or action. If any action or proceeding is brought against the Lessor by reason of a claim associated with Lessee's use, possession, or occupancy of the premises, Lessee shall defend such action on behalf of the Lessor, at Lessee's sole cost and expense.

19. Insurance. Unless Lessee utilizes the leased premises exclusively for noncommercial purposes, Lessee shall obtain, and maintain during the term of this lease, standard public liability insurance covering loss or damage to persons or property that may result from or be attributable to Lessee's ownership or use of any aircraft stored upon or otherwise utilizing the premises. The policy shall be obtained from an insurance company authorized to do business in the State of Alaska, and shall provide coverage of not less than THREE HUNDRED THOUSAND (\$300,000) DOLLARS combined aggregate limit. In no event shall Lessee have, or Lessee's insurer be subrogated to, any claims or rights against the City with respect to damages or incidents covered by such insurance. Lessee shall from time to time provide the Lessor a copy of each effective policy of insurance required by this paragraph.

20. City Ordinances Incorporated. All applicable provisions of Chapter 20 of Title 18 of the Kodiak City Code relating to the lease of real property are hereby incorporated by reference as part of this lease.

21. Termination. If Lessee defaults in the timely payment of rent or in the performance of any other covenant, term, or condition of this lease and fails to remedy such default within ten (10) days after written notice regarding a default in payment of rent or within thirty (30) days after written notice of any other default, Lessor may terminate this lease or enter upon, repossess and relet the premises without prejudice to Lessor's right to recover rent which is past due or which otherwise would become due prior to expiration of this lease. Upon termination resulting from Lessee's breach of any term, condition, or covenant of this lease, that portion of the rental payment last made by the Lessee, attributable to any remaining portion of the rental period, shall be retained by the Lessor as liquidated or partial damages.

22. Remedies not Exclusive. Specific remedies provided in this lease relating to termination or liquidated damages shall not be exclusive and Lessor may, in addition, pursue any remedy available at law for compensation or damages, with or without terminating this lease.

23. Access. Lessee acknowledges that Lessor has no obligation to supervise, inspect, or maintain aircraft tiedown spaces or access to the leased premises. Lessor shall not be liable to Lessee for any impairment or restriction of ingress or egress to the leased premises caused by other persons occupying those premises or access ways without authority from Lessor. Lessee specifically waives and releases Lessor from any liability for loss or damage to Lessee, Lessee's invitees, or Lessee's property resulting from disrepair or lack of maintenance to such access ways.

24. Modification. A modification of this lease shall not be binding upon either of the parties unless reduced to writing and signed by both the Lessor and Lessee.

25. Notices. Any notice, demand, or delivery under this lease shall be in writing and it shall be effective upon mailing by registered or certified mail with charges prepaid to the other party at the address set opposite each signature to this agreement or to such other address as either party may from time to time furnish in writing to the other party.

26. Removal of Airplanes. If the Lessor determines that it will be necessary to blast in close proximity to any airplanes located in the area covered by this lease, the Lessor shall notify the Lessee that it will be necessary to remove the airplane, or airplanes, to another location. The Lessor shall notify the Lessee in writing at least two weeks prior to the date blasting shall commence.

27. Severability. If any clause or provision of this lease is determined by a Court of competent jurisdiction to be invalid, such determination shall not affect the validity of any other clause or provision of this lease.

IN WITNESS WHEREOF, the parties hereto have hereunder set their hands this day of , 1994.

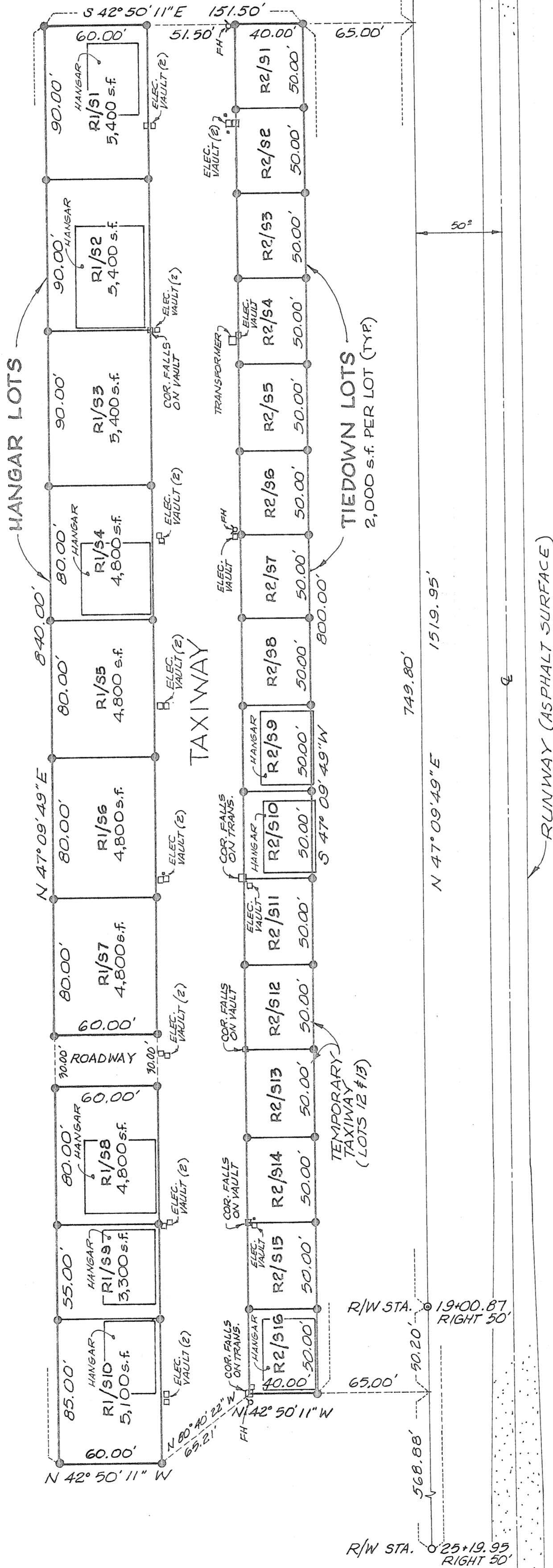
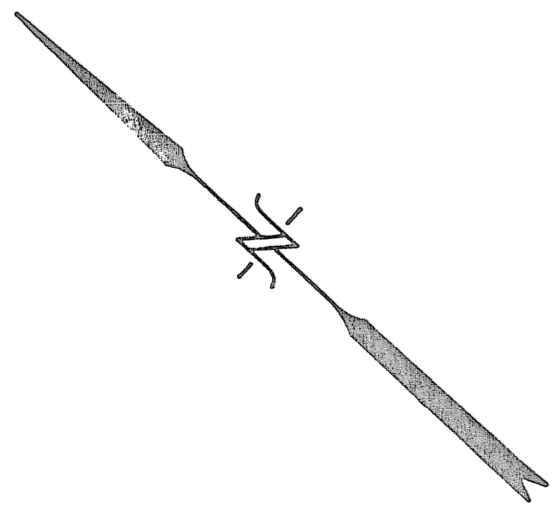
LESSOR:

P.O. Box 1397 CITY OF KODIAK
Kodiak, Alaska 99615

HARBORMASTER

LESSEE:

P.O. Box (name in caps)
Kodiak, Alaska 99615
(phone #)
(plane #)



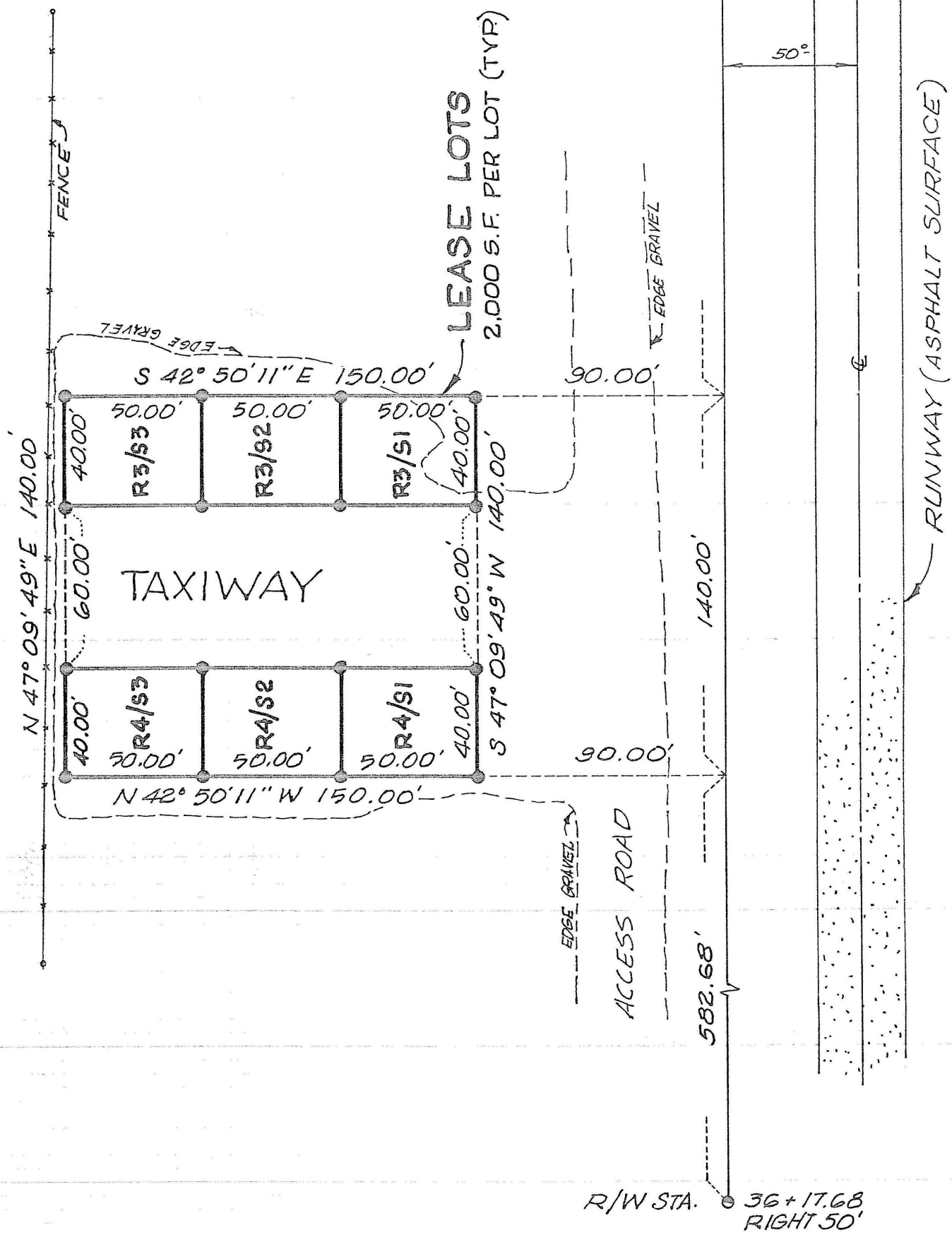
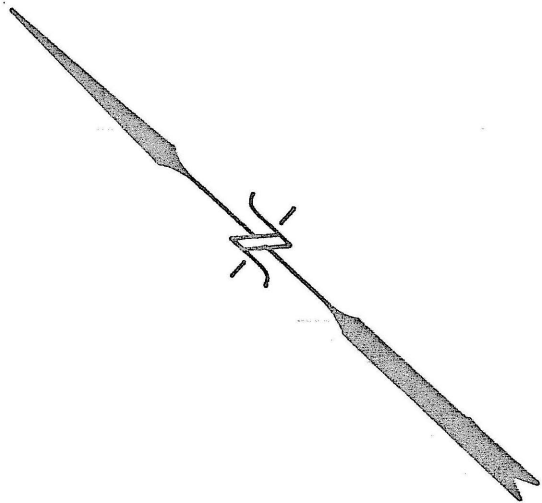
SHEET 1 of 2

PREPARED FOR: CITY OF KODIAK
2410 Mill Bay Road, Kodiak, Alaska 99615

	AIRPORT LEASE LOTS CITY OF KODIAK MUNICIPAL AIRPORT WITHIN LOTS 2 and 3, U.S. SURVEY 3467 WITHIN KODIAK RECORDING DISTRICT ALASKA	
	HORIZON LAND SURVEYING P.O. Box 1945 Kodiak, Alaska 99615	DRAWN BY: S. Austerman DATE: 10 October 2006

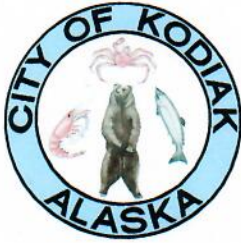
NOTE
Original lot corners from drawing dated 25 November 1987 were recovered and used to control this survey.

LEGEND
 ● = 1 1/2" dia. aluminum cap on 5/8" dia. rebar set this survey, except where noted.
 ○ = 1 1/2" dia. aluminum cap of record.
 ⊙ = 2" dia. aluminum cap of record.









Office of the City Manager

710 Mill Bay Road, Room 114, Kodiak, Alaska 99615

December 27, 2018

To: Mr. Jeff Backlund
Kodiak Operations Manager
Ocean Beauty Seafoods
1100 W. Ewing Street, PO Box 70739
Seattle Washington 98127-1539

Re: Gibson Cove Lease Tract C-1 Alaska Tideland Survey 1408, Plat No. 92-41

Dear Mr. Backlund,

Ocean Beauty Seafoods Inc. entered into a long term lease with the City of Kodiak Alaska for the use of approximately 5.0 acres, upon which are located certain improvements, including a crab/fish processing plant of approximately 14,080 square feet, a compressor equipment building of approximately 1,600 square feet, a dock with approximately 330 linear feet of docking space and three hydraulic cranes, and a second dock with approximately 200 square feet, known as the ice house dock including the ice house. The lease began November 1, 2006 and continued until Ocean Beauty Seafoods vacated the property prior to May 1, 2018.

As we walked the property together on March 16, 2018 we discussed the clean up and the current condition of the leased improvements, specifically Section 8 of the Lease Agreement - Care of Property. This section obligates Ocean Beauty to repair the structures to a condition equivalent to that existing when the lease began. It was my understanding that when the City Council decided on the future uses of the site both parties would begin discussion on an approach to satisfy the requirements of Section 8.

The City Council has recommended an environmental assessment of the property prior to the demolition of the buildings likely leaving the docks in the current condition. So the more practical option is for Ocean Beauty to participate in demolition rather than make the repairs required by Section 8.

Therefore I would like to schedule time with you and others at Ocean Beauty Seafoods to define the course of action moving forward.

Respectfully,

A handwritten signature in blue ink that reads "Mike Tvenge".

Mike Tvenge
City Manager
Kodiak, Alaska