

KODIAK CITY COUNCIL

WORK SESSION AGENDA

Tuesday, October 22, 2019

Kodiak Public Library Multi-Purpose Room

7:30 p.m.

Work sessions are informal meetings of the City Council where Councilmembers review the upcoming regular meeting agenda packet and seek or receive information from staff. Although additional items not listed on the work session agenda are sometimes discussed when introduced by the Mayor, Council, or staff, no formal action is taken at work sessions and items that require formal Council action are placed on a regular Council meeting agenda. Public comments at work sessions are NOT considered part of the official record. 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. Discuss Update to the Port Tariff.....1
- 3. Annexation Update – Frequently Asked Questions.....44
- 4. Elected Officials Training/Travel Requests
- 5. October 24, 2019, Agenda Packet Review

To Be Scheduled

- 1. Long Term Plan Discussion for the Harbor

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Thru: Derrik Magnuson, Harbormaster
Date: October 22, 2019

Work Session Authorizing Port of Kodiak Tariff No. 13 to Replace Port of Kodiak Tariff
Agenda Item: No. 12 Subject to Filing With the Federal Maritime Commission

SUMMARY: The tariff for the Port of Kodiak defines the rules, regulations and rates for wharfage, loading and unloading, demurrage, handling, services, facility charges and dockage at the Port of Kodiak municipal terminals, specifically Piers I, II, and III. The current Tariff No. 12 rules and regulations are out of date and needed to be updated. Tariff No. 12 rates are in affect through end of calendar year 2019. The proposed Tariff No. 13 will supersede the current Tariff No. 12, adjusting the rates to meet current market conditions and modifies the rules and regulations to meet Federal Maritime Commission (FMC) requirements; these will need to be filed before December 31, 2019. Staff recommends moving forward Tariff No. 13 by resolution at an upcoming meeting, which will allow time for Council to review, adopt, and amend as needed prior to filing with the FMC.

PREVIOUS COUNCIL ACTION:

- In 1993, Council adopted Tariff No. 11 by Resolution No. 07–1993
- In 1998 and 2006, Council approved updates to Tariff No. 11 by Resolution Nos. 1998–18 and 2006–6
- On September 10, 2015, Council adopted Resolution No. 2015–28 Adopting Port of Kodiak Tariff No. 12 to replace Port of Kodiak Tariff No. 11 subject to filing with the Federal Maritime Commission
- On January 12, 2017, Council adopted Resolution No. 2017–01 Amending Section 9, Harbor Fees of the Schedule of Fees, Charges, and Tariffs and Authorizing Implementation of a Five-Year Rate Structure

DISCUSSION: On February 8, 2015, the City of Kodiak hired BST Associates as a professional consultant to assist in the revision of the Kodiak Port Tariff. BST previously worked to develop the current long-term Preferential Use Agreement, Terminal Operating Contract, and Warehouse Lease Agreement between the City of Kodiak and Horizon Lines/Matson. See Attachment B from BST detailing the development of Tariff No. 12 and the methodology used to achieve the proposed rates. In keeping with

this rate study, we have continued the increases at the same levels as the study suggests. Those increases are as follows for each consecutive year up to 2023:

Wharfage:

- General \$0.30 increase per short ton
- Rock \$0.05 increase per short ton
- Hazmat \$0.60 increase per short ton
- Petroleum IN \$0.02 increase per barrel
- OUT \$0.01 increase per barrel

Dockage:

- 0 to 300ft \$0.10 increase
- 301ft to over 700ft is a \$0.20 increase

Fresh Water:

- 4.40 Per year increase for first 1,000 Gallons
- .30 increase for each additional 1,000 Gallons

Tonnage Fee:

- Increase .01 per ton

Lightering Fee:

- 0 to 150ft \$3.00 increase
- 151ft & longer \$30.00 increase

Rates that the Port has in common with the Harbor were modified to be in line with current Harbor rates.

Straight time labor = \$81.50/hour plus 10% [C]

Over time labor = \$113/hour plus 10% [C]

Forklift rental (includes operator and barriers) = \$94 per half hour plus 10% [C]

In addition to the aforementioned reasons, the current tariff needed to be updated to avoid conflicts with the long-term agreements with Horizon Lines/ Matson. The preferential rates in the contracts would exceed the tariff rates in the near future if not adjusted.

ALTERNATIVES:

- 1) Approve Tariff No. 13, which will insure Kodiak’s Port is in compliance with current FMC requirements, and rates will be consistent with market conditions. This is staff’s recommendation.
- 2) Modify Tariff No. 13, which is not recommended, because it would alter the rules and regulations as proposed and would require additional review and approval from the FMC.
- 3) Do not approve Tariff 13, which staff does not recommend this option, because the current tariff rates are out of date and the rules and regulations are not compliant with FMC requirements.

FINANCIAL IMPLICATIONS: The rates recommended in Tariff No. 13 are competitive with comparable markets. The new port tariff rates combined with the recent addition of the Terminal Operating Contract with American Presidents Lines (APL) are expected to generate significant additional revenue. Currently the majority of business in the port comes from Matson and American Presidents Lines, where preferential rates or minimum quantity commitment discounts apply. If business in the port increases and additional carriers desire to use port facilities, the new rates would apply. Carriers doing significant volume in the port can negotiate a preferential rate with Council approval.

LEGAL: Tariff No. 13 will be submitted to the FMC once it's adopted.

STAFF RECOMMENDATION: Staff recommends the proposed Tariff 13.

CITY MANAGER'S COMMENTS: A considerable amount of work went into the review and analysis to develop a replacement for Tariff No. 13. This is for review of the council and a resolution will be presented at a later meeting. Once adopted, the tariff will be filed with the Federal Maritime Commission as required.

ATTACHMENTS:

Attachment A: Port of Kodiak Tariff No. 13

Attachment B: BST Memorandum

PORT OF KODIAK

TERMINALS TARIFF NO. 13

(Cancels and replaces Terminals Tariff No. 12)

ITEM 1 **TITLE PAGE**

NOTICE

The electronic form of the Terminals Tariff will govern in the event of any conflict with any paper form of the Terminals Tariff. If you have printed an older version of this tariff, you need to print this version in its entirety.

Naming: Rules, Regulations and Rates for

**Wharfage, Loading and Unloading, Wharf Demurrage,
Handling, Service and Facilities Charge, Dockage and
Other Services at:**

**The Port of Kodiak Municipal Terminals located at
Kodiak, Alaska**

ISSUING AGENT:

Derrick Magnuson, Port and Harbor Director
Telephone (907) 486-8080
FAX (907) 486-8090
E-mail dmagnuson@city.kodiak.ak.us

Issued by:
City of Kodiak City Council
710 Mill Bay Road
Kodiak, Alaska 99615

FMC Org Number 001970
Effective TBD

ITEM 2
TABLE OF CONTENTS

SUBJECT

	ITEM
<u>Title Page and Issuing Agent</u>	<u>1</u>
<u>Table of Contents</u>	<u>2</u>
<u>General Index</u>	<u>3</u>
<u>Abbreviations</u>	<u>4</u>
<u>Metric Conversions</u>	<u>5</u>
<u>Commodity Index</u>	<u>6</u>

	SECTION
<u>General Rules and Regulations</u>	<u>Section 1</u>
<u>Commodity Rules, Explanations and Rates</u>	<u>Section 2</u>
<u>Miscellaneous Charges.....</u>	<u>Section 3</u>

ITEM 3
GENERAL INDEX

ITEM

SECTION ONE – GENERAL RULES AND REGULATIONS

<u>Limits of Liability.....</u>	<u>100</u>
<u>Application of Tariff</u>	<u>101</u>
<u>Notice to Public</u>	<u>101(A)</u>
<u>Use of Facilities, Deemed Acceptance.....</u>	<u>101(B)</u>
<u>Rates Subject to Change</u>	<u>101(C)</u>
<u>Tariff Effective</u>	<u>101(D)</u>
<u>Liability for Damage</u>	<u>101(E)</u>
<u>Rights of Operation and Agreement Reserved</u>	<u>102</u>
<u>Rights of Agreement Reserved</u>	<u>102(A)</u>
<u>Labor Emergency.....</u>	<u>102(B)</u>
<u>Responsibility</u>	<u>103</u>
<u>Responsibility for Loss, Damage or Delays</u>	<u>103(A)</u>
<u>Liability for Damages and/or Injury.....</u>	<u>103(B)</u>
<u>Due Diligence</u>	<u>103(C)</u>
<u>Shippers Requests and Complaints</u>	<u>104</u>
<u>Acceptance, Retention and Delivery of Freight.....</u>	<u>105</u>
<u>Right to Refuse Freight</u>	<u>105(A)</u>
<u>Right to Remove, Repile, Transfer or Warehouse Freight</u>	<u>105(B)</u>
<u>Right to Withhold Delivery of Freight.....</u>	<u>105(C)</u>
<u>Right to Sell Freight</u>	<u>105(D)</u>
<u>Explosives and Inflammables.....</u>	<u>105(E)</u>
<u>Freight Owner’s Risk.....</u>	<u>105(F)</u>
<u>Receipt or Delivery of Freight During Other Than Regular Working Hours</u>	<u>106</u>

<u>Collection and Guarantee of Charges and Vessel Berth Reservation</u>	<u>107</u>
<u>Application for Vessel Berth Reservation</u>	<u>107(A)</u>
<u>Supplement to Application for Vessel Berth Reservation.....</u>	<u>107(B)</u>
<u>Conditions of Vessel Berth Reservation</u>	<u>107(C)</u>
<u>Demurrage, Delays and Waiver of Charges</u>	<u>108</u>
<u>Demurrage – Transports or Vessels.....</u>	<u>108(A)</u>
<u>Delays, Waiver of Charges.....</u>	<u>108(B)</u>
<u>Berth Assignments.....</u>	<u>109</u>
<u>Vessels Required to Obtain Assignments</u>	<u>109(A)</u>
<u>Berth Assignments Conditional</u>	<u>109(B)</u>
<u>Vessels Required to Move</u>	<u>110</u>
<u>Orders to Vacate Berth</u>	<u>110(A)</u>
<u>Manifests Required of Vessels.....</u>	<u>111</u>
<u>Application of Rates</u>	<u>112</u>
<u>General Application of Rates.....</u>	<u>112(A)</u>

Specific Commodity Rates Prevail	112(B)
Classification of Traffic	113
Coastwise Traffic	113(A)
Inter-Coastal Trade	113(B)
Inter-Alaskan Trade	113(C)
Foreign and Non-Contiguous Traffic	113(D)
Insurance	114
Port Facilities	115
Stevedore Access to and Operations on Property of the Port.....	116
Agreements	116(A)
Care in the Performance of Operations	116(B)
Compliance with Fire and Safety Precautions	116(C)
Stevedore and Port Independent Contractors	116(D)
Stevedore Shall Insure Efficient and Expeditious Vessel Work	116(E)
Stevedore Warranty	116(F)
Indemnity	116(G)
Insurance	116(H)
Stevedore Responsibility	116(I)
Equipment Provided by Stevedores	117
Vessel Oily Waste or Garbage Disposal	118
Storage, Staging and Assembling of Non-Cargo Equipment and Materials...	119

SECTION TWO – COMMODITY RULES, EXPLANATIONS AND RATES

Wharfage	201
Wharfage Defined	201(A)
Wharfage on Direct Transfer Freight.....	201(B)
Exceptions	201(C)
Loading and Unloading	202
Loading and Unloading Defined	202(A)
Handling.....	203
Handling Defined	203(A)
Wharf Demurrage	204
Wharf Demurrage Defined	204(A)
Computing Wharf Demurrage	204(B)
Wharf Demurrage Rates	205
Free Time	206
Free Time Defined	206(A)
Computing Free Time Exclusions.....	206(B)
Extent of Free Time by Traffic Classifications	206(C)
Commodities Allowed No Free Time	206(D)
Wharfage Rates	207
Minimum Wharfage	207(A)

SECTION THREE – MISCELLANEOUS CHARGES

Dockage Rules.....	301
Dockage Defined	301(A)
Dockage Period	301(B)
Basis for Computing Charges	301(C)
Control of Vessels Not Loading or Discharging	301(D)
Vessels on Lay Status.....	301(E)

Port of Kodiak Terminals Tariff No. 13 – Effective TBD

<u>Free Dockage</u>	<u>301(F)</u>
<u>Dockage and Barge Mooring Rates</u>	<u>302</u>
<u>Dockage Rates</u>	<u>302(A)</u>
<u>Fishing Vessel and Local Freight Craft Mooring Rates.....</u>	<u>302(B)</u>
<u>Fresh Water for Vessels.....</u>	<u>303</u>
<u>Repairs of Damages and Alterations.....</u>	<u>304</u>
<u>Passenger Vessel Fee</u>	<u>305</u>
<u>Tonnage Fee</u>	<u>305(A)</u>
<u>Lightering Fee</u>	<u>305(B)</u>
<u>Security Fee.....</u>	<u>306</u>

ITEM 4
ABBREVIATIONS

\$	Dollars
%	Per Centum
BBL	Barrel
BM	Board Measure
Cu. Ft.	Cubic Foot or Feet
Cu. T.	Cubic Ton (40 Cu. Ft.)
FMC	Federal Maritime Commission
ft.	Foot
Hdlg.	Handling
KD	Knock Down
Lbs.	Pounds
Ldg.	Loading
LOA	Length-over-all
M	Thousand
Meas.	Measurement
Misc.	Miscellaneous
NOS	Not Otherwise Specified
Sec.	Section
Stor.	Storage
SU	Set Up
Sq. Ft.	Square Foot
Unl.	Unloading
Viz.	Specifically
Wfg.	Wharfage
Wt.	Weight

Reference Marks	
ABB/ REF	Explanation
[A]	Addition/New
[C]	Change
[D]	Cancel/Eliminated
[I]	Increase
[NC]	No Change
[R]	Reduction/Decrease
%	Percent

ITEM 5
METRIC CONVERSIONS

Metric Conversion factors to be employed in determination of charges assessed under this tariff are as follows:

<u>Measure</u>	<u>Metric Equivalent</u>
1 lb.	0.4536 Kilogram
1 Ton of 2000 lbs.	907.2 Kilogram
1 Inch	2.54 Centimeter
1 Foot	0.3048 Meters
1 Yard	0.9144 Meters
1 Cubic Foot	0.02272 Cubic Meters
40 Cubic Feet	113.27 Cubic Meters

<u>Measure</u>	<u>English Equivalent</u>
1 Kilogram	2.2046 lbs.
1000 Kilograms	2204.6 lbs. or 1.1023 Short Tons
1 Centimeter	0.3937 inches
1 Meter	39.37 inches
1 Cubic Meter	35.314 Cubic Feet

Metric Conversion Table

<u>To Find</u>	<u>Given</u>	<u>Multiply</u>
Metric Tons	Short Tons	Short Tons by 0.907
Short Tons	Metric Tons	Metric Tons by 1.102
Metric Tons	Long Tons	Long Tons by 1.016
Long Tons	Metric Tons	Metric Tons by 0.984
Kilograms	Pounds	Pounds by 0.4536
Pounds	Kilograms	Kilograms by 2.2046
Cubic Meters	Measurement Tons (40 cubic feet)	Measurement Tons by 1.133
Measurement Tons (40 cubic feet)	Cubic Meters	Cubic Meters by 0.883
Cubic Meters	MFBMs (ft. BM in thousands)	MFBMs by 2.36
MFBMs (ft. BM in thousands)	Cubic Meters	Cubic Meters by 0.424

ITEM 6
COMMODITY INDEX

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z

ITEM

A

No commodities listed

B

No commodities listed

C

No commodities listed

D

No commodities listed

E

No commodities listed

F

No commodities listed

G

[General Cargo NOS - Wharfage.....210](#)

H

[Hazardous – Contaminated Materials - Wharfage212](#)

I

No commodities listed

J

No commodities listed

K

No commodities listed

L

No commodities listed

M

No commodities listed

N

No commodities listed

O

No commodities listed

P

[Petroleum Products, Inbound - Wharfage.....213](#)

[Petroleum Products, Outbound - Wharfage214](#)

Q

No commodities listed

R

[Rock - Wharfage.....211](#)

S

No commodities listed

T

No commodities listed

U

No commodities listed

V

No commodities listed

W

No commodities listed

X

No commodities listed

Y

No commodities listed

Z

No commodities listed

Return to top of [COMMODITY INDEX](#)

SECTION ONE – GENERAL RULES AND REGULATIONS

ITEM 100 [A] **LIMITS OF LIABILITY**

No provision contained in this tariff shall limit or relieve the Port of Kodiak from liability for its own negligence nor require any person, vessel, or lessee to indemnify or hold harmless the Port of Kodiak from liability for its own negligence.

ITEM 101 [A] **APPLICATION OF TARIFF**

(A) NOTICE TO PUBLIC

This tariff is published and filed as required by law and is, therefore, notice that the rates, rules and charges apply to all traffic without specific notice, quotation or arrangement.

(B) USE OF FACILITIES, DEEMED ACCEPTANCE

Use of wharves or facilities shall be deemed an acceptance of this tariff and the terms and conditions named herein.

(C) RATES SUBJECT TO CHANGE

The rates named in this tariff are based upon ordinary traffic and labor conditions. If and when these conditions change because of demand of labor for increased wages, strikes, congestion, or other causes not reasonably within the control of the Port of Kodiak resulting in an increased cost of service, the rates are subject to change, on or after effective date filed with the Federal Maritime Commission.

(D) TARIFF EFFECTIVE

The rates, charges, rules and regulations named in this tariff additions, revisions or supplements thereto, shall apply on all freight received at the terminal on or after effective date of this tariff or effective dates of additions, revisions or supplements thereto, provided, however, that when terminal charges have been prepaid at point of origin, at the terminal tariff rates in effect on date of shipping, such rates prevail even though the shipment is received at destination after effective date of the new tariff, revisions or supplements. Unless otherwise specified, all transit freight received at the terminal and undelivered prior to effective dates of tariff, revisions or supplements thereto, shall be charged the rates in effect on the date such freight was received until entire lot or shipment has been withdrawn.

(E) LIABILITY FOR DAMAGE

The vessel assumes liability for damage caused to port facilities by the vessel. Should unusual structures exist, it is the vessel's responsibility to make the necessary arrangements to protect the dock against damage by them.

ITEM 102
RIGHTS OF OPERATION AND AGREEMENT RESERVED

(A) RIGHT OF AGREEMENT RESERVED

Right is reserved by the Port of Kodiak to enter into agreements with carriers, shippers, consignees and/or their agents concerning rates and services providing such agreements are consistent with existing local, state and federal law governing the civil and business relation of all parties concerned.

(B) LABOR EMERGENCY [A]

When by reason of strike, boycott, walkout or other condition affecting longshore labor supply or port ability to permit, necessary functions of labor in connection with the receipt and delivery of cargo on a port wide basis, the Port and Harbor Director may declare a period of "Labor Emergency" to exist.

During the period of Labor Emergency, the duration of which shall be fixed by the Port and Harbor Director in recognition of the nature of the emergency encountered, the congestion of facilities, duration of labor disruption, accumulation of cargo involved and other similar factors, Free Time (See [ITEM 206](#)) may be extended, Demurrage Charges (See [ITEM 108](#)) may be waived. Subject to Notes 1, 2 and 3.

Note 1: The duration of the Labor Emergency in no case may exceed a period concurrent with the period of actual work stoppage and five work days after.

Note 2: Cargo of Free Time shall obtain an extension of that Free Time period equal to the duration of the Labor Emergency.

Note 3: Cargo on Demurrage at the onset of the period of Labor Emergency shall be relieved of the payment of demurrage charges during the period of Labor Emergency and shall instead be assessed Storage Charges for that period. Demurrage status shall be restored with the expiration of the Labor Emergency.

ITEM 103
RESPONSIBILITY

(A) RESPONSIBILITY FOR LOSS, DAMAGE OR DELAYS [A]

The Port of Kodiak will not be responsible for any loss or damage, caused by fire, frost, heating, dampness, leakage, the elements, evaporation, natural shrinkage, wastage or decay, animals, rats, mice or other rodents, moths, weevils, or other insects, leakage or discharge from sprinkler fire protection systems, collapse of building or equipment, or by floats, logs or piling required in breasting vessels away from wharf; nor will it be liable for any loss, damage or delay arising from insufficient notification or from war, insurrection, shortage of labor, combination, riots, or strikes or any persons in its employ or in the service of others or for any consequences arising there from, except to the extent that any of the aforesaid loss or damage results from grossly negligent acts or omission of the Port, its employees or agents, (Subject to [ITEM 100](#) herein.)

(B) LIABILITY FOR DAMAGES AND/OR INJURY [A]

If and when others than the Port of Kodiak are permitted to perform services on the wharves or premises of the terminal company, they shall be liable for the injury of persons in their employ and shall also be held accountable for malicious acts or thefts by themselves or persons in their employ.

The provisions of this item are applicable to all persons, corporations, associations and the like who in any manner come upon or use the terminal facilities, except to agents or employees of the Port. All such person, corporations, associations and the like shall be strictly liable and responsible for damage to property or for damage or injury to, or for the death of, any person or persons, which may be caused or occasioned by any act or omission of such persons or the acts or omissions of their agents or employees. All such persons who come upon or use the terminal facilities shall be deemed to have irrevocably agreed to indemnify Port of Kodiak for any such loss or damage to persons or property for which a claim is or may be made against the Port, and all such persons shall save and hold the Port harmless from any and all such liability, together with all costs and expenses incurred by the Port in investigating or defending claims therefore, including, but not limited to, court costs, experts fees and attorneys fees.

The indemnification, hold harmless, and non-liability provisions of this section do not apply to losses, damages, or injuries to the extent such losses, damages, or injuries are occasioned by any acts or omission of the Port, its employees or agents.

(C) DUE DILIGENCE [A]

The Port will not be responsible for any loss damage or delay of merchandise which may arise from any cause beyond its direct authority and control, nor for any cause except for want of due diligence of the Port. (Subject to [ITEM 100](#) herein.)

ITEM 104 [A]
SHIPPERS REQUESTS AND COMPLAINTS

Any interested party may initiate requests or complaints on matters relating to rates, charges, rules and regulations contained in this tariff by filing a statement fully documenting the request or complaint with the City of Kodiak Port and Harbor Director, 710 Mill Bay Road, Kodiak, Alaska 99615.

ITEM 105
ACCEPTANCE, RETENTION AND DELIVERY OF FREIGHT

(A) RIGHT TO REFUSE FREIGHT

Right is reserved by the Port of Kodiak, without responsibility for demurrage, loss or damage, to refuse to accept, receive or unload or to permit vessels to discharge freight. Freight deemed offensive, perishable, or hazardous, or freight not packed in containers suitable to standing ordinary handling incident to its transportation can also be refused under these provisions.

(B) RIGHT TO REMOVE, REPILE, TRANSFER OR WAREHOUSE FREIGHT

Hazardous or offensive freight which, by its nature, is liable to damage other freight, is subject to immediate removal from the wharf and/or wharf premises with all expense and risk of loss or damage for the account of owner, shipper or consignee.

Freight remaining on wharf or wharf premises after expiration of “Free Time”, as defined herein, and freight shut out at clearance of vessel may be piled or repiled to make space, transferred to other locations or receptacles within the wharf premises, or removed to a public or private warehouse. All expenses and risks of loss and damages are the responsibility of the owner, shipper, consignee, and/or carrier. (Subject to [ITEM 100](#) herein.)

(C) RIGHT TO WITHHOLD DELIVERY OF FREIGHT

Right is reserved to withhold delivery of freight until all accrued charges and advances against said freight have been paid in full.

(D) RIGHT TO SELL FREIGHT

Freight on which unpaid terminal charges have been accrued may be sold to satisfy such charges and costs. Freight of a perishable nature or of a nature liable to damage other freight may be sold at public or private sale without advertising, provided owner has been given reasonable notice to pay charges and to remove said freight and has neglected or failed to comply.

(E) EXPLOSIVES AND INFLAMMABLES

Explosives and hazardous or highly inflammable commodities or material may only be handled over, or received on, the facilities of the Port of Kodiak with written consent by

and special arrangement with, and at the option of the Port of Kodiak and subject to Federal, State and City rules and regulations.

(F) FREIGHT AT OWNER’S RISK

Owner, shipper, consignee, and carrier shall assume all risk of loss or damage to glass, liquids and fragile articles, freight on open ground or open wharf, log or lumber rafts, and all water craft, if and when permitted by terminal operator to be moored in slips, at moorage dolphins, at wharves, or alongside vessels. (Subject to [ITEM 100](#) herein.)

ITEM 106
RECEIPT OR DELIVERY OF FREIGHT DURING OTHER THAN REGULAR WORKING HOURS

Unless otherwise excepted, prior arrangements must be made with the Port of Kodiak when freight is to be received from, or delivered to, trucks, drays or water carriers on Saturdays, Sundays, holidays or during hours when, under working rules governing labor, the payment of overtime to checkers is necessitated.

The current holidays for the ILWU in Kodiak are: [C]

Holiday	Date (2020)	ILWU Work Rules
New Year	1/1	No work
Martin Luther King Day	1/20	OT
Lincoln Birthday	2/12	OT
President’s Day	2/17	OT
Seward’s Day	3/30	OT
<u>Cesar Chavez Day</u>	<u>3/31</u>	<u>OT</u>
Memorial Day	5/25	POT
July 4th	7/4	OT
<u>Bloody Thursday</u>	<u>7/5</u>	<u>POT</u>
<u>Harry Bridges Day</u>	<u>7/28</u>	<u>OT</u>
Labor Day	9/7	POT
Alaska Day	10/18	OT
Veteran’s Day	11/11	POT
Thanksgiving	11/26	No Work
Christmas	12/25	No Work

Note: Dates shown are for calendar year 2020; some holidays are not based on a specific day of the year (e.g., Martin Luther King Day is a federal holiday held on the third Monday of January); On no-work days, ILWU personnel will not work a ship but they will tie up a ship. No work holidays start at 1500 the day before and end at 0700 the day after. OT refers to over time, which is paid at time and one half of prevailing wage. If a holiday falls on a Saturday then Friday is the paid holiday. If it falls on a Sunday then Monday is the paid holiday. POT refers to Penalty Overtime, which is charged at time and a half of the overtime rate. 2.25 times prevailing wage.

ITEM 107

COLLECTION AND GUARANTEE OF CHARGES AND VESSEL BERTH RESERVATION

[A]

Use of Port facilities or service is conditioned upon satisfactory assurance to the Port by the customer that applicable charges will be paid when due. All charges are due and payable as they accrue or on completion of service or use.

Payment terms are cash unless the Port customer, prior to the use of Port facilities or service, has established credit worthiness acceptable to the Port, and has been relieved of cash payment requirement by the Port.

The Port may require payment of charges in advance, as follows:

1. By the vessel, its owners or agents before vessel is assigned a berth and commences its loading or unloading operations. (Conditions, imposed by the Port, for waiver of cash in advance requirements, are specified in "Conditions of Berth Reservation" - which is incorporated into this tariff under [ITEM 107\(C\)](#))
2. By the owner, shipper, or consignee before cargo leaves the custody of the terminal.
3. For all charges on perishable cargo or cargo of doubtful value and household goods.

All estimates of Port charges are subject to approval and/or adjustment by the Port.

ITEM 107(A)

PORT OF KODIAK APPLICATION FOR VESSEL BERTH RESERVATION (See Notes and Conditions)				
Reservation of a Berth is Requested at the Port of Kodiak				
				Date
Vessel	Voyage No.	LOA	ETA	ETD
Vessel Owner/Line		Berth Desired		
Vessel Charterer				
To Load (Commodity Type and Amount)			To Discharge (Commodity Type and Amount)	
Terms of Affreightment			Terms of Affreightment	
Agency Firm			Authorized Individual	
Application for reservation of vessel berth and vessel berthing is subject to Regulations, Rules and Terms of the Port tariff and to the timely filing of the Statement of Financial Responsibility provided and incorporated herewith as Supplement to this Application for Vessel Berth Reservation.				
FOR PORT USE ONLY				
Application Received By:			Time/Date:	
Application Approved By:			Time/Date:	
Berth Assigned			Vessel ETA:	
Special Crane or Cargo Handling Equipment Required:				

ITEM 107(B)

PORT OF KODIAK SUPPLEMENT TO APPLICATION FOR VESSEL BERTH RESERVATION				Date
Vessel	Voyage No.	LOA	ETA	ETD
Vessel Owner/Line	Berth Desired			
Vessel Charterer				
To Load (Commodity Type and Amount)		To Discharge (Commodity Type and Amount)		
Terms of Affreightment		Terms of Affreightment		
Agency Firm		Authorized Individual		

Note: Separate submissions of this document are required when the vessel affreightment for part of the cargo differs from the terms of the affreightment for any other part of the cargo.

Category of Port Charges	Party Responsible for Payment	Estimated Dollar Amount	For Port/Dock Operator Use
1. Dockage			
2. Wharfage			
3. Service and Facility Charge			
4. Handling			
5. Misc. (Water, Electricity, Etc.)			
6. Security Fee			

Total Estimated Charges _____

Pursuant to the instructions set forth in Conditions of Berth Reservation, the undersigned hereby seeks the arrangement of berthing facilities on behalf of the above-named vessels, and attests to the accuracy of the information provided to the extent set forth in Paragraph C.

Date	(Berth Agent)	(As Agent Only)
------	---------------	-----------------

Acceptance of Financially Responsibility for Payment

In connection with the Application for Vessel Berth Reservations dated _____, 20____ the undersigned hereby accepts responsibility, on its own behalf, for payment of the port charges listed under the line items as designated below which correspond with those designated in the above Supplement to Application for Vessel Berth Reservation, in a maximum amount not to exceed 125 percent (125%) of the aggregate estimated dollar amount shown above for the relevant line items, or 125 percent (125%) of such other sum as the Port, after review and revision of such estimates, has provided to the undersigned in writing, in which latter case a copy of such writing is physically attached hereto.

Category of Port charges Line item(s) No.	For Port/Dock Operator Use
(Name of Company) _____	(Authorized Signature) _____
Category of Port charges Line item(s) No.	
(Name of Company) _____	(Authorized Signature) _____
Category of Port charges Line item(s) No.	
(Name of Company) _____	(Authorized Signature) _____

Note: Pursuant to Port of Kodiak Tariff Rule No. 108, in all instances where the "Party Responsible for Payment" listed above has not established credit worthiness with the Port and where responsibility for port charges has not been accepted by another credit worthy entity, the Port shall require payment of cash in advance or posting of acceptable security prior to vessel berthing.

ITEM 107(C)

**PORT OF KODIAK
CONDITIONS OF VESSEL BERTH RESERVATION**

In accordance with Federal Maritime Commission Docket 83-48, Alaska Maritime Agencies, Inc., et al v. Port of Anacortes, et al and Tariff Rule 108 in the Port of Kodiak Terminals Tariff No. 13, all applications for vessel berth reservation shall be made in the form specified by the Port, and will require the timely filing of the financial responsibility information shown on the Supplement To Application for Vessel Berth Reservation, completed in accordance with and otherwise governed by, the terms and conditions set forth below:

- A. Except where and to the extent waived pursuant to paragraph B below, terms of payment for all acceptable Port charges shall be cash in advance. A cash deposit or acceptable security in an amount equal to 125% of the estimated applicable charges will be required to be posted with the Port, six days prior to the vessel's scheduled arrival, or at such other time as may be authorized or directed by the Port, but in all cases in advance of actual services rendered. In any case in which a cash deposit has been posted, any excess thereof, after satisfaction of all applicable port charges, shall be promptly refunded by the Port to the party posting same.
- B. The Port may waive the requirement of cash in advance as to all or any category or categories of its anticipated port charges when the party responsible for such charges has been identified by the berthing agent to the satisfaction of the Port, and:
 - 1. That party responsible has established credit worthiness acceptable to the Port; or
 - 2. Adequate security, acceptable to the Port, in an amount equal to 125% of the applicable estimated port charges, has been posted; or
 - 3. The agent requesting the berth, or another entity, in each case acceptable to the Port as credit worthy, has personally accepted financial responsibility for the applicable charges.
- C. The vessel agent or other person requesting reservation of a berth ("berthing agent") shall, as part of the berth reservation process, provide to the extent of his knowledge all information called for on the Supplement to Application for Vessel Berth Reservation respecting the vessel, its estimated arrival and departure, amount(s) and type(s) of cargo to be loaded/discharged, and estimate of amount of each category of port charges, as enumerated, and party responsible for thereof. The submission of this form, signed by the berthing agent, shall constitute the berthing agent's attestation as to the accuracy of information therein supplied, based upon and to the extent of information made available to the berthing agent at the time of submission; **and the berthing agent shall be held personally liable to the Port** for any financial loss suffered by the Port as a result of the agent's failure so to report accurately.
- D. Should the berthing agent, subsequent to submission of this form, receive information which materially differs from the information previously provided, and which information the agent reasonably believes is not equally known the Port, it shall immediately notify the Port and, as if requested by the Port, promptly file an amended Supplement to Application for Vessel Berth Reservation with the Port.
- E. All estimates of port charges are subject to approval and/or adjustment by the Port.
- F. The Port shall, promptly after receipt of this form, advise the berthing agent as to (1) its approval or adjusted estimate of port charges, and (2) whether posting of cash or security is required for any one or more categories of such charges and the amount thereof.
- G. In addition to the terms for berth reservation and establishment of financial responsibility set forth herein, requests for berth reservations and assignments of berths shall otherwise be in accordance with all local rules and regulations established by the Port.

ITEM 108
DEMURRAGE, DELAYS AND WAIVER OF CHARGES

(A) DEMURRAGE – TRANSPORTS OR VESSELS [A]

In furnishing the service of ordering, billing out, loading or unloading trucks, or of handling to and from vessels, no responsibility for any demurrage whatsoever on either trucks or vessels will be assumed by the Port of Kodiak. (Subject to [ITEM 100](#) herein)

(B) DELAYS, WAIVER OF CHARGES [C]

Delays in loading, receiving, delivering, or handling freight arising from combinations, riots, or strikes of any persons in the employ of the Port of Kodiak or in the services of other or arising from any other cause not reasonably within control of the Port of Kodiak, will not entitle the owners, shippers, consignees, or carriers of the freight to waiver of wharf demurrage or any other terminal charges or expenses that may be incurred.

ITEM 109
BERTH ASSIGNMENTS

(A) VESSELS REQUIRED TO OBTAIN ASSIGNMENTS [C]

No vessel will be permitted to berth at a facility of the Port of Kodiak without having first made assignment and without such an assignment having been granted. Applications for berth assignment must specify arrival and departure times and dates and the nature and quantity of the freight to be loaded or discharged.

(B) BERTH ASSIGNMENT CONDITIONAL [C]

Berth assignments made by the Port of Kodiak are subject to alteration and revocation in the following conditions:

1. Any vessel assigned a berth for any other purpose than to load or discharge cargo may be ordered to vacate such berth when the Port, at its sole discretion, determines the berth is required for the use of a vessel desiring to load or discharge cargo.
2. Any vessel on berth to load or discharge cargo which, for any reason, experiences a delay in such operations may be ordered to vacate the berth when the Port, at its sole discretion, determines congestion or excessive operational cost is threatened by reason of delay and may be reduced or avoided by the use of the berth of another vessel which is capable of cargo loading or discharge at the berth.
3. Preferential Use Agreements: The Port of Kodiak reserves the right to enter into preferential use agreements subject to City Council approval. Interference with preferential use agreements is not allowed. Preferential use agreements are as follows:
 - Pier 1: Alaska Marine Highway System, Petro Marine Services
 - Pier 2: National Oceanographic and Atmospheric Administration, Petro Star Inc.
 - Pier 3: Matson Navigation Company

4. Whenever the Port deems a danger of congestion exists any vessel on berth may be required to work cargo around-the-clock or at overtime expense. Should any vessel refuse to comply the Port may order the vessel to vacate the berth.

ITEM 110
VESSELS REQUIRED TO MOVE

(A) ORDERS TO VACATE BERTH [C]

Vessels may occupy a berth, subject to charges named in Item 109, providing such vessel shall vacate the berth upon demand by the Port. Vessels refusing to vacate berth on demand may be moved by tug or otherwise and any expenses, including damages to other vessels, or to wharf structures during such removal, shall be charged to the moved vessel. Vessel at berth engaged in loading or discharging cargo may be required to work overtime at the discretion of the Port. Overtime differentials shall be added to the account of the vessel's owner, agents, or operators.

Whenever an order to vacate a berth is made by the Port under these rules and the order is not complied with in the time specified in the order, the Port may assess a penalty dockage rate of \$500.00 per hour for each hour the vessel remains on berth after such order has been issued.

ITEM 111
MANIFESTS REQUIRED OF VESSELS [C]

Masters, owners, agents or operator of vessels are required to furnish the Port of Kodiak with complete copies of vessel manifests showing names of consignees or consignors and the weights or measurements of all freight loaded or discharged at the facilities of the Port of Kodiak. Such manifests must also designate the basis of the weight or measurement on which ocean freight was assessed. In lieu of manifests, certified lists of copies of "boat notes" or mates' receipts containing all information as required above may be accepted.

ITEM 112
APPLICATION OF RATES

(A) GENERAL APPLICATION OF RATES

Unless specifically provided for otherwise, rate names in this tariff are in dollars and cents per short ton, barrel, or gallon, according to vessel manifest or lading covering shipment when not in connection with vessel. 1,000 kilograms equals 1 metric ton, which has 2,204.6 pounds. A short ton is 2,000 pounds. To determine the number of short tons, divide metric tons by 0.9072.

(B) SPECIFIC COMMODITY RATES PREVAIL [A]

Unless otherwise excepted, rates provided for specific commodities will prevail over NOS rates or general commodity rates.

ITEM 113
CLASSIFICATION OF TRAFFIC [A]

Vessels, the trade routes on which they operate, and the cargo which they handle are classified below for the purpose of applying the provisions of this tariff. Unless otherwise specified, cargo received from a vessel in one trade route and transshipped on a vessel in another trade route shall be subject to the rates, conditions, and exceptions governing the respective trade route classifications whether or not such cargo is moving on through rates and/or through bills of lading:

(A) COASTWISE TRAFFIC

All traffic between West Coast ports of the United States and Alaska.

(B) INTER-COASTAL TRADE

All traffic between ports of the United States, other than West Coast ports, and Alaska.

(C) INTER-ALASKAN TRADE

Traffic between points in Alaska.

(D) FOREIGN AND NON-CONTIGUOUS TRAFFIC

All cargo shipped from or destined to any point not within the limits of the contiguous boundaries of the U.S.A.

ITEM 114
INSURANCE [C]

No insurance is included in the rates named in this tariff. The Port of Kodiak shall be under no obligation to provide any insurance of any type for any vessel, cargo, or liability arising out of the use of Port facilities. If the Port of Kodiak does acquire any such insurance, the charges for that insurance shall be in addition to the fees described in this tariff.

ITEM 115
PORT FACILITIES [A]

The Port of Kodiak has three multi-use facilities.

- Pier I – Ferry Dock [230' x 42', 26.6' (MLLW)]
Uses: Ferry terminal, Petro Marine bulk fuel facility, and general use for mooring, loading, unloading of fishing and other types of vessels. No welding or open flames permitted at Pier1 without prior authorization from Port and Harbormaster.
Services: Water, bulk fuel
Stevedoring services can be provided by a qualified stevedore.
- Pier II – City Dock [1050' x 64', 38' (MLLW)]
Use: loading/unloading of commercial freight, cruise ships, government vessels, gear work area, moorage for fishing vessels.
Services: water, sewage discharge, outside storage, warehouse
Stevedoring services must be provided by a qualified stevedore.
- Pier III – Cargo Terminal: 330' x 110' (940' ' Bollard to Bollard). 38' @ MLLW. Uses: container services/general cargo, 100 gauge container lift
Stevedoring services are provided exclusively by Matson Navigation Co.

ITEM 116
STEVEDORE ACCESS TO AND OPERATIONS ON PROPERTY OF THE PORT

(A) AGREEMENTS [C]

Notice is hereby given that the Port of Kodiak reserves the right to enter into stevedoring agreements or terminal operation contracts with such party or parties as it may select, which agreements or contracts may require users of the Port of Kodiak to procure stevedoring services only through the party or operator selected by the City. Any such parties or operators will operate within the rules, regulations, and rates defined in the Port of Kodiak Tariff.

Commercial carriers must use stevedore services at all port facilities except Pier 1. Unless services are requested, the following vessels are exempt from using stevedore services: vessels of the Alaska Marine Highway System, vessels in port at the invitation of the City for special occasions where the ship will be open to the public, U.S. flagged government vessels, including university research vessels, and vessels seeking fuel or other services from Harbor Enterprises dba Petro Marine Services and North Pacific Fuel aka Petro Star and vessels engaged in construction projects for the port of Kodiak. Commercial fishing vessels, catcher-processors and fish processors, and cargo vessels under 300' are also exempt, unless loading or unloading commercial freight or hazardous materials. For this purpose, commercial freight means cargo transported on a vessel under a bill of lading.

For the purpose of this rule, stevedoring services include, but are not limited to line handling, the loading/unloading of cargo between a ship and the point of rest, loading/unloading cargo or baggage to/from trucks or other means of land conveyance

to/from the terminal facility, and accessorial services pertinent thereto, including line handling.

A current list of Terminal Use Permit Holders is available on request from the Port and Harbor Director.

(B) CARE IN THE PERFORMANCE OF OPERATIONS [A]

The Stevedore shall exercise care in the performance of its operations in order to prevent injury to or death of any person and damage to or destruction or loss of property, whether of the Port, of the Stevedore, of the vessel being stevedored or any other party.

(C) COMPLIANCE WITH FIRE AND SAFETY PRECAUTIONS [A]

The Stevedore shall take all necessary safety and fire precautions, and comply with recognized commercial and marine safety practices, procedures and regulations.

(D) STEVEDORE AND PORT INDEPENDENT CONTRACTORS [A]

In any service relationship the Port and the Stevedore shall be independent contractors, each to the other, and shall not be agents or employees, one for the other, for any purpose.

(E) STEVEDORE SHALL INSURE EFFICIENT AND EXPEDITIOUS VESSEL WORK [A]

In order to insure efficient and expeditious loading and discharge of vessels, and the maximum utilization of the full capacity of the port, the Stevedore shall:

1. Make use of appropriate facilities and equipment furnished by the Port.
2. Have at least one qualified supervisor present at all times while a vessel is loading or unloading.
3. Have at least one responsible officer or representative with full power to make all operating decisions concerning the stevedoring of vessels at the Port, available for contact by the Port at all times and keep the Port informed at all times of how and where such officer or representative may be contacted by the Port.
4. Cooperate fully with the Port in all respects by (I) advising as far in advance as possible the type of vessel, Master's estimate of the quantity of cargo to be loaded or discharged, estimated time to load or discharge, and any special problems that may exist or arise;(II) determining the equipment needed for the operation; and (III) coordinating sequence and timing of operations for the convenience and efficiency of the Port.
5. Promptly restore terminal working areas to a clean, safe and orderly condition on completion of stevedoring operations.

(F) STEVEDORE WARRANTY [A]

As a condition to the right to conduct business or operate on Port property the stevedore shall warrant that all its stevedoring operations shall be conducted at all times with all necessary labor and equipment under competent supervision, with all proper dispatch and in good workmanlike manner, and the conduct of such business or operations on Port property shall be deemed to be an offer of such warranty by the stevedore and its acceptance by the Port.

If any breach of these warranties causes or subjects the Port to any losses, suits, claims, damages or liabilities, the stevedore shall defend, indemnify and save harmless, and reimburse the Port for all such losses, suits, claims, damages, or liabilities. (Subject to [ITEM 100](#) herein.)

(G) INDEMNITY [A]

(Subject to [ITEM 100](#) herein.) The stevedore shall indemnify and hold harmless the Port, its employees and agents from and against any claims, damages, losses or expenses (including attorney's fees) for the injury to or death of any of the stevedore's employees, agents or invitees, or for damage to or destruction of stevedore's property. The stevedore shall also indemnify and hold harmless the Port, its employees, agents and invitees from and against any claims, damages, losses and expenses (including attorney's fees) for injury to or death of any persons (including employees of the Port), and for damage to or destruction of property (including property of the Port), which is caused in whole or in part by any act or omission or breach of these rules by the stevedore, its employees, agents or anyone else for whose acts the stevedore is or may be liable.

1. The indemnification, hold harmless, and non-liability provisions of (G) do not apply to losses, damages, or injuries to the extent such losses, damage, or injuries are occasioned by any negligent acts or omissions of the Port, its employees or agents.
2. The stevedore shall execute and deliver to the Port an indemnity agreement substantially in accord with the terms of this tariff.

(H) INSURANCE [A]

(Subject to [ITEM 100](#) herein.) The stevedore shall obtain, and shall maintain, the following insurance coverage.

1. Workman's Compensation Insurance (including Longshoremen and Harbor Workers Act Coverage) under all applicable Federal and State statutes and municipal ordinances for all the stevedore's employees performing its work, and Employer's Liability Insurance (including liability under the Jones Act) in the amount of not less than \$1,000,000.
2. Comprehensive General Liability against claims for bodily injury, death or property damage occurring on, in or about the vessels being loaded by the stevedore, or the premises of the Port, and the adjoining areas, with limits to bodily injury or death

and property damage of not less than \$1,000,000 for each occurrence and an annual aggregate limit of \$2,000,000.

3. Commercial Automobile Liability Insurance. Minimum limits of liability for injury, death or property damage of \$1,000,000 combined single limit per occurrence. Coverage shall include for owned, hired and non-owned vehicles, if applicable.
4. The stevedore shall submit to the Port certificates of insurance evidencing the foregoing coverage, and said certificates shall provide that the Port is to be given 15 days prior notice of any alteration or cancellation.

(I) STEVEDORE RESPONSIBILITY [A]

It shall be the responsibility of the stevedore, its employees, agents or others for whose acts the stevedore is or may be liable to conduct operations on property of the Port in compliance with Port, Federal, State and Municipal Rules and Regulations. Such rules and regulations shall include but not be limited to speed limits, fire regulations, vehicle access and parking.

ITEM 117
EQUIPMENT PROVIDED BY STEVEDORES [A]

The Port of Kodiak does not have equipment for rental by outside parties. Equipment must be provided by the stevedore or other approved vendor.

The 100-foot gauge container crane at Pier III is owned by Matson. Please check with them for rates.

Cranes and boom trucks (up to 150 tons) are available through local vendors for use at Piers I and II. Check with the Harbor Office for a list of contacts.

ITEM 118
VESSEL OILY WASTE OR GARBAGE DISPOSAL [A]

Vessels which find it necessary to discharge oily waste or garbage at the Port of Kodiak shall contact the Port to arrange for services. Payment of charges for the services and equipment provided will be made directly to the Port of Kodiak by the vessel, its agent, owner, charterer, or any other party responsible for such payment of charges by the vessel.

The discharge by a vessel of oily waste and garbage at any terminal at the Port shall only be in accordance with the terms of this tariff item and applicable federal, state and local laws and regulations. Regulated garbage may not be discharged at the Port of Kodiak. As defined by 9 CFR 94.5 (c)(2), garbage is considered regulated, if, when the garbage is on or removed from the means of conveyance, the means of conveyance has been in any port outside the United States and Canada within the previous 2-year period.

Rates and charges assessed vessels by the Port for use of its facilities or services do not include this service nor insurance coverage for any potential liability of any oily waste hauler and/or reception facility other than the Port.

The Port can provide labor and equipment at Port Facilities on the basis of cost plus 10%. Please refer to the Harbor Fee Schedule for current rates at <http://www.city.kodiak.ak.us/harbor/Pages/RatesandFees.aspx>.

ITEM 119
STORAGE, STAGING AND ASSEMBLING OF NON-CARGO EQUIPMENT AND MATERIALS [A]

The Port, at its sole discretion, shall determine what constitutes cargo and what constitutes non-cargo equipment, materials and stores.

Staging, storage and assembling of non-cargo equipment, materials and stores on Port terminal facilities will be subject to adherence to directives of the Port and Harbor Director or designee. Storage, staging and assembling of materials and equipment as required for vessel repair or alterations, ships stores and other materials not deemed as cargo, will be allotted "Free Time" period of no more than 72 hours prior to the arrival of the vessel and of not more than 72 hours after the departure of the vessel. In recognition of emergency encountered, congestion of facilities, labor disruptions, or other similar factors, free time may be reduced, eliminated or extended at the discretion and directive of the Port's Executive Director or designee.

Free Time is defined as a specified number of days or hours during which materials and equipment may remain on wharf or terminal premises without incurring Port charges (See [ITEM 206A](#)).

Explosives and hazardous inflammable materials may only be handled over, stored on or received on, the facilities of the Port of Kodiak by special arrangement with, and at the option of the Port of Kodiak and subject to Federal, State and City rules and regulations.

End of section, return to [GENERAL INDEX](#).

SECTION TWO – COMMODITY RULES, EXPLANATIONS AND RATES

ITEM 201 **WHARFAGE**

(A) WHARFAGE DEFINED [C]

“Wharfage” means the charge for the use of the wharf that is assessed on all freight passing or conveyed over, under, through or onto wharf premises or loaded or discharged overside vessels berthed at wharf or moored in wharf slip. No services are covered by this charge. Unless otherwise provided, wharfage shall be considered earned and will be assessed whether or not freight received on wharf or wharf premises from cargo, trucks, drays or water carriers is eventually loaded on vessel.

Note: This wharfage definition takes precedence over, and is a departure from the Federal Maritime Commission definition prescribed in 46 Code of Federal Regulations, Part 525, Marine Terminal Operator Schedules, reading as follows: “Wharfage means a charge assessed against the cargo or vessel on all cargo passing or conveyed over, onto, or under wharves or between vessels (to or from barge, lighter, or water), when berthed at wharf or when moored in slip adjacent to a wharf. Wharfage is solely the charge for use of a wharf and does not include charges for any other service.

(B) WHARFAGE ON DIRECT TRANSFER FREIGHT [A]

Unless otherwise specifically excepted, all freight handled direct between transports and vessels will be subject to full wharfage at the regular rates due according to ship’s manifest and the respective traffic and commodity classifications of the freight.

(C) EXCEPTIONS [A]

Ship’s stores and repair materials and supplies, all when intended for vessels’ own use, consumption of repairs, will be exempt from assessment of wharfage unless wharf employees are required to receipt for such supplies or stores as may be received or unloaded on wharf.

ITEM 202 **LOADING AND UNLOADING**

(A) LOADING AND UNLOADING DEFINED [C]

The service of loading or unloading cargo between any place on the terminal and trucks, lighters or barges or any other means of conveyance to or from the terminal facility.

ITEM 203
HANDLING

(A) HANDLING DEFINED [A]

The service of physically moving cargo between point of rest and any place on the terminal facility, other than the end of ship's tackle.

ITEM 204
WHARF DEMURRAGE [A]

(A) WHARF DEMURRAGE DEFINED

Wharf Demurrage means a charge assessed against cargo remaining in or on terminal facilities after the expiration of Free Time, unless arrangements have been made for storage. Free time is defined in [ITEM 101](#).

(B) COMPUTING WHARF DEMURRAGE

In computing either Wharf Demurrage or storage on freight delivered to a vessel, the day or days vessel is loading will not be considered demurrage for storage days. On freight delivered to transports, trucks or drays, the day freight is loaded or delivered will be considered a Demurrage or storage day.

Demurrage will be assessed at a rate per square foot per day, based on the "foot print" occupied by cargo in the laydown area or for cargo with overhangs, the footprint plus the area under the overhang that the overhang renders unusable for other storage. See Wharf Demurrage Rates (below)

ITEM 205
WHARF DEMURRAGE RATES [A]

Except as otherwise provided, after expiration of Free Time, as defined in [ITEM 206](#), Wharf Demurrage will be assessed after the allowed Free Time at Piers I and II. Wharf demurrage also applies if vessels are berthed at Pier III under the City's reservation of secondary rights at Pier III. Please refer to harbor fees for dry storage for current rates at <http://www.city.kodiak.ak.us/harbor/Pages/RatesandFees.aspx>.

ITEM 206
FREE TIME [C]

(A) FREE TIME DEFINED

"Free Time" means the period specified in the terminal schedule during which cargo may occupy space assigned to it on terminal property, including off-dock facilities, free of wharf demurrage or terminal storage charges immediately prior to the loading or subsequent to the discharge of such cargo on or off the vessel.

(B) COMPUTING FREE TIME EXCLUSIONS [A]

Except where limited under individual items not to exceed a specified number of days, Free Time is exclusive of Saturdays, Sundays and legal holidays and, unless otherwise specified, is computed from the first 7 a.m. occurring after freight is received or unloaded on wharf or wharf premises or, in case of freight from vessel, from the first 7 a.m. occurring after a vessel completes discharge.

(C) EXTENT OF FREE TIME BY TRAFFIC CLASSIFICATIONS

Unless otherwise provided under individual items, Free Time will be allowed freight according to traffic classifications, as follows:

<u>Traffic Classifications</u>	<u>Free Time Allowed [C]</u>
(As defined in ITEM 113)	

All Cargo	Twelve (12) hours
-----------	-------------------

(D) COMMODITIES ALLOWED NO FREE TIME [A]

- (1) Explosives, Inflammables, Hazardous Commodities
- (2) Salvaged Freight, Offensive Freight, when either are so designated

ITEM 207
WHARFAGE RATES [C]

Rates in this section apply on traffic moving in all trade routes. Except as otherwise provided, rates apply to metric tonnage for general cargo NOS, Rack and hazardous/contaminated materials and by barrel or gallon for petroleum products in liquid bulk as manifested by vessel for revenue purposes.

When no specific commodity rate is named in this tariff, freight manifested by vessel on a per package basis will be assessed applicable NOS rate by metric ton whichever creates greater revenue. Subject to the following limitations:

<u>Item#</u>	<u>210</u>	<u>211</u>	<u>212</u>	<u>213</u>	<u>214</u>
		<u>Per Short Ton</u>		<u>Inbound</u>	<u>Outbound</u>
	<u>General</u>		<u>Hazardous -</u>	<u>per Barrel</u>	<u>per Gallon</u>
<u>Year</u>	<u>Cargo NOS</u>	<u>Rock</u>	<u>Contaminated</u>	<u>Petroleum Products</u>	
			<u>Materials</u>		
2019	\$7.40 [I]	\$1.19 [NC]	\$16.30 [I]	\$0.39	\$0.018
2020	\$7.70 [I]	\$1.24 [I]	\$16.90 [I]	\$0.41	\$0.019
2021	\$8.00 [I]	\$1.29 [I]	\$17.50 [I]	\$0.43	\$0.020
2022	\$8.30 [I]	\$1.34 [I]	\$18.10 [I]	\$0.45	\$0.021
2023	\$8.60 [I]	\$1.39 [I]	\$18.70 [I]	\$0.47	\$0.022

Note: OVSERSIDE:

Unless otherwise specified in individual commodity items or other arrangements are made with the Port and Harbor Director, all freight loaded or discharged overside a vessel directly to or from another vessel, barge, lighter, draft, or to or from the water while vessel is berthed at wharf or moored in wharf slip, will be assessed regular wharfage rates.

(A) MINIMUM WHARFAGE [A]

Minimum wharfage charge at Pier’s I, II, and III on any single shipment will be \$77.00.

End of section, return to [GENERAL INDEX](#).

SECTION THREE – MISCELLANEOUS CHARGES

ITEM 301 **DOCKAGE RULES**

(A) DOCKAGE DEFINED

Dockage means the charge assessed against a vessel for berthing at a wharf, pier bulkhead structure, or bank or for mooring to a vessel so berthed.

(B) DOCKAGE PERIOD - HOW CALCULATED [C]

The period of time which dockage will be assessed shall commence when the vessel is made fast to a wharf, or when a vessel is made fast to a vessel so berthed, or when a vessel comes within or moors within a slip; and shall continue until such vessel is completely free from and has vacated such berth or slip. Dockage is billed per 12 hour period or portion thereof.

(C) BASIS FOR COMPUTING CHARGES [C]

Dockage charges will be based upon the overall length of the vessel as published in the most current edition of Lloyd's Register of Shipping at the time the vessel is berthed. Should length figures not be available from the sources, the Port may accept information from the vessel's official papers or measure the vessel.

(D) CONTROL OF VESSELS NOT LOADING OR DISCHARGING [A]

Vessels not engaged in loading or unloading cargo will be docked at a wharf, pier, or seawall structure, or moored to a vessel so docked, or permitted within a slip at the discretion of the Port and then only with the expressed understanding that vessels shall move their position from such a place at the discretion of the Port. Any vessel upon notice to move which refuses or fails to move may be shifted by tug or otherwise by wharf agent and any expenses, damages to vessel or other vessels, or wharf, pier or seawall structure during such removal shall be charged to the vessel so moved.

(E) VESSELS ON LAY STATUS [A]

At the Port's discretion, vessels may be placed on lay status, which may include vessels waiting to discharge and/or load cargo. These vessels may be permitted to moor at a vacant berth, when such berth is available. Standard dockage fees apply.

(F) FREE DOCKAGE [A]

Dockage charges will not be assessed against the vessels at the invitation of the Port of Kodiak for demonstrations and/or public tours and for vessels engaged in construction projects for the Port of Kodiak.

ITEM 302
DOCKAGE AND BARGE MOORING RATES

(A) DOCKAGE RATES [C]

Dockage charges will be assessed on the length-over-all of the vessel. Length-overall shall be construed to mean the linear distance, expressed in feet (meters), from the most forward point on the stem of the vessel to the after-most part of the stern of the vessel, measured parallel to the baseline of the vessel. For dockage billing purposes, length-over-all of the vessel as published in "Lloyd's Register of Shipping" will be used. If no such figure appears in "Lloyd's Register", the Port reserves the right to: (a) obtain the length-over-all from the vessels register, or (b) measure the vessel.

Dockage rates will be assessed as follows unless otherwise specified in this tariff or an agreement between the vessel owner and the Port. Dockage rates in dollars per foot per 12-hour period or portion thereof.

<u>Year</u>	<u>0 to 150 feet</u>	<u>151 to 300 feet</u>	<u>301 to 500 feet</u>	<u>501 to 700 feet</u>	<u>Over 700 feet</u>
2019	\$2.30 [I]	\$2.60 [I]	\$3.20 [I]	\$3.60 [I]	\$3.90 [I]
2020	\$2.40 [I]	\$2.70 [I]	\$3.40 [I]	\$3.80 [I]	\$4.10 [I]
2021	\$2.50 [I]	\$2.80 [I]	\$3.60 [I]	\$4.00 [I]	\$4.30 [I]
2022	\$2.60 [I]	\$2.90 [I]	\$3.80 [I]	\$4.20 [I]	\$4.50 [I]
2023	\$2.70 [I]	\$3.00 [I]	\$4.00 [I]	\$4.40 [I]	\$4.70 [I]

(B) FISHING VESSEL AND LOCAL FREIGHT CRAFT MOORING RATES [A]

Subject to availability and scheduling, commercial fishing vessels assigned exclusive moorage in Kodiak City harbors may berth at Piers I, II, and III without charge the first day, except when dockage is to conduct commercial cargo operations.

Additional days are charged at the rate posted in the harbor fee schedule:
<http://www.city.kodiak.ak.us/harbor/Pages/RatesandFees.aspx>

ITEM 303
FRESH WATER FOR VESSELS

The following charges will be made for furnishing water to vessels berthed at Terminals subject to this tariff:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
First 1,000 gallons	\$146.40 [I]	\$150.80 [I]	\$155.30 [I]	\$160.00 [I]	\$164.80 [I]
Each additional 1,000 gallons or fraction thereof	\$7.40 [I]	\$7.70 [I]	\$8.00 [I]	\$8.30 [I]	\$8.60 [I]

ITEM 304
REPAIRS OF DAMAGES AND ALTERATIONS [C]

The Port of Kodiak will make repairs to its properties of damages caused by companies or persons using its facilities or make repairs or alterations to leased facilities at the request of lessee, subject to the following schedule:

Damage repairs or alterations: Actual Cost Plus 15% [R]

Such repairs or alterations will be performed by the Port of Kodiak, or its agents, except that when necessary repairs or desired alterations are extensive, private contractors may be employed subject to the provision that work performed by private contractors must be accomplished in a manner acceptable to the Port of Kodiak. (Subject to [ITEM 100](#) herein.)

ITEM 305
PASSENGER VESSEL FEE [C]

In addition to other tariff provisions, the terms and conditions of this item apply and charges are assessed to passenger vessels and cruise ships. Passenger vessel fees are not assessed on Alaska Marine Highway Vessels.

(A) TONNAGE FEE

Passenger vessels are charged a tonnage fee (based on the net tonnage of the vessel as provided in the vessel’s documentation) per 12 hour period or portion thereof, as provided in the following table.

<u>Item#</u>	<u>305A</u>
<u>Year</u>	<u>Tonnage Fee</u>
2019 [I]	\$0.23 [I]
2020 [I]	\$0.24 [I]
2021 [I]	\$0.25 [I]
2022 [I]	\$0.26 [I]
2023 [I]	\$0.27 [I]

(B) LIGHTERING FEE

Passenger lightering is charged per 12 hour period or portion thereof, as provided in the following table.

<u>Item#</u>	305B	
	<u>Passenger Lightering</u>	
	<u>Vessels up to</u>	<u>Vessels 151 feet</u>
<u>Year</u>	<u>150 feet</u>	<u>& Longer</u>
2019	\$75.00 [I]	\$750.00 [I]
2020	\$78.00 [I]	\$780.00 [I]
2021	\$81.00 [I]	\$810.00 [I]
2022	\$84.00 [I]	\$840.00 [I]
2023	\$87.00 [I]	\$870.00 [I]

ITEM 306
SECURITY FEE [C]

At the Port's sole discretion, charges may be assessed to cargo and/or vessels for additional Security costs associated with an increase in MARSEC Level mandated by the US Department of Homeland Security.

Security services may be provided upon request at Piers 1 and 2 on the basis of cost plus 10%. Rates are reflected in the current City of Kodiak Schedule of Fees located on the City of Kodiak website.

End of section, return to [GENERAL INDEX](#).

Kodiak Tariff Rate Increases

From Paul Sorensen

To: Lon White, Port of Kodiak

Date: August 25, 2015

Re: Kodiak Tariff Rate Increases

Introduction

The existing Port of Kodiak tariff was developed in 1993, with updates in 1998 and 2006. Much has happened in the port industry during the intervening years, which led the Port to develop a new version of the tariff. This included:

- Adjusting tariff rates to meet market conditions in 2015 (and beyond) and to assure that tariff rates are in sync with the rates in preferential use agreements (PUAs).
- Modifying the language of the tariff to take into account Federal Maritime Commission (FMC) requirements and changes in tariffs by other Alaskan and Northwest ports that reflect changing market conditions as well as FMC requirements.

Most ports prepare an annual update to their tariffs but this is not a mandatory requirement. Updates are required if there are substantial changes.

Some Alaskan ports (Anchorage, Seward and Whittier) have begun to set multi-year rates. This allows shippers and carriers to see the near-term rate structures and plan accordingly. It also reduces the time spent by the Port of Kodiak in adjusting the tariff.

This memo describes the methodology used to adjust the Port of Kodiak tariff rates.

Wharfage Rates

Wharfage rates were adjusted upward based upon a review of several factors:

- 2015 rates were initially adjusted for inflation using the Anchorage CPI (averaged 2.5% per year from 2006 to 2014).
- A comparison of 2015 wharfage rates with other ports (Anchorage, Dutch Harbor, Whittier, Seward and Homer in Alaska and Everett, Anacortes, Seattle and Tacoma in US West Coast) was also undertaken.
- Rates were also compared with Kodiak PUA agreement rates (Matson, Petro Marine) to insure that the tariff rates were set at a higher rate than the PUA rates.
- In addition, rates for specific commodities (aggregate or rock) were modified to maintain competitive balance.

As noted above, some ports have begun to set multi-year rates, with annual rates increasing 3.5% to 4.0% per year. The Port of Kodiak rates were adjusted at 4% annually. However, the rates were rounded up to two digits, so the proposed rates increased from 4.3% to 6.1% per year.

Table 1 – Adjusted Port of Kodiak Wharfage Rates

Year	Dry Cargo			Petroleum Products	
	General Cargo NOS	Rock	Hazardous - Contaminated Materials	Inbound per Barrel	Outbound per Gallon
2015	\$6.20	\$1.00	\$13.80	\$0.31	\$0.014
2016	\$6.50	\$1.04	\$14.40	\$0.33	\$0.015
2017	\$6.80	\$1.09	\$15.00	\$0.35	\$0.016
2018	\$7.10	\$1.14	\$15.60	\$0.37	\$0.017
2019	\$7.40	\$1.19	\$16.30	\$0.39	\$0.018
CAGR	4.5%	4.4%	4.3%	6.1%	5.9%

CAGR means compound annual growth rate.

General cargo (NOS)

General cargo rate (NOS or not otherwise specified) is a general category that refers to most of the inbound and outbound dry cargo moving through the Port (excluding rocks and hazardous or contaminated materials). Previous tariffs had a separate rate for general cargo and outbound seafood products. The rates were rolled together into one general cargo NOS rate in the PUA and also in the proposed tariff. The rate was set at \$6.20 per short ton, which is comparable to the Anchorage rate in 2015 (\$6.24 per ton).

One of the primary reasons for updating the tariff was to adjust the tariff rates upward to an appropriate level above the rate in the PUA agreement with Matson. After adjustment, the PUA rate would be 53% to 62% of the new tariff rates during the period from 2015 to 2019. The PUA rates were set at a lower rate and are projected to grow at a faster rate (approximately 7.5% per year). After 2019, the rates will need to be raised again to maintain the PUA rate below the tariff rate.

Table 2 – Comparison of Adjusted Tariff Rate with Matson PUA Rates for General Cargo NOS

Year	General Cargo NOS Tariff Rate	PUA Cargo NOS Rate	PUA Rate as a % of Tariff Rate
2015	\$6.20	\$3.45	56%
2016	\$6.50	\$3.45	53%
2017	\$6.80	\$3.80	56%
2018	\$7.10	\$4.17	59%
2019	\$7.40	\$4.60	62%

Rock

It was decided to keep the wharfage rate for rock (aggregates) at the same rate as in the existing tariff, which is comparable to the Anchorage wharfage rate of \$1.04 per ton.

Hazardous - Contaminated Materials

The wharfage rate for hazardous/contaminated materials is currently \$10.00 per short ton. This rate was adjusted up by the Anchorage CPI rate and then increased by 10%. The Anchorage rate for explosives is \$15.60 per ton in 2015. Most other Alaskan ports do not have a wharfage rate for hazardous/contaminated materials.

Petroleum Products

The PUA rate for inbound and outbound products with Petro Marine was established in 2009 at \$0.215 per barrel inbound and \$0.010 per gallon outbound. There is not currently a rate for petroleum products in existing tariff. A tariff rate was established that is approximately 25 percent higher than the PUA rate.

The new rates were rounded to two digits for inbound and three digits for outbound petroleum products, which were increased at 4.0% per year for years 2016 through 2019. However, as discussed above the actual annual increase is closer to 6% per year due to rounding up.

Table 3 – Comparison of proposed Tariff Rate with PUA Rates for Petroleum Rates

Petro Marine Petroleum Products	2009	2015	25% above PUA
per barrel inbound	\$0.215	\$0.247	\$0.308
per gallon outbound	\$0.010	\$0.011	\$0.014

Minimum Wharfage Charge

The existing tariff did not include a minimum wharfage charge. The minimum rate was set at the Anchorage rate of \$75.00. Seward and Whittier each charge a minimum wharfage rate of \$250 in 2015.

Dockage Rates

Most other ports have a detailed dockage rate system that changes the rate for each additional length of 25 feet (or thereabouts) of the docking vessel. The Port of Kodiak does not have as great a variety of vessel types and lengths as at some other ports. As a result, it was decided to increase the number of length ranges from three to five as shown in Table 4. The inflation adjusted rates were rounded up and then increased at 4.0% per year.

Table 4 – Proposed Port of Kodiak Dockage Rates

Year	0 to 150 feet	151 to 300 feet	301 to 500 feet	501 to 700 feet	Over 700 feet
2015	\$1.90	\$2.20	\$2.50	\$2.80	\$3.10
2016	\$2.00	\$2.30	\$2.60	\$3.00	\$3.30
2017	\$2.10	\$2.40	\$2.80	\$3.20	\$3.50
2018	\$2.20	\$2.50	\$3.00	\$3.40	\$3.70
2019	\$2.30	\$2.60	\$3.20	\$3.60	\$3.90
CAGR	4.9%	4.3%	6.4%	6.5%	5.9%

CAGR means compound annual growth rate.

The comparison of proposed dockage rates with the PUA dockage rate (with Matson) is shown in Table 5. The existing tariff rate for vessels that are the size of those used by Matson is currently \$2.50 per foot per 12-hour period. Under the proposed tariff adjustment, this rate would increase to \$3.10 per foot per 12-hour period and then increased annually at 4.0% (after rounding up).

Under these proposed rates, the PUA rates would be 52% to 58% of the tariff rate. PUA rates were set at a lower rate than the tariff rate but are projected to grow at a faster rate (approximately 8.8% per year). After 2019, the rates will need to be increased again to keep the PUA rate below the tariff rate.

Table 5 – Comparison of Adjusted Tariff Rate with Matson PUA Rates for Dockage

Year	Proposed Tariff Rate for Vessels over 700 feet	PUA Dockage Rate	PUA % of Tariff
2015	\$3.10	\$1.62	52%
2016	\$3.30	\$1.70	52%
2017	\$3.50	\$1.87	53%
2018	\$3.70	\$2.06	56%
2019	\$3.90	\$2.27	58%

Other Rates

Water Rates

Water rates were increased from the existing rates (\$100 for first 1,000 gallons and \$5.00 for each 1,000 gallons over 1,000 gallons) by applying the Anchorage CPI rate from 2006 to 2015 (125% increase). Future rates were increased at 4.0 percent per year.

Table 6 – Proposed Port of Kodiak Rates for Water Delivered to Ships

Water rates	2015	2016	2017	2018	2019	CAGR 15-19
First 1,000 gallons	\$125.00	\$130.00	\$135.20	\$140.70	\$146.40	4.0%
Each addtl 1,000 gals or fraction thereof	\$6.25	\$6.50	\$6.80	\$7.10	\$7.40	4.3%

CAGR means compound annual growth rate.

Passenger fees

Passenger lightering rates apply to shuttles moving passengers from a cruise ship and other vessels (excluding the Alaska Marine Highway ferries) to shore over a Port of Kodiak dock. The existing tariff rate was \$500 per day for all vessels. This rate was increased by applying the Anchorage CPI rate from 2006 to 2015 (125% increase) or \$625 per day and then rounding to the tenth dollar (\$630 per day).

The Port established a new rate for smaller cruise vessels (up to 150 feet) that is set at 10% of the larger vessel rate.

Table 7 – Proposed Port of Kodiak Rates for Passenger Lightering

Year	Passenger Lightering	
	Vessels up to 150 feet	Vessels 151 feet & Longer
2015	\$63.00	\$630.00
2016	\$66.00	\$660.00
2017	\$69.00	\$690.00
2018	\$72.00	\$720.00
2019	\$75.00	\$750.00
CAGR	4.5%	4.5%



DRAFT

WHITE PAPER ON ANNEXATION

“Annexation to a city” means expanding the city’s boundaries to include more territory. Additionally, annexation is the expansion of the jurisdiction of a city into new territory and the means by which the corporate boundaries of city governments are updated or refined. Annexation results in extending city services, city regulations, city voting privileges, and city taxing authority to the annexed territory.” -Local Boundary Commission

Introduction: Since the 1950’s, the City of Kodiak has adjusted its corporate boundaries through the annexation process to accommodate community growth and adapt to the increasing demand and need for public services. Per Alaska’s constitution and statutes, any proposed boundary change, including annexation, must be approved by the Local Boundary Commission (LBC). State law requires certain standards be met, and certain procedures be followed in order for the commission to approve a proposed annexation. One requirement is for the municipality to submit a ‘petition’ to the Local Boundary Commission. If the LBC approves the petition, in most cases, either Kodiak voters need to approve it, or the Legislature must not disapprove it for the annexation to take effect.

Background: For the past two years, Council and staff have held seven work sessions to understand the history of annexation in Kodiak, about annexation in other parts of the state, discuss research, hosted a presentation from the LBC staff, and explored various scenarios and options for annexation.

At the September 24, 2019 work session, Council agreed upon principles that outline their values and take into consideration the uniqueness of our community. The principles are intended to provide the structure and opportunity for the Council to guide the decision making process and to help set a course for future community development in Kodiak. The guiding principles are:

- **Transparency in the Process:** Annexation is a legal process. Proposing the addition of land and population to City Boundaries requires coordination and work with all citizens, stakeholders, the Local Boundary Commission, City and Borough staff, and the City Attorney. Following statutory guidelines is necessary for any process to work. It should be fully transparent and no one should be left out of the public process.
- **Cost Effectiveness in Service Delivery:** In recognition of the city’s budgetary constraints, it’s unknown at this time if it makes fiscal sense to pursue annexation. Given the central role of service provision in annexation, the fiscal impact of these actions and understanding the revenues necessary to pay for services is critical and must be clearly understood.

- **Expansion of City Services:** Areas of evaluation and fiscal analysis v. public benefit includes the extension of police protection, mutual aid fire response, road maintenance, recreational facilities, and infrastructure. These are critical services that will require some complex research and analysis for the Council's consideration. The Council also recognizes that the City presently provides programs, services and activities outside of City limits (Water & Sewer, Woody Way Field, North Star Elementary, Dark Lake, School Lawn Care, EMS, Fire, Building Inspection, Animal Control, Emergency Dispatch etc.).
- **Preserving a Sense of Place:** Expanded political boundaries can more clearly reflect the true and existing sociological, economic, cultural, and physical boundaries of the city. Annexation can lead to a unified community by allowing business, professional, and community leaders who currently live outside city boundaries to have a more direct role in community affairs by, elections including being elected or appointed to public office.
- **Community Outreach:** Kodiak residents and voters need to know how the annexation process works and how it could potentially impact them. Outreach must be tailored to get the public information they need, effectively and efficiently before annexation can be voted on. This work can be accomplished through focus groups, community surveys, presentations to local member organizations like the Chamber of Commerce, Natives of Kodiak, and other civic and governmental agency meetings upon request. Before a petition to expand city boundaries is finalized, the City's priority will be to create a robust community outreach plan so citizens will have the knowledge and understanding of any proposed changes to City boundaries.

Areas Being Considered for Annexation: In an effort to advance policy discussions and recommendations over the next several months relative to annexation, the Council has directed staff to move forward with research and evaluation of Annexation North and Annexation South. Ongoing research and analysis of annexing these areas will culminate in public work sessions where the Council will continue a dialogue on annexation.

Annexation North – This area includes approximately 12 miles of road (six maintained by the State of Alaska and Service District No.1 contracts) and is comprised of the entire Kodiak Island Borough's Service District 1, as well as undeveloped City of Kodiak Property and the City's Wastewater Treatment Plant. In the past, residents of Service District No. 1 have signed petitions in support of being annexed into the City of Kodiak (per Ordinance 1065).

Annexation South – This area includes approximately 2 square miles (approximately 1,317 acres) and reaches from the southern border of the City of Kodiak's existing boundary to the State Airport. There are seven primary landowners in this area and the largest being the Natives of Kodiak (approx. 644 acres). In 2017, the Natives of Kodiak approached the City to discuss the possibility of annexation. In addition, the City of Kodiak owns approximately 200 acres in the tract of land identified as being suitable for future development, potentially adding to the economic strength and stability of the greater Kodiak community.



DRAFT

ANNEXATION FREQUENTLY ASKED QUESTIONS

- Q. Why does the City desire to annex my area?
- A. The City's charter is to provide for efficient, adequate, and economical governance to the Citizens of Kodiak. Areas around Kodiak generally surrounded by the City but are not within the corporate boundaries are already receiving city services, such as water and sewer utilities. It is the goal of the city to facilitate a vibrant and unified community environment.
- Q. What kinds of regulatory changes should I anticipate if my property is annexed?
- A. It is important to know that these areas have identical development codes relative to building, zoning, and subdivision standards. There is also no change between the City and proposed annexed areas with regard to the discharge of firearms and operation of ATV's. Business Sales Tax Registration would be required under current city code.
- Q. What services are provided by the City?
- a. Water & Sewer Utilities – Since 1995, the City's Public Works Department has provided water and sewer service in the proposed Annexation North and will continue to be provided by the City in the future.
 - b. Animal Control – The City has a full level of animal control services that are already available in both proposed annexation areas by the Kodiak Police Department.
 - c. City Parks and Recreation – The City's Parks and Recreation staff already maintain and provide services outside of City limits including Woody Way field, Dark Lake, North Star Elementary programs, and School lawn care. All pricing to participate in City programs is the same for everyone, regardless of where you live.
 - d. Extended 24/7 Police Protection – The Kodiak Police Department maintains a well-staffed Department to provide a level of service within
-

the City. Upon annexation, standard patrols throughout your neighborhood will be added.

- e. Fire and Emergency Medical Services (EMS) – The City currently provides EMS in the proposed annexation areas. Fire protection is provided through a mutual aid agreement with Bayside.
- f. Extended City Street Maintenance – The City of Kodiak currently provides road maintenance including repairs, street sweeping, snow removal, grading, striping, and paving services. Upon annexation, these services will continue.
- g. City Library – All residents currently have access to Public Library services with no changes.

Q. Will my taxes or utility rates change?

- A. These rates are approved by the Borough Assembly and City Council and are subject to change.

Q. If annexed, do I obtain Building Permits from the City or Borough?

- A. Currently, building permits are obtained from the Joint Department of Building Safety and this will not change after annexation.

Q. If annexed will my zoning change?

- A. No, in your area, the City and the Borough zoning regulations are the same.

Q. Does the City have any current or pending lawsuits or liabilities that would affect me if annexed?

- A. No.

Q. When are City Council meetings?

- A. The Kodiak City Council meets on the second and fourth Thursdays of every month at 7:30 p.m. in the Borough Assembly Chambers at 710 Mill Bay Road.

Q. If annexed, will my voice in local government change?

- A. Yes, you will be able to vote in City elections and be represented by the Mayor and Kodiak City Council. In addition, many of the city's nine Boards and Committees have requirements of city residency. If annexed,

you could volunteer to serve on the Boards or Committees. After one year of residency, you can run for Mayor or City Council.

Q. Do the residents of the proposed annexation area get to vote on annexation?

A. There are several annexation methods authorized by State law. If Council directs staff to move forward with the proposed Annexation North, the method of annexation will be decided. Regardless of the method of annexation used, State Law requires the annexing jurisdiction to hold public hearings on any proposed annexation. Hearings are an opportunity for community members to give public testimony on the proposal.

Q. What are the benefits of annexation?

A. The current situation artificially creates two classes of Kodiak citizens. Those inside the City who have voting rights in City elections, enjoy the benefits of greater police protection and road maintenance, and pay residential rates for water and sewer utilities, and those outside the City who do not vote in City elections, receive less police protection and road maintenance, and pay higher utility rates. Annexation would bring both groups into parity, affording all residents equal voting rights and services at equivalent costs. For everyone, it means a greater sense of community, where we make decisions together about how to improve our quality of life in Kodiak.