

KODIAK CITY COUNCIL

WORK SESSION AGENDA

Tuesday, September 9, 2014

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. Update on Near Island Borrow Permits1
3. Discussion About State CIP Resolution20
4. September 11, 2014, Agenda Packet Review

MEMORANDUM

TO: Aimée Kniazowski, City Manager
FROM: Glenn Melvin, City Engineer
DATE: September 9, 2014
RE: Agenda item #2-1, Update on Near Island Borrow Permits



This report is in response to the request by Council for an update on the Near Island Quarry and permitting status.

On July 24, 2014 Council approved the borrow permits for Brechan and B&R Fish (see attachment A). The permits were signed by the City Manager and held at the PW office for signing by the contractors. On August 11, 2014, Brechan signed the permit and provided the required royalty check for \$10,000. Brechan later provided the City with their insurance certificate and Surface Mining Reclamation bond. B&R Fish came to the office, but did not sign it. Instead, Mr. DeHart took the agreement and has not yet returned it nor has provided the required certificate of insurance, bond, and royalty payment. B&R had previously provided an insurance certificate base on the previous permit, which expires November 2014, but the insurance requirements do not meet current permit standards of coverage. We've written to B&R in September 2013 requesting them to provide updated insurance certificate and bonds. They provided the old insurance certificate and did not provide the required Surface Mining Reclamation bond which expired in November 2006. It is not likely that the B&R's current insurance would cover losses because the permit has not been fully executed. Currently, B&R Fish is operating in the quarry without a permit and a Surface Mining Reclamation bond. This places the City at considerable risk.

There is a dispute with the City Engineer and B&R regarding the placement of the dividing line between the Brechan and B&R areas. The City Engineer has the administrative authority to oversee the quarry, set lines and grades, and manage the quarry to best benefit the City (see attachment C). The City Engineer established the dividing line based on historical data of volume of material removed by both Brechan and B&R. Brechan has 12 years of data showing they have, on average, removed three times the amount B&R has removed. B&R only has 5 years of data. This ratio of three to one works out to 75% (60,000 tons/year) for Brechan and 25% (20,000 tons/year) for B&R and is what was used in allocating the vacated Anderson pit. The line shown on the permit drawing (attachment B) reflects this ratio. If mined, at these rates the quarry should be completed in the shortest time frame with both operators completing at the same time.

In 2009, PND estimated 1,365,000 tons of rock remained to be mined. PND estimated at that time it would take approximately 31 years to completely the quarry based on 45,000 tons per year removal rate. I calculated the current rock remaining by deducting the rock mined since 2009. There is roughly 990,000 tons of rock left. Using the past five year combined rate of removal (80,000 tons/year) it would take approximately 13 more years for both operators to complete the quarry. Things could change that could accelerate the process or slow it down. If either of the two operators significantly increases production or significantly slow down to a

point that it affects one or the other, the City Engineer has the authority to adjust the lines and limits to best serve the City's interests.

B&R Fish claims the former Anderson area should be divided equally, but I do not agree. The permit states "The City's interest in royalty income is secondary to producing the uplands. Therefore, mining operators that remove higher volumes of material will be favored over lower volume operators and there may be actual or perceived inequality in borrow permits issued to different mining operators" (see permit attached, "Use of the Quarry Site"). This provision gives the Engineer the ability to plan the best approach to most efficiently make usable land for the shipyard. The primary reason for quarry development on that area of Near Island is to support and encourage harbor development, especially expansion of the City's shipyard, a \$17.5 million investment.

B&R Fish stated they have work on the books for the next two years that will significantly increase production up to 40,000 tons per year. I will suggest that B&R Fish work directly with me to decide how best to provide documentation showing the contracts or agreements reflecting these obligations. If the increase in production were to impact the long term production of the quarry, I would take it into consideration. My current plan is to monitor production of both operators based on quarterly reports and if I see a significant increase or decrease in production I will consider adjusting the allocation. The Permit and Code allows me to do that.

Brechan will be turning over an area of approximately 1 acre adjacent to the Travelift to the City by summer 2015 (see attached drawing). This is the goal of the quarry process at this location: to make usable land for shipyard and harbor activities. But when this happens it takes away land that Brechan previously used for processing, and they have to move north into the Anderson area. I considered this in the permit renewal decision process.

B&R Fish recently purchased stockpile material from the Anderson pit and agreed to move the material by August 22, 2014. B&R Fish delayed moving the material out of the Anderson area until September 15, 2014. This delay has resulted in delay to Brechan's ability to turn over the land to the City. Had this delay not occurred, the City would have gotten the land this fall.

The City updated the permit language and increased insurance requirements to a recommended standard level for this type of mining activity. B&R Fish objects to the insurance requirement of \$5,000,000 in coverage for Commercial General Liability because they feel it places them at a disadvantage. This type of excavation can place the quarry operator and City at risk, hence the required update and change. Costs of insurance coverage are factored in to full cost of operating and prices are usually factored in to the price of sales. City staff recommends not changing this coverage requirement.

It is in the intent of the City and in the City's best interest to maintain two quarry operators at Near Island. Competition benefits the City and the public by producing revenue for the City and offering the best prices to the public. However, the process must be in place to manage the contracts and operations in a way that meets City needs and protects City and user interests.

Attachments:

- A) Borrow Permits
- B) Breakwater Quarry Permit Areas
- C) KCC 18.24

BORROW MATERIAL PERMIT NO. 14-1

The City of Kodiak (City) hereby acknowledges that B&R Fish By Products, Inc., 819 Lower Mill Bay Rd, Kodiak, Alaska, 99615 (Permittee) shall have the right to remove the borrow material described below from the property described herein, all pursuant to the terms and conditions of this permit and in accordance with all applicable provisions of the Kodiak City Code (KCC).

This permit may not be assigned without the advance written consent of the City, which consent may be withheld at the City’s discretion. If Permittee is a corporation or partnership, the sale or conveyance of any partnership interest or a controlling stock interest shall be deemed an assignment of this permit.

The Permittee agrees to comply with all applicable laws, and with any rules and regulations issued there under, including without limitation Kodiak City Code Chapter 18.24, a copy of which is attached hereto and which is incorporated by reference herein.

This Borrow Material Permit is effective as of _____, 2014, and shall remain in effect for a period of 5 years from its effective date. For the purposes of this permit a year is defined as July 1 through June 30 as it equates the City of Kodiak fiscal year.

Location and Description of Lands from which Borrow Materials are to be Removed

Materials are to be taken solely from the area of Near Island known as the Breakwater Quarry within the limits shown conceptually on the attached drawing. The Permittee will work with the City Engineer to create a quarry plan defining the exact boundary of the quarry.

Type and Quantity of Borrow Material Desired

The Permittee has historically mined an average of approximately 20,000 tons of borrow material per year and this permit anticipates a similar average use for a period of 5 years or until the resource is exhausted. This permit is issued for the approximate area shown on the attached drawing. The exact area will be defined as the quarry plan is developed.

It shall be the responsibility of the Permittee to strip and dispose of the vegetation and overburden. The City will not pay the Permittee for the removal of the vegetation and overburden.

The Permittee will be charged a royalty for all borrow materials mined on Near Island and for all other materials leaving Near Island, regardless of the point of origin.

Use of Borrow Materials

The Permittee may use the borrow materials for any legal purpose.

Use of the Quarry Site

The Permittee may use the Quarry Site for quarrying operations, rock crushing and screening. Storage at the Quarry site of materials and equipment not directly associated with the quarrying operation is prohibited.

The City's interest in this agreement is to produce developable uplands on Near Island for expansion of the Harbor Boat Yard and related facilities and businesses. The City's interest in royalty income is secondary to producing the uplands. Therefore, mining operators that remove higher volumes of material will be favored over lower volume operators and there may be actual or perceived inequity in borrow permits issued to different mining operators.

The Permittee agrees to quarry the rock in a sequence that is most advantageous to development of the Boat Yard and related boat repair services. Therefore, the quarry is to be completed in a series of approximately 100 linear foot sections starting at the original quarry boundary and proceeding to the East.

The City may direct the Permittee to quarry in a sequence significantly different than the most economical plan developed by the Permittee. If the City directs the permittee to quarry in a sequence significantly different than the most economical plan developed by the Permittee, the Permittee may request that additional quarrying costs due to the directive be used to offset royalty payments.

Non-Exclusiveness of this Borrow Material Permit

The Permittee acknowledges that this Permit is in the nature of a non-exclusive license to remove borrow material and that the City reserves the right to issue further permits for extraction of borrow material from the area shown on the attached plans to other parties. The Permittee agrees to abide by such rules, regulations and restrictions as the City may choose to promulgate in order to facilitate access to and use of the area described herein by two or more permittees. Additional permittees will be bound to a separate Borrow Material Permit containing such terms and conditions as the City deems appropriate.

Termination of this Borrow Material Permit

The City may terminate this agreement for cause. The Permittee shall be given reasonable notice and opportunity to correct any deficiency. The occurrence of any one or more of the following events will justify termination for cause:

1. The Permittee's failure to excavate to the lines and grades shown on the plans or failure to remove the anticipated quantity of material;
2. The Permittee's disregard of Laws or Regulations of any public body having jurisdiction;
3. The Permittee's violation in any substantial way of any provisions of this Permit;
4. The Permittee's failure to correctly file quarterly statements and pay royalties to the City when due; and

5. The Permittee's failures to scale weigh all materials leaving Near Island.

The City may terminate this Permit for convenience. Upon 90 days written notice to the Permittee, the City may, without cause and without prejudice to any other right or remedy of City, elect to terminate the Borrow Material Permit. In such case, the City shall be paid for all borrow material removed in accordance with this Permit prior to the effective date of termination. The Permittee shall be paid for reasonable expenses directly attributable to termination. The Permittee shall not be paid on account of loss of anticipated profits or revenue or other economic loss arising out of or resulting from such termination.

The City may terminate the permit for convenience and issue a permit for another operator to mine the area if it is reasonably believed this course of action will expedite development of the boat yard.

The Permittee may terminate this Permit. Upon 90 days written notice to the City, the Permittee may, without cause and without prejudice to any other right or remedy of the Permittee, elect to terminate this Borrow Material Permit. In such case, the City shall be paid (without duplication of any items):

1. for all material removed in accordance with the Permit prior to the effective date of termination;
2. the minimum royalty due for the permitted year of the termination, prorated for the effective date of termination; and
3. for reasonable expenses directly attributable to termination.

The City shall not be paid on account of loss of anticipated royalty revenue or other economic loss arising out of or resulting from such termination.

Upon the expiration or earlier termination of the term of this Permit, Permittee shall promptly vacate the Quarry Site, leaving the Quarry Site in a condition consistent with the requirements of this Permit and Permittee's approved quarry plan, free of refuse and hazards, and shall remove from the Quarry Site all of Permittee's personal property. If Permittee fails to vacate the Quarry Site in the required condition, the City may restore the Quarry Site to such condition and Permittee shall pay the cost thereof.

Supplementary Conditions

All Work shall comply fully with the City of Kodiak, "Standard Construction Specifications & Construction Details," 2012 Edition. Some, but not all, pertinent Articles are discussed below:

Indemnification

The Permittee shall indemnify the City of Kodiak in accordance with the Standard General Conditions of the Construction Contract, Article 6, Paragraph 6.20.

Bonds and Insurance

The Permittee shall provide insurance coverage not less than the amounts presented in Division 100, Article 5, Paragraph 5.04. The City of Kodiak shall be named as additional insured on all policies except Worker's Compensation and Employer's Liability Insurance.

The Permittee shall furnish the City with a "surface mining reclamation bond" in the amount of \$25,000.

The PERMITTEE shall maintain the following insurance throughout the term of PERMITTEE's performance under this AGREEMENT:

1. Worker's compensation and employer's liability insurance as required by the State of Alaska.
2. Comprehensive automobile and vehicle liability insurance covering claims for injuries to members of the public and/or damages to property of the others arising from use of motor vehicles, including on-site and off-site operations, and owned, non-owned, or hired vehicles, with \$1,000,000 combined single limits.
3. Commercial general liability insurance covering claims for injuries to members of the public or damage to property of others arising out of any covered negligent act or omission of the PERMITTEE or of any of its employees, agents, or subcontractors with \$5,000,000 per occurrence and in the aggregate. Policy to cover the perils of explosion, collapse and underground with no exclusion or limitation for blasting activity.

Each policy of insurance required by this section shall provide for no less than sixty (60) days written notice to the City prior to cancellation.

Excavation

Excavation shall be performed in accordance with Division 200, Section 203 of the Standard Construction Specifications. Special attention is drawn to Article 203.3, Blasting Requirements for Excavation in Rock. The Permittee shall name the Blaster in Charge, submit a Comprehensive Blasting Plan, and fully comply with the other requirements of this Article, except a Blasting Consultant need not be retained.

Measurement

Borrow Material shall be measured by the ton. The Permittee shall provide, or make use of, a weighing system conforming to the requirements of Division 100, Article 6.03 of the Standard Construction Specifications and the following:

1. Rocks shall be weighed, by barge or truck following the technical standards described in US Army Corps of Engineers Manuals EM 1110-2-2302 "Construction with Large Stone - Appendix C: Measurement for Payment" and as further described herein.

2. The method of measurement for determining the weight of rock delivered by barge shall be displacement of the barge, based on certified barge gauge marks. Barge gauge marks and certification shall have approval by the City Engineer or representative prior to notice to proceed is issued. Contractor shall submit a copy of the barge gauging table prepared by an accredited agent satisfactory to Engineer. Contractor shall also submit weight bills, including certification of exact weight and time of weighing for each load of rocks delivered.

If the Permittee provides the truck weighing system, the Permittee shall make it available to all other firms or individuals removing material from Near Island. The Permittee may charge for the use of the weighing system an amount not to exceed \$14.00 per weighing, except there will be no charge for the City's use of the system. The Permittee may regulate the use and fees for the weighing system for materials other than Near Island quarry material.

Traffic Maintenance

The Permittee shall submit a Traffic Control Plan in accordance with Division 800, Section 802 of the Standard Construction Specifications. A vehicle access lane to the boat yard shall be maintained at all times.

Temporary Erosion and Pollution Control

The Permittee shall submit a Temporary Erosion and Pollution Control Plan in accordance with Division 800, Section 804 of the Standard Construction Specifications.

Dust Control

The Permittee shall control dust from the Quarry and from unpaved haul roads by watering as necessary or requested by the City.

Reclamation

Under this permit the Permittee shall spread 4 inches of topsoil and seed all benches every two years in accordance with the standard specifications.

The Permittee shall grade the quarry floor in accordance with the quarry plan and cap with 4" of leveling course.

Royalty

The Permittee shall pay the City royalty fees in the amount of \$0.50 per ton of material removed based on weight measurements. On the first day of each January, April, July, October during the term of this permit, the Permittee shall file a statement showing the amount of material removed from Near Island during the preceding three months, as required by KCC 18.24.040. Within ten (10) days after the expiration of the term of this Permit, the Permittee shall file a final statement

showing the amount of material removed from Near Island from the end of the last quarterly statement period until the date of expiration.

The minimum royalty payment under this Permit shall be \$10,000, and shall be payable upon the issuance of this Permit. Upon the filing of each statement showing the amount of material removed from Near Island, Permittee shall pay any royalty that is due for the related period that exceeds the amount of the minimum royalty payment.

The Permittee hereby agrees to be bound by all terms and conditions of this permit upon its execution and issuance by the City of Kodiak.

Permittee

B&R Fish By Products, Inc.
Name of Permittee

Signature _____ Date _____

Name and Title _____

Attest _____ Corporate Seal

Name and Title _____

OWNER

City of Kodiak
Name of Owner

Signature _____ Date (Effective Date of Permit) _____

Aimée Kniazowski, City Manager

Attest _____

Debra L. Marlar, City Clerk

BORROW MATERIAL PERMIT NO. 14-2

The City of Kodiak (City) hereby acknowledges that Brechan Enterprises, Inc., 2705 Mill Bay Road, Kodiak, Alaska, 99615 (Permittee) shall have the right to remove the borrow material described below from the property described herein, all pursuant to the terms and conditions of this permit and in accordance with all applicable provisions of the Kodiak City Code (KCC).

This permit may not be assigned without the advance written consent of the City, which consent may be withheld at the City’s discretion. If Permittee is a corporation or partnership, the sale or conveyance of any partnership interest or a controlling stock interest shall be deemed an assignment of this permit.

The Permittee agrees to comply with all applicable laws, and with any rules and regulations issued there under, including without limitation Kodiak City Code Chapter 18.24, a copy of which is attached hereto and which is incorporated by reference herein.

This Borrow Material Permit is effective as of July 24, 2014, and shall remain in effect for a period of 5 years from its effective date. For the purposes of this permit a year is defined as July 1 through June 30 as it equates the City of Kodiak fiscal year.

Location and Description of Lands from which Borrow Materials are to be Removed

Materials are to be taken solely from the area of Near Island known as the Breakwater Quarry within the limits shown conceptually on the attached drawing. The Permittee will work with the City Engineer to create a quarry plan defining the exact boundary of the quarry.

Type and Quantity of Borrow Material Desired

The Permittee has historically mined an average of approximately 60,000 tons of borrow material per year and this permit anticipates a similar average use for a period of 5 years or until the resource is exhausted. This permit is issued for the approximate area shown on the attached drawing. The exact area will be defined as the quarry plan is developed.

It shall be the responsibility of the Permittee to strip and dispose of the vegetation and overburden. The City will not pay the Permittee for the removal of the vegetation and overburden.

The Permittee will be charged a royalty for all borrow materials mined on Near Island and for all other materials leaving Near Island, regardless of the point of origin.

Use of Borrow Materials

The Permittee may use the borrow materials for any legal purpose.

Use of the Quarry Site

The Permittee may use the Quarry Site for quarrying operations, rock crushing and screening. Storage at the Quarry site of materials and equipment not directly associated with the quarrying operation is prohibited.

The City's interest in this agreement is to produce developable uplands on Near Island for expansion of the Harbor Boat Yard and related facilities and businesses. The City's interest in royalty income is secondary to producing the uplands. Therefore, mining operators that remove higher volumes of material will be favored over lower volume operators and there may be actual or perceived inequity in borrow permits issued to different mining operators.

The Permittee agrees to quarry the rock in a sequence that is most advantageous to development of the Boat Yard and related boat repair services. Therefore, the quarry is to be completed in a series of approximately 200 linear foot sections starting at the original quarry boundary and proceeding to the North.

The City may direct the Permittee to quarry in a sequence significantly different than the most economical plan developed by the Permittee. If the City directs the permittee to quarry in a sequence significantly different than the most economical plan developed by the Permittee, the Permittee may request that additional quarrying costs due to the directive be used to offset royalty payments.

Non-Exclusiveness of this Borrow Material Permit

The Permittee acknowledges that this Permit is in the nature of a non-exclusive license to remove borrow material and that the City reserves the right to issue further permits for extraction of borrow material from the area shown on the attached plans to other parties. The Permittee agrees to abide by such rules, regulations and restrictions as the City may choose to promulgate in order to facilitate access to and use of the area described herein by two or more permittees. Additional permittees will be bound to a separate Borrow Material Permit containing such terms and conditions as the City deems appropriate.

Termination of this Borrow Material Permit

The City may terminate this agreement for cause. The Permittee shall be given reasonable notice and opportunity to correct any deficiency. The occurrence of any one or more of the following events will justify termination for cause:

1. The Permittee's failure to excavate to the lines and grades shown on the plans or failure to remove the anticipated quantity of material;
2. The Permittee's disregard of Laws or Regulations of any public body having jurisdiction;
3. The Permittee's violation in any substantial way of any provisions of this Permit;

4. The Permittee's failure to correctly file quarterly statements and pay royalties to the City when due.
5. The Permittee's failures to scale weigh all materials leaving Near Island.

The City may terminate this Permit for convenience. Upon 90 days written notice to the Permittee, the City may, without cause and without prejudice to any other right or remedy of City, elect to terminate the Borrow Material Permit. In such case, the City shall be paid for all borrow material removed in accordance with this Permit prior to the effective date of termination. The Permittee shall be paid for reasonable expenses directly attributable to termination. The Permittee shall not be paid on account of loss of anticipated profits or revenue or other economic loss arising out of or resulting from such termination.

The City may terminate the permit for convenience and issue a permit for another operator to mine the area if it is reasonably believed this course of action will expedite development of the boat yard.

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1. for all material removed in accordance with the Permit prior to the effective date of termination;
2. the minimum royalty due for the permitted year of the termination, prorated for the effective date of termination; and
3. for reasonable expenses directly attributable to termination.

The City shall not be paid on account of loss of anticipated royalty revenue or other economic loss arising out of or resulting from such termination.

Upon the expiration or earlier termination of the term of this Permit, Permittee shall promptly vacate the Quarry Site, leaving the Quarry Site in a condition consistent with the requirements of this Permit and Permittee's approved quarry plan, free of refuse and hazards, and shall remove from the Quarry Site all of Permittee's personal property. If Permittee fails to vacate the Quarry Site in the required condition, the City may restore the Quarry Site to such condition and Permittee shall pay the cost thereof.

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The Permittee shall furnish the City with a "surface mining reclamation bond" in the amount of \$25,000.

The PERMITTEE shall maintain the following insurance throughout the term of PERMITTEE's performance under this AGREEMENT:

1. Worker's compensation and employer's liability insurance as required by the State of Alaska.
2. Comprehensive automobile and vehicle liability insurance covering claims for injuries to members of the public and/or damages to property of the others arising from use of motor vehicles, including on-site and off-site operations, and owned, non-owned, or hired vehicles, with \$1,000,000 combined single limits.
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Each policy of insurance required by this section shall provide for no less than sixty (60) days written notice to the City prior to cancellation.

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The Permittee shall control dust from the Quarry and from unpaved haul roads by watering as necessary or requested by the City.

Reclamation

Under this permit the Permittee shall spread 4 inches of topsoil and seed all benches every two (2) years in accordance with the standard specifications.

The Permittee shall grade the quarry floor in accordance with the quarry plan and cap with 4" of leveling course.

Royalty

The Permittee shall pay the City royalty fees in the amount of \$0.50 per ton of material removed based on weight measurements. On the first day of each January, April, July and October during the term of this permit, the Permittee shall file a statement showing the amount of material

removed from Near Island during the preceding three months, as required by KCC 18.24.040. Within ten (10) days after the expiration of the term of this Permit, the Permittee shall file a final statement showing the amount of material removed from Near Island from the end of the last quarterly statement period until the date of expiration.

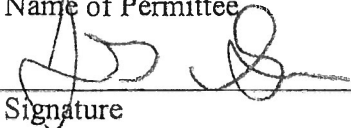
The minimum royalty payment under this Permit shall be \$10,000 per year and shall be payable upon the issuance of this Permit. Upon the filing of each statement showing the amount of material removed from Near Island, Permittee shall pay any royalty that is due for the related period that exceeds the amount of the minimum royalty payment.

The Permittee hereby agrees to be bound by all terms and conditions of this permit upon its execution and issuance by the City of Kodiak.

Permittee

Brechan Enterprises, Inc.

Name of Permittee



8-11-2014

Signature

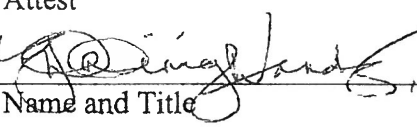
Date

James Graham Vice President

Name and Title

Attest

Corporate Seal

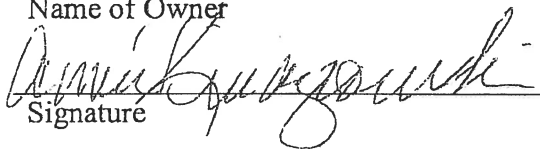
 City of Kodiak
Admin. Specialist

Name and Title

OWNER

City of Kodiak

Name of Owner



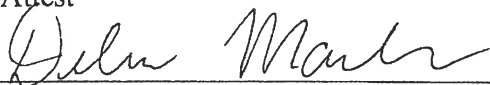
Signature

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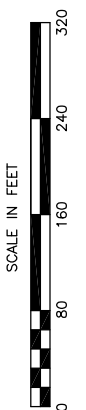
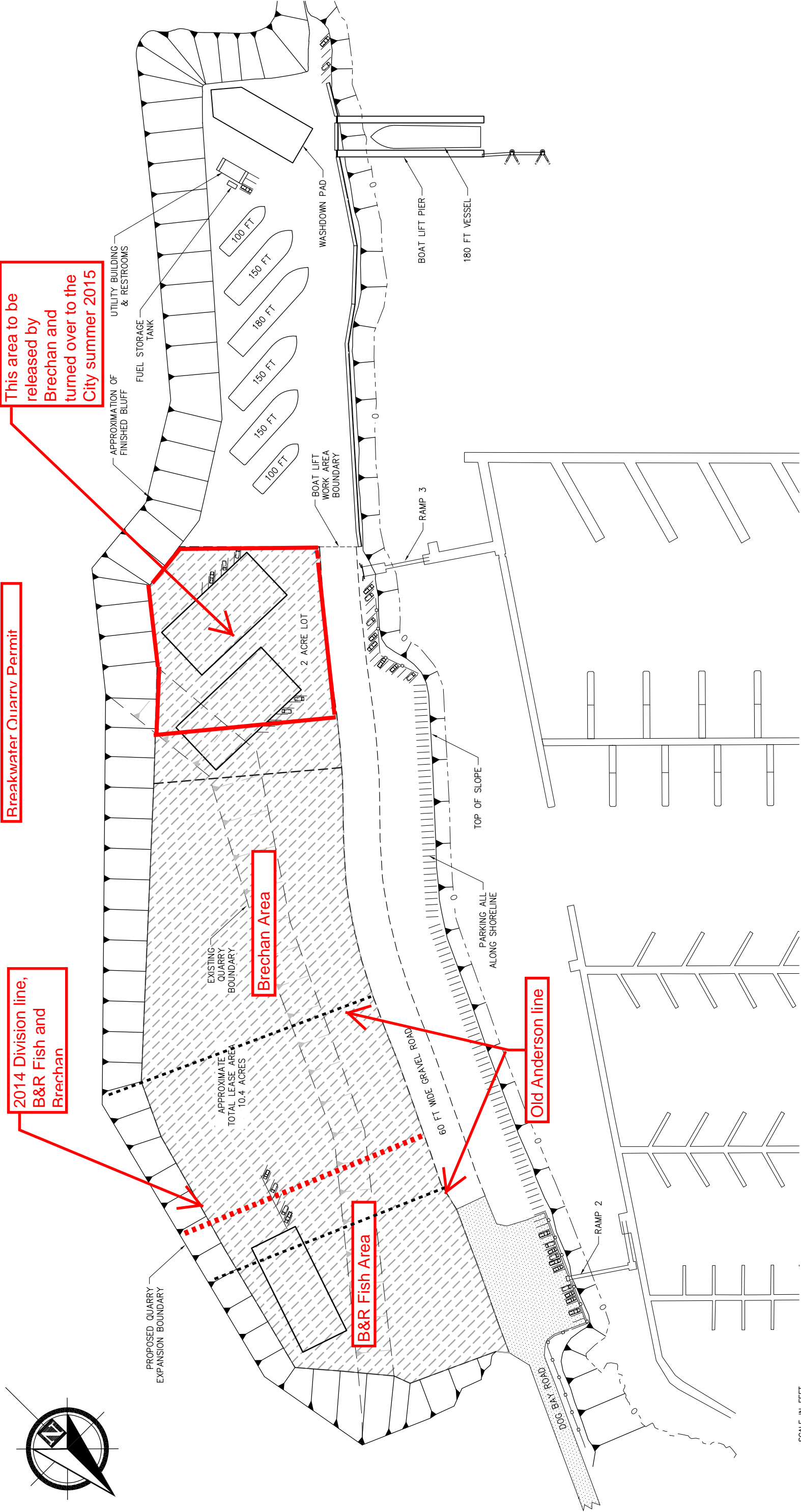
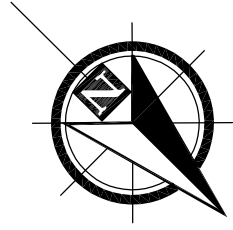
Date (Effective Date of Permit)

Aimée Kniazowski, City Manager

Attest



Debra L. Marlar, City Clerk



CITY OF KODIAK
 2410 MILL BAY RD
 KODIAK, ALASKA 99615
 PHONE: (907) 486-8065
 FAX: (907) 486-8066

FOR REVIEW

PND Engineers, Inc. (PND) is not responsible for safety programs, methods or procedures of operation, or the construction of the design shown on these drawings. Where specifications are general or not called out, the specifications shall conform to standards of industry. Drawings are for use on this project only and are not intended for reuse without written approval from PND. Drawings are also not to be used in any manner that would constitute a detriment directly or indirectly to PND.

REV	DATE	DESCRIPTION

DATE: _____

1506 West 36th Avenue
 Anchorage, Alaska 99503
 Phone: 907.561.1011
 Fax: 907.563.4220
 www.pndengineers.com



ST. HERMAN
BOAT LIFT FACILITY
 NEAR ISLAND BOAT YARD
 EXPANSION PROJECT

DESIGNED BY: _____ DATE: 10/24/08
 CHECKED BY: _____ PROJECT NO: 061078

SHEET NO: **1** OF 1

Chapter 18.24 BORROW MATERIAL

Sections

18.24.010	Permit—required
18.24.020	Permit—issuance—time period
18.24.030	Stripping requirements
18.24.040	Statement
18.24.050	Payment
18.24.060	Assignments
18.24.070	Violations—infraction

18.24.010 Permit—required

All property in which the city holds an interest is closed to the extraction of overburden, gravel, rock, and all similar borrow material without first obtaining a permit. A separate borrow permit is not required; however, when a contract to which the city is a party provides that rock or other borrow material to be used in connection with that contract may or must be obtained from certain specified city property. [Ord. 920 §1, 1991; Ord. 309, 1967. CCK §9.3.1]

18.24.020 Permit—issuance—time period

(a) A permit for the extraction of up to 20,000 cubic yards of overburden, gravel, rock, or similar borrow material may be obtained from the city manager for a period not to exceed six months in accordance with the provisions of this chapter. City council approval is required for permits in excess of six months, permits to remove more than 20,000 cubic yards of borrow material, or permit extensions or renewals.

(b) Applications for a permit must include a development plan prepared by a licensed land surveyor or professional civil engineer. The plan shall include a drawing on a scale of one inch equals 100 feet (one inch equals 100 feet) which shows all property lines and the existing topography with five-foot contour intervals.

(c) Borrow material permits may be issued and borrow material royalties or fees may be established by negotiation with the prospective permit holder without prior appraisal, competitive bidding, public advertisement, open market procedures, or minimum price requirements. [Ord. 920 §2, 1991; Ord. 533 §1, 1978; Ord. 309, 1967. CCK §9.3.2]

18.24.030 Stripping requirements

All permit holders shall remove material from city-held property to the grades and elevation established by the city engineer. [Ord. 920 §3, 1991; Ord. 309, 1967. CCK §9.3.3]

18.24.040 Statement

Each permit holder shall file statements for the quarterly periods commencing on the first day of January, April, July, and October of each year, setting forth the quantity of material removed during each such quarter. Statements of quantities removed shall be filed on or before the tenth day of the month following each reporting period or portion thereof. The statement shall be filed irrespective of whether borrow material has been removed. [Ord. 533 §2, 1978; Ord. 309, 1967. CCK §9.3.4]

18.24.050 Payment

Upon filing the statement as required in KCC [18.24.040](#), every permit holder shall pay the city the agreed upon fee or royalty for every cubic yard removed from city property. [Ord. 920 §4, 1991; Ord. 723, 1984; Ord. 533 §3, 1978; Ord. 309, 1967. CCK §9.3.5]

18.24.060 Assignments

Permits issued under this chapter may not be assigned without the written approval of the city manager, or, in the case of a permit issued upon approval of the city council, a resolution of the city council approving the assignment. [Ord. 920 §5, 1991; Ord. 309, 1967. CCK §9.3.6]

18.24.070 Violations—infraction

Any person who removes or attempts to remove overburden, gravel, rock, or similar borrow material without first having obtained a permit is guilty of an infraction. Any permit holder who fails to file a statement in accordance with KCC [18.24.040](#), or who falsifies the information contained in the statement required by KCC [18.24.040](#), is guilty of an infraction. [Ord. 920 §6, 1991; Ord. 753 §8, 1985; Ord. 309, 1967. CCK §9.3.7]

The Kodiak City Code is current through Ordinance 1313, passed December 12, 2013.

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

City Website: <http://www.city.kodiak.ak.us>
(<http://www.city.kodiak.ak.us>)
City Telephone: (907) 486-8636
Code Publishing Company
(<http://www.codepublishing.com/>)

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**CITY OF KODIAK
RESOLUTION NUMBER 2014-XX**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK ADOPTING
A FY2016 STATE CAPITAL IMPROVEMENTS PROGRAM LIST**

WHEREAS, the City of Kodiak uses a Capital Improvements Program planning process to identify the capital improvement project needs of the community; and

WHEREAS, this identification and planning process plays a vital role in directing the City's administration and is utilized as a long-range planning and policy setting tool for City infrastructure maintenance and enhancement; and

WHEREAS, the City of Kodiak is committed to paying its way to the greatest extent possible, but the cost of some of the City's capital project needs are greater than the resources available locally; and

WHEREAS, the Kodiak City Council has identified and prioritized capital improvement projects for submission to the Alaska State Legislature and Governor for funding consideration due to their significance and/or magnitude.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, that the following infrastructure replacement/improvement projects are considered of primary importance and are hereby adopted as the City of Kodiak's FY2016 State capital improvement project list:

1. Mill Bay Road Pavement Rehabilitation Project: \$7,000,000

Mill Bay Road is a 2.5 mile major arterial that provides access to the City of Kodiak's main business district. It is the most traveled road in Kodiak with approximately 12,000 vehicle trips per day. The City took ownership of Mill Bay Road from the State after it was reconstructed by DOT in 1991. The road surface has developed extreme pavement deterioration in the drive lanes over the past 23 years. The City has maintained and repaired sections and the driving lanes were milled and overlaid twice, but the overall road condition has not been addressed. The most critical issue is rutting in the driving lanes up to 3" deep in some lanes in and out of major intersections. Rutting creates drainage problems which further accelerate wear on the pavement. The need for further pavement rehabilitation is necessary to prevent areas of roadbed failure. The City must plan on full road rehabilitation for the most traveled 2 mile portion from the main intersection downtown (the "Wye") to Island Lake Road (Walmart). The City may be able to update and reuse original design segments to help reduce project costs, however the project would require an engineering study to determine the best method and approach to the project, a update on the existing designs followed by construction. The total project cost is estimated to be \$7,000,000 with funds coming from a combination of local funds for design & engineering and state funds

for the remainder of the project. The City of Kodiak is requesting state funding assistance for planning , permitting, redesign , and construction in the amount of \$7,000,000 to fully rehabilitate Mill Bay Road.

2. Shelikof Street Bulkhead Parking

Funding Request: \$1,650,000

In 2009, the City identified the need for pedestrian improvements from Pier II to downtown Kodiak to more safely accommodate pedestrian traffic and to improve facilities for local residents, workers, and businesses that use the pier, street, and access to the City's adjacent 250 slip boat harbor. The first phase of the project, construction of an ADA accessible sidewalk, improved lighting and parking, and utility relocates is under underway and will be completed in 2013. The City must plan and design the next parking improvement phase of this project, which is to construct a 30 space bulkhead parking area on the south side of Shelikof Street adjacent to St. Paul Harbor. The roadway area adjacent to the proposed bulkhead parking is dangerously congested. Due to lack of adequate parking, vehicles block walkways, equipment operates in the ROW, and access to businesses is often blocked, forcing pedestrians into the roadway. Construction of additional off-road parking will direct pedestrian traffic out of the congested roadway. The net increase in parking will benefit harbor users and retail businesses along Shelikof Street. It will provide improved and safer pedestrian access from Marine Way to the fish processors in the immediate area. Associated tasks for this phase of the project include geotechnical investigation, design, permitting, mapping, construction, improved lighting, and utility relocates. The City of Kodiak is requesting state funding assistance for planning, permitting, design, and construction in the amount of \$1,650,000 to construct this bulkhead parking project to enhance pedestrian and vehicle safety.

3. Shelikof Street Pedestrian Improvements Pier II to Downtown

Funding Request: \$3,800,000

In 2009 the City of Kodiak started work to improve pedestrian and roadway improvements along Shelikof Street (Cannery Row) from Pier II to downtown Kodiak to more safely accommodate cruise ship passengers who walk along the street and to improve the roadway and parking facilities for local residents and businesses that use the highly congested street and pier year round. The first phase, construction of an ADA accessible sidewalk, improved lighting and parking, and utility relocates is scheduled to be completed in 2013. The City is wishes to plan the next phase of the project, which will carry pedestrian improvements further along Shelikof Street from Jack Hinkle Way to Marine Way. This phase includes a visitor shelter-information kiosk-public restroom facility at Pier II, rehabilitation of the sidewalk from Jack Hinkle Way to Marine Way, improved lighting, landscaping, benches, signage, redesign of existing on-street parking, a walkway along the harbor side of the street, and a scenic trail along the St. Paul Harbor breakwater. Additional tasks include permitting, ROW acquisition & mapping, geotechnical investigation, and utility relocates. The City of Kodiak is requesting state funding assistance in the amount of \$3,800,000 through the cruise ship excise tax fund for planning, permitting, design, and construction of this project for the community of Kodiak, its visitors, and residents.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

Adopted:

is unable to receive this funding through the Department of Environmental Conservation's grant and loan programs.

2. E911 Replacement Equipment:

Funding Request: \$400,000

The City completed its new public safety building in 2010. One of the important aspects of the new facility is to continue to provide area-wide dispatch services and enhanced 911 (E911) service to the Kodiak area, including areas outside the City's corporate boundaries. The City completed a study in 2009 which advised replacement of the system. The study indicated that basic upgrades with future expansion capabilities will cost at least \$400,000. The current system is operable but replacement parts and service/maintenance agreements are no longer available due to the age of the system. The City has been unable to afford the full replacement costs or find grant funding to help offset the replacement costs. The City of Kodiak is requesting State funding assistance in the amount of \$400,000 to assist with the upgrade of this important public safety tool.

3. Shelikof Street Bulkhead Parking

Funding Request: \$1,650,000

In 2009, the City identified the need for pedestrian improvements from Pier II to downtown Kodiak to more safely accommodate pedestrian traffic and to improve facilities for local residents, workers, and businesses that use the pier, street, and access to the City's adjacent 250 slip boat harbor. The first phase of the project, construction of an ADA accessible sidewalk, improved lighting and parking, and utility relocates is under underway and will be completed in 2013. The City must plan and design the next parking improvement phase of this project, which is to construct a 30 space bulkhead parking area on the south side of Shelikof Street adjacent to St. Paul Harbor. The roadway area adjacent to the proposed bulkhead parking is dangerously congested. Due to lack of adequate parking, vehicles block walkways, equipment operates in the ROW, and access to businesses is often blocked, forcing pedestrians into the roadway. Construction of additional off-road parking will direct pedestrian traffic out of the congested roadway. The net increase in parking will benefit harbor users and retail businesses along Shelikof Street. It will provide improved and safer pedestrian access from Marine Way to the fish processors in the immediate area. Associated tasks for this phase of the project include geotechnical investigation, design, permitting, mapping, construction, improved lighting, and utility relocates. The City of Kodiak is requesting state funding assistance for planning, permitting, design, and construction in the amount of \$1,650,000 to construct this bulkhead parking project to enhance pedestrian and vehicle safety.

**4. Shelikof Street Pedestrian Improvements
Pier II to Downtown**

Funding Request: \$3,800,000

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CITY OF KODIAK

Pat Mauer

MAYOR

ATTEST:

Dulce Mark
CITY CLERK

Adopted: December 12, 2013