

City of Kodiak Regular Council Meeting Agenda for July 23, 2015
7:30 p.m., at 710 Mill Bay Road, Assembly Chambers (Room 232)

- I. Call to Order/Roll Call**
 - Pledge of Allegiance/Invocation

- II. Previous Minutes**
 - Approval of Minutes of the June 25, 2015, Regular Council Meeting.....1

- III. Persons to Be Heard**
 - a. Public Comments (limited to 3 minutes) (486-3231)

- IV. Unfinished Business**
 - a. None

- V. New Business**
 - a. First Reading, Ordinance No. 1337, Amending Kodiak City Code 7.04.060, Control of Animals, Adopting Kodiak City Code 7.04.190, Off-Leash Dog Parks, Amending Kodiak City Code 7.04.180, Control of Animal Offenses-Fine Schedule, and Amending Kodiak City Code 18.32.020, Definitions to Provide for Leash-Free Dog Parks and Related Matters10
 - b. First Reading, Ordinance No. 1338, Authorizing a Lease of an Approximately 7,662 Square Foot Lot at the Kodiak Municipal Airport to Alutiiq Aviation Services, Inc.....18
 - c. Resolution No. 2015–21, Authorizing FY2016 Nonprofit Grant Awards.....46
 - d. Resolution No. 2015–22, Formally Submitting a Harbor Facility Grant Application to the State of Alaska Department of Transportation and Public Facilities (Dot & PF) in an Amount Not to Exceed 1.5 Million Dollars for the Entitled Channel Transient Float Replacement Project No. 852554
 - e. Resolution No. 2015–23, Authorizing the Issuance of a Permit to the Filipino American Association of Kodiak for the Use of Public Property to Host Its Philippine Consulate Outreach Program64
 - f. Resolution No. 2015–24, Authorizing the Issuance of a Permit to the Kodiak Football League to Collect Admission Fees and Sell Concessions at Baranof Park70
 - g. Authorization of Bid Award for 2015 Sidewalk, Curb and Gutter, Project No. 16-01/500374
 - h. Authorization to Purchase a Cat 160 M3 Grader.....78
 - i. Authorization to Rescind Lease No. 196508 and Authorize Lease No. 219595 for City Hall Office Space in the Kodiak Island Borough Building84
 - j. Authorization of Amendment 2 to the Five-Year Regional and Community Jail Contract.....98

- VI. Staff Reports**
 - a. City Manager
 - b. City Clerk

- VII. Mayor’s Comments**

- VIII. Council Comments**

- IX. Audience Comments** (limited to 3 minutes) (486-3231)

- X. Adjournment**

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<p>DRAFT</p>

**MINUTES OF THE REGULAR COUNCIL MEETING
OF THE CITY OF KODIAK
HELD THURSDAY, JUNE 25, 2015
IN THE BOROUGH ASSEMBLY CHAMBERS**

I. MEETING CALLED TO ORDER/PLEDGE OF ALLEGIANCE/INVOCATION

Mayor Pat Branson called the meeting to order at 7:30 p.m. Councilmembers Randall C. Bishop, Charles E. Davidson, Terry J. Haines, Gabriel T. Saravia, Richard H. Walker, and John B. Whiddon were present and constituted a quorum. City Manager Aimée Kniazowski, City Clerk Debra L. Marlar, and Deputy Clerk Michelle Shuravloff-Nelson were also present.

After the Pledge of Allegiance, Salvation Army Sergeant Major Dave Blacketer gave the invocation.

II. PREVIOUS MINUTES

Councilmember Whiddon MOVED to approve the minutes of the June 11, 2015, regular meeting as presented.

The roll call vote was Councilmembers Bishop, Davidson, Haines, Saravia, Walker, and Whiddon in favor. The motion passed.

III. PERSONS TO BE HEARD

a. Public Comments

Jonathon Strong, with the Senior Citizens of Kodiak, Inc. and Kodiak Transit thanked the Mayor and Council for their support. He spoke about the Downtown Kodiak Revitalization project and shared his work experience in dealing with substance abuse. He indicated he has met with some individuals from the downtown area and recommends similar action be taken as the community of Lodi did in their downtown plan. He said he supports a loitering ordinance, the removal of the gazebo, and continued work at the St. Paul Plaza area.

IV. UNFINISHED BUSINESS

a. Second Reading and Public Hearing, Ordinance No. 1336, Amending Chapter 18.28 of the City Code, "Port and Harbor Facilities" to Incorporate Protections Against Derelict and Abandoned Vessels Provided Under Alaska State Law

Mayor Branson read Ordinance No. 1336 by title. The State of Alaska amended State Statute, Chapter 30 entitled "Abandoned and Derelict Vessels" to expressly authorize the removal of abandoned and derelict vessels from municipal waters. It is in the City of Kodiak's best interest to amend Chapter 18.28 of the City Code to integrate corresponding State and Federal laws governing abandoned and derelict vessels.

Councilmember Davidson MOVED to adopt Ordinance No. 1336.

Mayor Branson closed the regular meeting, opened and closed the public hearing when no one came forward to testify, and reopened the regular meeting.

The roll call vote was Councilmembers Bishop, Davidson, Haines, Saravia, Walker, and Whiddon in favor. The motion passed.

V. NEW BUSINESS

a. **Resolution No. 2015–18, Authorizing the Issuance of a Permit to the American Legion Post 17 for Use of Public Property in Conjunction With Fourth of July Celebrations**

Mayor Branson read Resolution No. 2015–18 by title. Resolution No. 2015–18 permits American Legion Post 17 to close and use City streets for its annual Fourth of July parade. Street closures for the parade will take place on Saturday, July 4, 2015, from 11 a.m. to approximately 12:30 p.m. for the St. Paul Harbor spit, Marine Way, and Center Avenue. Rezanof Drive will also be closed as part of the parade route, and the American Legion will receive a separate authorization from the State Department of Transportation (DOT).

Councilmember Bishop MOVED to adopt Resolution No. 2015–18.

The roll call vote was Councilmembers Bishop, Davidson, Haines, Saravia, Walker, and Whiddon in favor. The motion passed.

b. **Resolution No. 2015–19, Supporting “The Subsistence Access Management Act of 2015”**

Mayor Branson read Resolution No. 2015–19 by title. Resolution No. 2015–19 supports “The Subsistence Access Management Act of 2015,” which is legislation to prohibit any changes in rural determination by the Departments of Interior and Agriculture that would remove a community currently qualified for subsistence rights. This legislation is introduced by Senator Murkowski and Representative Young. Kodiak is currently categorized as rural for the purposes of harvesting fish and wildlife on federal lands. In the Kodiak area, the lands include the Kodiak Wildlife Refuge lands, the Buskin River, and waters around Afognak Island. The determination of rural status using population threshold criteria by the Department of Interior and Agriculture could impact Kodiak’s current rural subsistence status. The “rural” status allows Kodiak to qualify for certain Federal programs, services and funding.

Councilmember Whiddon MOVED to adopt Resolution No. 2015–19.

Councilmember Davidson MOVED to postpone Resolution No. 2015–19 to a future meeting to be determined by the City Manager.

The roll call vote was Councilmembers Bishop, Davidson, Haines, Saravia, Walker, and Whiddon in favor. The motion to postpone passed.

c. **Resolution No. 2015–20, Supporting the 2015 Kodiak Coordinated Public Transit-Human Services Transportation Plan**

Mayor Branson read Resolution No. 2015–20 by title. Resolution No. 2015–20 supports the Kodiak Coordinated Public Transit-Human Services Transportation Plan, which has been reviewed, revised, and completed by the Kodiak Human Service Coalition. This plan lists the Kodiak Area Transit System (KATS) priorities that are necessary for the request of state and federal funding. KATS is the only coordinated system in the State of Alaska, with more than 15 local nonprofit agencies participating.

Councilmember Haines MOVED to adopt Resolution No. 2015–20.

The roll call vote was Councilmembers Bishop, Davidson, Haines, Saravia, Walker, and Whiddon in favor. The motion passed.

d. Authorization of FY2016 Special Services Contract with Alaska Department of Public Safety

The Alaska Department of Public Safety (DPS) requested the renewal of its contract with the City to provide services that support the mission and operations of the Alaska State Troopers (AST) and Alaska Wildlife Troopers (AWT) in Kodiak. In exchange for providing these services, DPS will compensate the City \$78,750.00 for FY2016.

Councilmember Haines MOVED to authorize the FY2016 Special Services Contract with the Alaska Department of Public Safety, Division of Alaska State Troopers and authorize the City Manager to sign the contract on behalf of the City.

The roll call vote was Councilmembers Bishop, Davidson, Haines, Saravia, Walker, and Whiddon in favor. The motion passed.

e. Authorization of Amendment No. 7 to the Professional Services Contract for Construction Administration Services for Pier III Replacement, Project No. 11-07/8024

Amendment No. 7 to PND Engineers Inc. is for additional construction phase services associated with the Pier III Replacement, Project No. 11-07/8024. PND Engineers Inc. submitted a proposal for continued services during construction. The third party project manager and City staff recommend Council authorize Amendment No. 7 to the professional services contract to provide additional construction phase services associated with the Pier III Replacement project to PND Engineers on a time and expense basis with services not to exceed \$275,000.

Councilmember Bishop MOVED to authorize Amendment No. 7 to the professional services contract with PND for additional construction phase services related to the Pier III replacement project on a time and expense basis in an amount not-to-exceed \$275,000 with funds coming from the Cargo Development Fund, Pier III project, Project No. 11-07/8024 and authorize the City Manager to execute the documents for the City.

The roll call vote was Councilmembers Bishop, Davidson, Haines, Saravia, Walker, and Whiddon in favor. The motion passed.

f. Authorization of FY2016 Pavement Repairs, Project No. 16-02/5036

To keep City streets and parking lots in good driving condition requires a continual asphalt maintenance program. This project will repair areas of asphalt damaged by wear and water erosion with the focus on Mill Bay Road repairs. Brechan Enterprises, Inc. is the only asphalt pavement producer and large paver in Kodiak; therefore, staff recommends Council authorize the FY2016 pavement repairs to Brechan as a sole source contract per KCC 3.12.070(d) in the amount of \$1,150,000.

Councilmember Walker MOVED to authorize the award of the FY2016 Pavement Repair project to Brechan Construction LLC in the amount of \$1,150,000, with funds coming from the Streets Capital Improvement Fund Project No. 16-02/5036, Pavement Repairs and authorize the City Manager to execute the documents on behalf of the City.

The roll call vote was Councilmembers Bishop, Davidson, Haines, Saravia, Walker, and Whiddon in favor. The motion passed.

g. Authorization of FY2015 Marketing and Tourism Development Agreement With Discover Kodiak

Council has authorized agreements with the Kodiak Island Convention and Visitors Bureau, known as Discover Kodiak, to provide marketing and tourism outreach for Kodiak since FY2009. This Council action will renew the agreement for FY2016. Discover Kodiak is requesting the City provide \$108,000 to fund the FY2016 contract, which is \$8,000 more than was funded in FY2015, to help fund their trails kiosk project. Staff recommends Council authorize the City Manager to sign the FY2016 Marketing and Tourism Program Agreement with Discover Kodiak in the amount of \$108,000.

Councilmember Whiddon MOVED to authorize the FY2016 Marketing and Tourism Development Agreement with Discover Kodiak in the amount of \$108,000, with funds coming from the Special Revenue Funds, Tourism Development Fund, Tourism, Administration, Contributions account and authorize the City Manager to sign the agreement on behalf of the City.

The roll call vote was Councilmembers Bishop, Davidson, Haines, Saravia, Walker, and Whiddon in favor. The motion passed.

h. Authorization to Extend the Alaska Public Entity Insurance Agreement

The City receives its property, casualty, liability, marine, and Workers' Compensation coverage through its membership in the Alaska Public Entities Insurance (APEI) pool. The City joined APEI in 2010 and has been very satisfied with the coverage, risk management assistance, and training provided by APEI over the past five years. In addition to the annual 3% premium reduction and dividend for FY16, APEI has offered the City an additional premium credit of \$10,000 in exchange for an agreement to extend membership in the pool for a three-year period. Staff supports this offer and recommends Council authorize the City Manager to notify APEI of the City's intent to renew its membership and to sign the necessary paperwork to extend the City's membership

Councilmember Davidson MOVED to authorize the City Manager to notify APEI of the City's intent to renew its membership agreement for an additional three years, which would otherwise terminate in 2016, and authorize the City Manager to execute all documents necessary to comply with the extension of the membership agreement.

The roll call vote was Councilmembers Bishop and Walker in favor. Councilmembers Davidson, Haines, Saravia, and Whiddon were opposed. The motion failed.

VI. STAFF REPORTS

a. City Manager

Manager Kniaziowski gave an update on the Monashka Pumhouse and compost project. She said this project needs to be done by this fall to comply with the Borough and compost agreements. She said Sara Barton is working on finalizing a draft of the strategic plan. She introduced Kelly Mayes, the new Finance Director. She announced that the Mike Tvenge has been hired as the Deputy City Manager, and he will start in August. He is currently the City Administrator in Delta Junction and has served as a Councilmember. Manager Kniaziowski indicated she will be on personal leave next week and medical leave beginning July 10. She said she is working with the KIB Borough manager to acquire additional office space, which will provide efficient and appropriate office space to staff and provide the City with conference meeting space.

b. City Clerk

City Clerk Marlara informed the public of the next scheduled Council work session and regular meeting. She gave an update on the website, which included the consultant's recent trip to Kodiak to provide training, digital photos she received, and that the website is expected to be launched in September. She announced City nominating positions for the Mayoral position and two Councilmember positions will be available on July 20, 2015, for the October 6, election. She gave the age and residency requirements of those seats.

VII. MAYOR'S COMMENTS

Mayor Branson thanked Jonathan Strong for his comments and the American Legion for organizing the Fourth of July parade. She thanked the Downtown Kodiak Revitalization Sub-Committee Chairs Monte Hawver, Katie St. John, and Trevor Brown for their continued work. She stated the next Sub-Committee Chair meeting will be on July 17, at which time they will review the committee structure for the future. She welcomed Kelly Mayes, the new Finance Director, and thanked interim Finance Director Karl Swanson. She said she looks forward to the new Deputy City Manager beginning and indicated that planning sessions for the 75th anniversary of the City will begin soon.

VIII. COUNCIL COMMENTS

Councilmember Bishop welcomed Finance Director Mayes and wished the public a safe holiday.

Councilmember Saravia welcomed Finance Director Mayes wished everyone a safe Fourth of July.

Councilmember Whiddon welcomed Finance Director Mayes and complimented the USCG. He commented the holiday celebration was for Independence Day.

Councilmember Davidson welcomed Finance Director Mayes and thanked interim Finance Director Swanson. He wished everyone a great Fourth of July. He commented on Pier III and the arrival of the crane.

Councilmember Haines welcomed Finance Director Mayes and thanked interim Finance Director Swanson. He thanked Mr. Strong for attending the meeting. He said he is excited about the website; he thinks it will be helpful to the public. He stated he is pleased with the hiring of a Deputy City Manager to ensure proper staffing for all the capital projects.

Councilmember Walker welcomed Finance Director Mayes. He thanked all City staff their service. He wished everyone a happy Fourth of July.

IX. AUDIENCE COMMENTS

None

X. ADJOURNMENT

Councilmember Davidson MOVED to adjourn the meeting.

The roll call vote was Councilmembers Bishop, Davidson, Haines, Saravia, Walker, and Whiddon in favor. The motion passed.

The meeting adjourned at 8:25 p.m.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

Minutes Approved:

CITY CLERK

Minutes Approved:

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NEW BUSINESS

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Aimée Kniazowski, City Manager

Thru: Corey Gronn, Parks and Recreation Director

Date: July 23, 2015

Agenda Item: V. a. **First Reading, Ordinance No. 1337, Amending Kodiak City Code 7.04.060, Control of Animals, Adopting Kodiak City Code 7.04.190, Off-Leash Dog Parks, Amending Kodiak City Code 7.04.180, Control of Animal Offenses-Fine Schedule, and Amending Kodiak City Code 18.32.020, Definitions to Provide For Leash-Free Dog Parks and Related Matters**

SUMMARY: Ordinance No. 1337 amends the Kodiak City Code (KCC) 7.04.060, Control of Animals, adopts KCC 7.04.190, off-leash dog parks, and amends KCC 7.04.180 the animal offenses-fine schedule. The revised code will allow for the north section of East Addition Park to be designated a leash free dog park (Attachment B), which will benefit the community. Staff recommends Council pass Ordinance No. 1337 in the first reading and advance the ordinance to second reading and public hearing at the next regular or special meeting.

PREVIOUS COUNCIL ACTION:

- Council reviewed the proposed dog park area and voiced support to establish a leash free dog park at the June 23, 2015, work session.

DISCUSSION: The Parks and Recreation Department has received requests from community members to add a leash free dog park to the Kodiak park system for some time now. The Parks and Recreation Department placed this on the agenda for the Parks and Recreation Advisory Board to discuss. The P&R Advisory Board supports the dog park and made a motion to support a dog park at the north end of East Addition Park at their April 1, 2015, meeting. The area identified as most suitable for this type of recreation is the north end of East Addition Park (Attachment B). Establishing a leash-free dog park within City limits will benefit the community and is in the best interest of the City.

Parks and Recreation staff worked on researching issues such as location, funding, insurance, operational policies, and rules. The Department has funds available to erect a fence that would segregate the leash free dog park area from the regular park. Staff contacted other municipalities about the rules and regulations that those departments utilize at their dog parks. Staff also sent letters or talked directly to neighbors next to the proposed area to ask for feedback. Numerous emails were received in support of

a dog park, and staff did not receive any negative feedback about the installation of a leash free dog park.

Materials for this project are estimated at \$1600. This consists of the fencing material and a couple doggie waste stations. The Department has room in its operational budget for the project. No additional insurance would be required to have a dog park as proposed, but the City Code would have to be amended to allow dogs to be off leash at this location and to be cited and/or fined for violations when necessary.

ALTERNATIVES:

- 1) Pass Ordinance No. 1337 in the first reading and advance to second reading and public hearing at the next regular or special Council meeting. This is staff's recommendation.
- 2) Council may also amend Ordinance No. 1337.

LEGAL: The City Attorney drafted the ordinance.

STAFF RECOMMENDATION: The community and the Parks and Recreation Advisory Board is in full support of a leash free dog park; the area the Parks and Recreation Advisory Board and staff found most suitable for this type of recreational activity is the north end of East Addition Park. Staff recommends Council pass Ordinance No. 1337 in first reading and advance to second reading and public hearing.

CITY MANAGER'S COMMENTS: I would like to thank the Parks and Recreation Advisory Board for their work on this project. I support their recommendation to establish the dog park and recommend Council pass Ordinance No. 1337 in first reading and advance to second reading and public hearing at the next special or regular meeting.

ATTACHMENTS:

Attachment A: Ordinance No. 1337

Attachment B: Dog Park map

PROPOSED MOTION:

Move to pass Ordinance No. 1337 in the first reading and advance to second reading and public hearing at the next regular or special Council meeting.

**CITY OF KODIAK
ORDINANCE NUMBER 1337**

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KODIAK AMENDING KODIAK CITY CODE 7.04.060, CONTROL OF ANIMALS, ADOPTING KODIAK CITY CODE 7.04.190, OFF-LEASH DOG PARKS, AMENDING KODIAK CITY CODE 7.04.180, CONTROL OF ANIMAL OFFENSES-FINE SCHEDULE, AND AMENDING KODIAK CITY CODE 18.32.020, DEFINITIONS TO PROVIDE FOR LEASH-FREE DOG PARKS AND RELATED MATTERS

WHEREAS, several areas within the City are designated as parks devoted to the active and passive recreation of City residents and visitors, including dog owners; and

WHEREAS, current City code requires that dogs be on leash at all times when off the premises of the dog’s owner or custodian; and

WHEREAS, the City Parks and Recreation Department has received several requests to establish a leash-free dog park for dog owners and their dogs to recreate; and

WHEREAS, the City Parks and Recreation Advisory Board met on April 1, 2015, and passed a motion to support the establishment of a dog park and identified an area located at the north end of East Addition Park to be set aside and designated for such purposes; and

WHEREAS, on June 1, 2015, the City Parks and Recreation Department requested public comment on the proposal and received several comments in support and no comments in the negative; and

WHEREAS, establishing a leash-free dog park within City limits will benefit the community and is in the best interest of the City.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Kodiak, Alaska, as follows:

Section 1: Kodiak City Code 7.04.060 Control of animals, is hereby amended to read as follows (new text is **bold and underlined**, deleted text ~~stricken~~):

7.04.060 Control of animals

(a) **Except as otherwise provided in this chapter, a** A person who is the owner or custodian of a dog shall keep and maintain the dog under control at all times when the dog is off the premises of the owner or custodian and not confined within an enclosure by restraining the dog with a leash, cord, or chain, not more than 10 feet in length, secured to the animal and fastened to a stationary object or held by the owner or a custodian of sufficient age and maturity to control the dog. No dog shall be transported or kept within a vehicle or any part thereof unless restrained or confined so as to prevent its leaving the vehicle except under the control of its owner or custodian.

(b) The owner of an animal, other than a dog, that is capable of annoying or endangering other persons or damaging their property shall keep the animal under restraint at all times.

(c) The owner or custodian of a fierce, dangerous, or vicious animal shall confine the animal within a building or secure enclosure and shall not take the animal out of such building or enclosure unless the animal is muzzled and otherwise secured to prevent attacks or feigned attacks.

(d) The owner of a female dog in heat or during ovulation shall keep and maintain the animal confined in a building or secure enclosure, or in a veterinary hospital or boarding kennel, in such manner that the female dog cannot come in contact with a male dog except for planned breeding purposes.

(e) The city may establish designated areas, known as dog parks, where a dog may roam off-leash in the presence of its owner or custodian.

Section 2: Kodiak City Code 7.04.190, Off-leash dog parks, is hereby adopted to read as follows (new text is **bold and underlined**):

7.04.190 Off-leash dog parks.

(a) Notwithstanding other provisions of this code, legally licensed and currently vaccinated dogs shall be permitted off-leash in areas designated as dog parks by the council, and marked for such use by fencing and signage. Current dog parks are designated at the following locations, and shall be depicted on a map that is on file at the City Clerk’s office:

East Addition Park – north end.

(b) Rules for the use of off-leash dog parks shall be posted at all dog parks and shall include the following:

(1) All dogs shall be leashed until within and before leaving designated dog park areas;

(2) The owner or custodian of a dog shall be responsible for all actions of the dog while entering, leaving, or within the dog park;

(3) The owner or custodian of a dog shall remain in the dog park area at all times while the dog is within the dog park;

(4) The owner or custodian of a dog shall keep the dog in sight and under voice control during all times the dog is within the dog park;

(5) The owner or custodian of a dog shall clean up after, remove, and dispose of any feces or other animal litter deposited by the dog in the dog park;

(6) The owner or custodian of a dog shall fill any holes dug by the dog while in the dog park;

(7) The following dogs shall be prohibited at all times in the dog park:

(a) Fierce, dangerous, or vicious dogs;

(b) Female dogs in heat;

(c) Puppies less than four (4) months old; and

(d) Sick or injured dogs;

(8) Feeding dogs shall be prohibited in the dog park;

(9) Children must be supervised at all times by a parent or guardian while at the dog park; and

(10) Users of the dog park are subject to all other rules and regulations governing conduct in city parks.

(c) The provisions of this section shall be in addition to the ordinances regulating conduct in public parks set forth in KCC 18.32.

(d) It shall be unlawful for any owner or custodian of a dog to violate or permit the dog to violate this section.

Section 3: Subsection (c) of Kodiak City Code Section 7.04.180 Control of animal offenses—fine schedule, is hereby amended by adding a new line to read as follows (new text is **bold and underlined**, deleted text ~~stricken~~):

City Code Provision	Offense	Fine		
		1st offense w/i 2 years	2nd offense w/i 2 years	3rd offense w/i 2 years
<u>7.04.190</u>	<u>Off-leash dog parks</u>	<u>\$50</u>	<u>\$75</u>	<u>\$100</u>

Section 4: Kodiak City Code 18.32.020 Definitions, is hereby amended to read as follows (new text is **bold and underlined**):

For the purposes of this chapter the following terms, phrases, words, and their derivations shall have the meanings given in this section. When not inconsistent with the context, words used in the present tense include the future, words in the plural number include the singular, and words in the singular number include the plural. The word “shall” is always mandatory and not merely directory.

“City” is the city of Kodiak, Alaska.

“Park” is a park, reservation, playground, beach, recreation center, **off-leash dog park** or any other area in the city or outside of the city owned or used by the city, and devoted to active or passive recreation.

“Person” is any person, firm, partnership, association, corporation, company, or organization of any kind.

“Vehicle” is any wheeled conveyance, whether motor-powered or self-propelled, and shall include but is not limited to automobiles, motorcycles, motor scooters, all-terrain vehicles, and snow machines of all kinds.

“Watershed” is the whole region or area contributing to the Pillar Creek, Monashka Creek, and city reservoir system including the drainage area, catchment area, or basin.

Section 5: This ordinance shall be effective one month following final passage and publication in accordance with Kodiak Charter article II section 13.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

First Reading:
Second Reading:
Effective Date:



Map prepared by Kodiak Island Borough on 7/6/2015. Map is provided for informational purposes only and is not intended for any legal representation.

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MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Aimée Kniazowski, City Manager

Thru: Mark Kozak, Public Works Director

Date: July 23, 2015

Agenda Item: V. b. **First Reading, Ordinance No. 1338, Authorizing a Lease of an Approximately 7,662 Square Foot Lot at the Kodiak Municipal Airport to Alutiiq Aviation Services, Inc.**

SUMMARY: The City Council awarded a master plan study funded by the FAA in March of 2004. This study evaluated the entire Municipal Airport, Lilly Lake and Trident Basin. Part of the work that was completed identified several options that would improve safety as well as areas that could be expanded at the airport for tie down rental or leases for hangars. Alutiiq Aviation Services, Inc. has been using two rented spots in the area identified as the south apron in the master plan since July 2011 and has requested a lease in order to build a hangar. Staff recommends Council pass Ordinance No. 1338 in the first reading and advance to second reading and public hearing and the next regular or special meeting. The ordinance, if adopted after the second reading and public hearing, will authorize the City Manager to sign a 30-year lease with Alutiiq Aviation Services, Inc. (Attachment B).

PREVIOUS COUNCIL ACTION:

- 1) Council approved the FAA funded airport master plan for the City of Kodiak airports in 2004. The primary focus was on the Municipal Airport and whether the FAA would fund safety improvements at the airport.
- 2) Council accepted a State Legislative grant for safety improvements at the Municipal Airport and awarded a safety improvement project in August 2010.

DISCUSSION: In the 1980s the City developed a subdivision on the west side of Municipal airport at the north end. This included 10 lots that are roughly 60ft by 80ft (two slightly larger and one smaller) and 14 lots that are 40ft by 50ft. The front row lots are the smaller lots and are sized for tie down locations and the back lots were sized to allow smaller hangars to be built.

Over the last 10 years general aviation has significantly grown in Kodiak, and at the present most of the available space at the airport is being used. Numerous individuals have requested a location to be able to lease for the purpose of building a hangar to store their aircraft. Others have requested larger areas in order to be able to build hangars for space can be rented for aircraft storage.

Alutiiq Aviation Services, Inc. has rented two 40ft by 50ft spots in the south apron area since 2011 and has requested a long-term lease in order to build a hangar. The Public Works Director created these two

rental spots using the same demensions from the existing tie down lot size in the south apron area in order to separate helicopters from the fixed wing tie down area, which helps with dust and other issues.

Alutiiq Aviation Services, Inc. had a surveyor prepare a description of the lot size and location and is ready to finalize a long-term lease for the described area in order to build a hangar for the storage of a helicopter and some commercial operation. This lease will allow business development as well as increased revenue to the airport.

Public Works Director Kozak called several airport appraisers to see if a Municipal airport appraisal could be done in a timely manner, this option was not available. He recommends that the City use the Kodiak State Airport lease rate for the Municipal airport lease rate. He conferred with the leasing consultant that worked on a part of the airport master plan about the concept. The leasing consultant did not have the same recommendation since the State airport lease rate has a substantial subsidy. However, Public Work Director Kozak sees some benefit to this since it eliminates the high cost of having the appraisal completed and updated on a regular basis. One important consideration is airports are always appraised differently than typical property because of the normal use restrictions associated with the airport to keep use aviation oriented. Non-aviation use of leased space has become more of a problem at Municipal as time has progressed. The new lease language clearly states what the leased area may be used for, and as the City renews the expired leases the requirements of the leased land to be aviation oriented should be enforced.

ALTERNATIVES: The City has been renting and leasing space at Municipal airport for a very long time.

- 1) Staff recommends that the City move forward with this lease request using the lease rates used at the Kodiak State airport for the current year. In addition, staff will be working on renewing all of the expired leases for hangars as well as updating fee schedules for rent at the airport.
- 2) Do not approve the lease. This is not recommended, because it will prohibit the development of general aviation in the Kodiak area and reduce the opportunity to develop small aviation business such as small air taxi operation or aviation maintenance for general aviation. It would also prohibit additional leasing and rate adjustment that will improve the revenue generated at the airport and reduce general fund contribution on an annual basis.

FINANCIAL IMPLICATIONS: By allowing additional area to be leased at the airport; revenue to the airport will increase. Rates have not been changed at the airport for a very long time and need to be addressed. Staff will bring forward a recommended minimum lease rate for the smaller lots and tie downs and a squared footage lease rate (using State of Alaska lease rate for the Kodiak Airport) for any lot size above the minimum.

LEGAL: The City Attorney drafted Ordinance No. 1338 and reviewed the attached lease (Attachments A and B). The proposed lease is subject to the requirements of City Charter Section V-17.

STAFF RECOMMENDATION: Staff recommends Council pass Ordinance No. 1338 in the first reading and advance to the second reading, approving a long-term lease to Alutiiq Aviation Services Inc. for approximately 7,662 square feet as identified in the property description attached with the lease.

CITY MANAGER'S COMMENTS: *The City Manager may make additional comments at the meeting.*

ATTACHMENTS:

Attachment A: Ordinance No. 1338

Attachment B: Alutiiq Aviation Services Inc. lease

Attachment C: Property Description of proposed lease site

Attachment D: Letter from Kodiak Helicopters (now Alutiiq Aviation Service Inc.) requesting a lease at Municipal Airport.

PROPOSED MOTION:

Move to pass Ordinance No. 1338 in the first reading and advance to second reading and public hearing at the next regular or special Council meeting.

**CITY OF KODIAK
ORDINANCE NUMBER 1338**

**AN ORDINANCE OF THE COUNCIL OF THE CITY OF KODIAK
AUTHORIZING A LEASE OF AN APPROXIMATELY 7,662 SQUARE FOOT LOT AT
THE KODIAK MUNICIPAL AIRPORT TO ALUTIIQ AVIATION SERVICES, INC.**

WHEREAS, the City owns the property at the Kodiak Municipal Airport shown on Exhibit A to this ordinance (“Property”); and

WHEREAS, Alutiiq Aviation Services, Inc. desires to continue leasing the Property on a long-term basis and to construct a hangar on the Property to support his aviation business; and

WHEREAS, the lease of the Property authorized herein will serve the development of aviation business at the Kodiak Municipal Airport and is in the best interest of the City.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Kodiak, Alaska, as follows:

Section 1: The Council of the City of Kodiak hereby authorizes a thirty-year lease with Alutiiq Aviation Services, Inc. in the form that has been presented to this meeting, of the property described in Exhibit A to this ordinance. The lease will require that the Property be developed and used solely for aviation purposes.

Section 2: The City Manager hereby is authorized, empowered and directed to execute and deliver the Lease on behalf of the City, in substantially the form and content now before this meeting but with such changes, modifications, additions and deletions therein as shall to her seem necessary, desirable or appropriate, the execution thereof to constitute conclusive evidence of approval of any and all changes, modifications, additions or deletions therein from the form and content of said document now before this meeting, and from and after the execution and delivery of said document, the City Manager and City Clerk, and their respective designees, each hereby is authorized, empowered and directed to do all acts and things and to execute all documents as may be necessary to carry out and comply with the provisions of said document as executed.

Section 3: The Lease authorized by this ordinance is subject to the requirements of City Charter Section V-17. Therefore, if one or more referendum petitions with signatures are properly filed within one month after the passage and publication of this ordinance, this ordinance shall not go into effect until the petition or petitions are finally found to be illegal and/or insufficient, or, if any such petition is found legal and sufficient, until the ordinance is approved at an election by a majority of the qualified voters voting on the question. If no referendum petition with signatures is filed, this ordinance shall go into effect one month after its passage and publication.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

First Reading:
Second Reading:
Effective Date:

GROUND LEASE AND SECURITY AGREEMENT

GROUND LEASE AND SECURITY AGREEMENT (“Lease”) dated as of July __, 2015, between the CITY OF KODIAK, an Alaska municipal corporation ("Landlord"), whose address is 710 Mill Bay Road, Kodiak, Alaska 99615, and ALUTIIQ AVIATION SERVICES, INC., an Alaska corporation (“Tenant”), whose address is P.O. Box 1544, Kodiak, Alaska 99615.

RECITALS

WHEREAS, Landlord owns certain properties having a strategic location at the Kodiak Municipal Airport; and

WHEREAS, it is the policy of Landlord to make these properties available for leasing for aviation purposes; and

WHEREAS, Tenant has made its own determination that its proposed use of the property will be economically feasible, and that the term for which it is leasing the property will be sufficient to amortize Tenant’s investment in developing the leased property.

NOW, THEREFORE, in consideration of the matters recited above, and the mutual covenants herein, the parties agree as follows:

ARTICLE 1. DEFINITIONS

1.01 Definitions. As used herein, the term:

(a) “Annual Rent Adjustment” and “Annual Rent Adjustment Date” are defined in Section 4.02.

(b) “Base Rent” is defined in Section 4.01.

(c) "Complete" and "Completion" mean, with regard to an improvement, that construction of the improvement is finished and the improvement is fully operational and ready for occupancy or use for its intended purpose, including without limitation the issuance of any applicable certificate of occupancy and other applicable permits, licenses, certificates or inspection reports necessary to the improvement's legally authorized use.

(d) "Council" means the City Council of the City of Kodiak, Alaska.

(e) "Default Rate" means an annual rate of interest equal to the lesser of (i) the maximum rate of interest for which Tenant may lawfully contract in Alaska, or (ii) ten and one-half percent (10.5%).

(f) "Environmental Laws" means all local, state, and federal laws, ordinances, regulations, and orders related to environmental protection; or the use, storage, generation, production, treatment, emission, discharge, remediation, removal, disposal, or transport of any Hazardous Substance.

(g) “Excusable Delay” means delay due to strikes, acts of God, inability to obtain labor or materials, orders of any governmental authority having jurisdiction, removal of Hazardous Materials discovered at any time after the commencement of the Term, enemy action, civil commotion, fire, unusual inclement weather, unavoidable casualty or similar causes beyond the reasonable control of Tenant.

(h) "Hazardous Substance" means any substance or material defined or designated as hazardous or toxic waste; hazardous or toxic material; hazardous, toxic, or radioactive substance; or other similar term by any federal, state, or local statute, regulation, or ordinance or common law presently in effect or that may be promulgated in the future as such statutes, regulations, and ordinances may be amended from time to time.

(i) "Landlord" means the City of Kodiak, Alaska.

(j) "Leasehold Mortgage" is defined in Section 13.01.

(k) "Property" is defined in Section 2.01.

(l) "Qualified Mortgage" is defined in Section 13.03.

(m) "Tenant" means Andy Teuber.

(n) "Term" is defined in Section 3.01.

ARTICLE 2. THE PROPERTY

2.01 Lease of Property. Subject to the terms and conditions of this Lease, Landlord leases to Tenant and Tenant leases from Landlord the following described property ("Property"):

That certain Lease Lot at the Kodiak Municipal Airport, containing approximately 7,662 square feet, located in the Kodiak Recording District, State of Alaska, and more particularly described in Exhibit A hereto;

subject, however, to reservations, restrictions, easements and encumbrances of record, and to encroachments that may be revealed by an inspection of the Property.

2.02 Quiet Enjoyment. Landlord covenants that Tenant, upon paying the rent and other charges and performing its other obligations under this Lease shall have quiet enjoyment of the Property during the Term without hindrance or interference by Landlord or by any person claiming an interest in the Property through Landlord.

2.03 Property Accepted "As Is;" Exception for Hazardous Substances.

(a) Tenant has inspected the Property, has made its own determination as to the suitability of the Property for Tenant's intended use, and accepts the Property "AS IS." Except as provided in subsection (b), Landlord, its agents and employees make no warranties, expressed or implied, concerning the condition of the Property, including without limitation the habitability or fitness of the Property for any particular purpose, including those uses authorized by this Lease, or subsurface and soil conditions.

(b) Tenant shall obtain, at its own expense, a phase I environmental assessment of the Property as of the earlier of (i) the commencement of the Term, and (ii) Tenant's initial occupancy of the Property. If Landlord reasonably determines that the phase I environmental assessment is acceptable, Landlord will warrant that the condition of the Property as of the applicable date with regard to the presence of any Hazardous Substance is consistent with the results of the phase I environmental assessment.

2.04 No Subsurface Rights. This Lease confers no mineral rights or rights with regard to the subsurface of the Property below the level necessary for the uses of the Property permitted in

this Lease.

ARTICLE 3. TERM

3.01 Lease Term. The term of this Lease is thirty (30) years, commencing on July __, 2015, and ending on July __, 2045 (“Term”).

3.02 Lease Renewal.

(a) Tenant represents and warrants that it has determined that the duration of the Term will be sufficient for Tenant to amortize any investment that it makes in connection with this Lease, including without limitation any investment in leasehold improvements. Tenant acknowledges that it has no right of any kind to continue using or occupying the Property after the expiration or earlier termination of the Term, including without limitation any option to renew this Lease, or any option to extend the Term.

(b) Not less than 12 months before the expiration of the Term, Tenant may apply to Landlord for a renewal of this Lease in the manner that a person then would apply for a new lease of the Property. In response to a timely application, the Council will determine whether to renew this Lease, and the term of any renewal, in its sole discretion. The Council is under no obligation to renew this Lease, or to renew this Lease for the term that Tenant requests. If the Council does not grant a timely application to renew this Lease, Tenant shall prepare to surrender possession of the Property as required by Section 3.03, and dispose of improvements on the Property as required by Section 6.08.

3.03 Surrender of Possession. Upon the expiration or earlier termination of the Term, Tenant shall promptly and peaceably surrender the Property, clean, free of debris, and in as good order and condition as at the commencement of the Term, ordinary wear and tear excepted, and shall remove from the Property all personal property that was not present on the Property at the commencement of the Term. If Tenant fails to surrender the Property in the required condition, Landlord may restore the Property to such condition and Tenant shall pay the cost thereof, plus interest at the Default Rate, on demand. Section 6.08 governs the disposition of improvements on the Property at the expiration or earlier termination of the Term.

3.04 Holding Over. Tenant’s continuing in possession of the Property after the expiration or earlier termination of the Term will not renew or extend this Lease. In the absence of any agreement renewing or extending this Lease, Tenant's continued possession of the Property after the end of the Term will be a tenancy from month to month, terminable upon 30 days written notice by either party at any time, at a monthly rental equal to 150% of the monthly Base Rent in effect at the end of the Term, subject to all other terms of this Lease. For good cause, Landlord may waive all or part of the increase in Base Rent during the holdover period.

ARTICLE 4. RENT, TAXES, ASSESSMENTS AND UTILITIES

4.01 Base Rent. Tenant shall pay to Landlord an initial annual rent of \$0.123 per square foot (“Base Rent”). Base Rent is payable monthly in advance in installments of \$_____, plus tax, on July __, 2015, and on the _____ day of each month thereafter, at the office of the City of Kodiak, 710 Mill Bay Road, Kodiak, Alaska 99615, or at such other place as Landlord may

designate in writing. All Base Rent shall be paid without prior demand or notice and without deduction or offset. Base Rent that is not paid on or before the due date will bear interest at the Default Rate. Base Rent is subject to adjustment as provided in Section 4.02.

4.02 Rent Adjustments. The Base Rent shall be adjusted annually (the "Annual Rent Adjustment") effective _____, and on each _____ thereafter, (each such date being an "Annual Rent Adjustment Date"), by the increase, if any, in the annual rate established by the State of Alaska, Department of Transportation and Public Facilities, for aviation land uses at the Kodiak Municipal Airport.

4.03 Taxes, Assessments and Other Governmental Charges. Tenant shall pay prior to delinquency all taxes, installments of assessments that are payable in installments and other governmental charges lawfully levied or assessed upon or with respect to the Property, improvements on the Property and personal property that is situated on the Property; provided that Tenant may contest in good faith any such tax, assessment or other governmental charge without subjecting the Property to lien or forfeiture. If an assessment on the Property that is not payable in installments becomes due during the Term, Tenant shall be obligated to pay the fraction of the assessment that is determined by dividing the amount of the assessment by the number of years, if any, by which 10 exceeds the number of years remaining in the Term. If this Lease subsequently is extended or renewed, the part of the assessment that Tenant shall pay shall be determined by adding the extended or renewal term to the number of years remaining in the Term when the assessment became due. If the Term commences or expires during a tax year, the taxes or assessments payable for that year will be prorated between Landlord and Tenant. Tenant shall exhibit to Landlord, on demand, receipts evidencing payment of all such taxes, assessments and other governmental charges.

4.04 Utility Charges. Tenant shall pay all charges for utility and other services provided to or used on the Property, including without limitation gas, heating oil, electric, water, sewer, heat, snow removal and refuse removal. Tenant shall be solely responsible for the cost of utility connections.

4.05 Additional Rent and Landlord's Right to Cure Tenant's Default. All costs or expenses that Tenant is required to pay under this Lease at Landlord's election will be treated as additional rent, and Landlord may exercise all rights and remedies provided in this Lease in the event of nonpayment. If Tenant defaults in making any payment required of Tenant or defaults in performing any term, covenant or condition of this Lease that involves the expenditure of money by Tenant, Landlord may, but is not obligated to, make such payment or expenditure on behalf of Tenant, and any and all sums so expended by Landlord, with interest thereon at the Default Rate from the date of expenditure until repaid, will be additional rent and shall be repaid by Tenant to Landlord on demand, provided, however, that such payment or expenditure by Landlord will not waive Tenant's default, or affect any of Landlord's remedies for such default.

4.06 Security Deposit. Upon execution of this Lease, Tenant shall deposit with Landlord an amount equal to 10% of the annual Base Rent as security for Tenant's performance of its obligations under this Lease. Landlord will hold the security deposit, and may comeingle it with

other funds of Landlord. If Tenant defaults in performing any obligation under this Lease, including without limitation the payment of rent, Landlord may apply all or any portion of the security deposit to the payment of any sum in default or any damages suffered by Landlord as result of the default, or any sum that Landlord may be required to incur by reason of the default. Upon demand, Tenant shall deposit with Landlord the amount so applied so that Landlord will have the full deposit on hand at all times during the Term. If Tenant has fully complied with all of its obligations under this Lease through the first five years of the Term, Landlord will remit to Tenant any balance of the security deposit, without interest, within 30 days after the expiration of the first five years of the Term.

ARTICLE 5. SECURITY INTEREST

To secure the performance of Tenant's obligations under this Lease, including without limitation the obligations to pay rent and other sums to be paid by Tenant, Tenant grants to Landlord a security interest in the following collateral: ("Collateral"): (1) all security deposits or other monies owing from Landlord to Tenant (as collateral in the possession of the secured party); (2) all insurance proceeds from any policy insuring the Property or improvements thereon against environmental contamination or pollution; (3) all compensation payable to Tenant as a result of eminent domain proceedings or a transfer in lieu thereof; and (4) all rents from Tenant's subletting of all or a part of the Property. Said lien and security interest will be in addition to Landlord's liens provided by law.

This Lease constitutes a security agreement under the Uniform Commercial Code as enacted in Alaska ("UCC"), and Landlord will have all rights and remedies of a secured party under the UCC regarding the Collateral. Tenant shall execute such financing statements and other instruments as Landlord may now or hereafter reasonably request to evidence the security interest granted by Tenant.

ARTICLE 6. USE AND IMPROVEMENT OF PROPERTY

6.01 Use of Property. Tenant shall use the Property solely for aviation-related purposes, consisting of storage and maintenance of authorized aircraft; temporary storage of cargo before and after transport on authorized aircraft; accommodations for passengers embarking on or disembarking from authorized aircraft; and offices for the administration of authorized aviation business. Tenant shall not use or improve the Property for any other purpose without Landlord's written consent, which consent Landlord may withhold in its sole discretion.

6.02 Construction Prerequisites. Tenant may not commence any construction on the Property without first satisfying the following conditions:

(a) Not less than 30 days before commencing construction, Tenant shall submit to Landlord preliminary plans and specifications for the construction, showing the layout of proposed buildings and other improvements, ingress and egress, dimensions and locations of utilities, drainage plans, and any other information required to demonstrate compliance with zoning requirements, Landlord's airport policies, and other applicable government regulations. The preliminary plans and specifications are subject to Landlord's approval, which will not be

unreasonably withheld. Landlord shall communicate approval or disapproval in the manner provided for notices, accompanying any disapproval with a statement of the grounds therefor. Tenant shall be responsible for complying with all laws governing the construction, notwithstanding Landlord's approval of preliminary plans and specifications under this paragraph.

(b) Not less than five days before commencing construction, Tenant shall deliver to Landlord one complete set of final working plans and specifications as approved by the governmental agencies whose approval is required for Tenant to commence construction. The final working plans and specifications shall conform substantially to the preliminary plans and specifications previously approved by Landlord, subject to changes made to comply with suggestions, requests or requirements of a governmental agency or official in connection with the application for permit or approval.

(c) Not less than five days before commencing construction, Tenant shall give Landlord written notice of its intent to commence construction, and furnish to Landlord the following:

(1) Proof that all applicable federal, state and local permits required for the construction have been obtained.

(2) A current certificate of insurance with the coverages specified in Section 9.03.

6.03 Additional and Replacement Improvements.

(a) Construction of improvements that are not consistent with terms of this Lease is prohibited unless Landlord provides written authorization prior to construction.

(b) Subject to Section 6.03(a), upon satisfying the conditions in section 6.02, Tenant at any time may, but is not obligated to, construct new improvements on the Property and demolish, remove, replace, alter, relocate, reconstruct or add to existing improvements; provided that Tenant is not then in default under this Lease. Once any work is begun, Tenant shall with reasonable diligence prosecute to Completion all construction of improvements, additions, alterations, or other work. All salvage resulting from such work will belong to Tenant, who is responsible for its removal and lawful disposal.

6.04 As-Built Survey. Within 30 days after Completion of construction of any improvements on the Property involving construction, alteration, addition, removal or demolition of the foundation, structure, utility services, ingress and egress, or any major changes of all or any part of any structure or improvement on the Property, Tenant shall provide Landlord with three copies of an as-built survey of the Property prepared by a registered professional surveyor, showing the location of all improvements on the Property, including underground utilities, pipelines and pre-existing improvements. Tenant shall accompany the as-built survey with a description of all changes from the approved plans or specifications made during the course of the work.

6.05 Ownership of Improvements. Any and all buildings, fixtures and improvements of any nature whatsoever constructed or maintained on the Property by Tenant will be and remain the property of Tenant at all times during the Term and may be removed or replaced by Tenant, subject, however, to the designation of improvements for transfer to Landlord and retention on the Property at the expiration of the Term as provided in Section 6.06(a).

6.06 Disposition of Improvements at End of Term.

(a) At the expiration of the Term, Tenant shall leave in place on the Property all improvements designated by written agreement between Tenant and Landlord for transfer to Landlord and retention on the Property at the expiration of the Term. Tenant shall leave such improvements intact with all components, including without limitation doors, windows, and plumbing, electrical and mechanical fixtures and systems, in good condition and ready for use or occupancy. Tenant shall execute, acknowledge and deliver to Landlord a proper instrument in writing, releasing and quitclaiming to Landlord all of Tenant's interest in such improvements. Except for improvements that Tenant and Landlord agree that Tenant shall leave on the Property, Tenant shall remove any improvements constructed by Tenant or other occupants of the Property under this Lease before the expiration of the Term.

(b) Tenant shall notify Landlord before commencing the removal of an improvement as required under Section 6.06(a), and coordinate the removal work with Landlord. Once Tenant commences the removal work, Tenant shall prosecute the removal with reasonable diligence to completion and shall repair all damages to the Property caused by such removal no later than the expiration of the Term. All salvage resulting from such work will belong to Tenant, who is responsible for its removal and lawful disposal.

(c) If Tenant fails to remove any improvements from the Property that Tenant is required to remove under Section 6.06(a), Tenant shall pay Landlord the costs that it incurs in removing and disposing of the improvements and repairing damages to the Property caused by such removal.

(d) If Landlord terminates this Lease because of a default by Tenant, all improvements on the Property become the property of Landlord, which may use or dispose of them in its sole discretion. If Landlord elects to remove any improvements, Tenant shall pay Landlord the costs that it incurs in removing and disposing of the improvements and repairing damages to the Property caused by such removal.

ARTICLE 7. CARE AND USE OF THE PROPERTY

7.01 Maintenance of the Property. Tenant at its own cost and expense shall keep the Property and all buildings and improvements that at any time may be situated thereon in a clean, safe and orderly condition, and in good repair at all times during the Term.

7.02 Repair of Improvements. Except as provided in Section 7.02(b), in the event any buildings or improvements constructed on the Property by Tenant are damaged or destroyed by fire, earthquake, tsunami, or other casualty, Tenant shall at Tenant's expense restore the same to good and tenantable condition or shall remove the same as soon as is reasonably possible, but in no event may the period of restoration exceed 18 months nor may the period of removal exceed 45 days. Nothing in this section relieves Tenant of the obligation to surrender the Property upon the expiration or earlier termination of the Term in the condition required by Section 3.03.

7.03 Nuisances Prohibited. Tenant at all times shall keep the Property in a clean, orderly and sanitary condition and free of insects, rodents, vermin and other pests; junk, abandoned or discarded property, including without limitation vehicles, equipment, machinery or fixtures; and litter, rubbish or trash. Tenant shall not use the Property in any manner that will constitute waste or a nuisance. Landlord, at Tenant's expense and without any liability to Tenant, may remove or

abate any such junk, abandoned or discarded property, litter, rubbish or trash, or nuisance on the Property after 15 days written notice to Tenant, or after four hours notice to Tenant in writing, by telephone, facsimile or in person if Landlord makes a written finding that such removal or abatement is required to prevent imminent harm to public health, safety or welfare. Tenant shall pay Landlord all the costs of such removal, plus interest at the Default Rate, as additional rent under this Lease. This section does not limit or waive any other remedy available to the City of Kodiak to abate any nuisance or for the violation of the Kodiak City Code.

7.04 Compliance with Laws. Tenant's improvement and use of the Property shall comply with all governmental statutes, ordinances, rules and regulations, including without limitation the Kodiak Island Borough Zoning Code and all applicable building codes, now or hereafter in effect.

7.05 Liens. Except as provided in Article 13, Tenant may not permit any lien, including without limitation a mechanic's or materialman's lien, to be recorded against the Property. If any such lien is recorded against the Property, Tenant shall cause the same to be removed; provided that Tenant may in good faith and at Tenant's own expense contest the validity of any such lien without subjecting the Property to foreclosure, and in the case of a mechanic's or materialman's lien, if Tenant has furnished the bond required in A.S. 34.35.072 (or any comparable statute hereafter enacted providing for a bond freeing the Property from the effect of such a lien claim). Tenant shall indemnify and save Landlord harmless from all liability for damages occasioned by any such lien, together with all costs and expenses (including attorneys' fees) incurred by Landlord in negotiating, settling, defending, or otherwise protecting against such lien and shall, in the event of a judgment of foreclosure of the lien, cause the same to be discharged and removed prior to any attempt at execution of such judgment.

7.06 Signs. Tenant may erect signs on the Property that comply with state and local sign laws and ordinances.

7.07 Garbage Disposal. Tenant shall keep any garbage, trash, rubbish or other refuse in industry standard containers until removed, and cause all garbage, trash, rubbish or other refuse on the Property to be collected and transported to an authorized solid waste disposal facility at least once a week.

7.08 Access Rights of Landlord. Landlord's agents and employees shall have the right, but not the obligation, upon reasonable advance notice, to enter the Property at all reasonable times to inspect the use and condition of the Property; to serve, post or keep posted any notices required or allowed under the provisions of this Lease, including notices of non-responsibility for liens; and to do any act or thing necessary for the safety or preservation of the Property.

ARTICLE 8. ASSIGNMENT AND SUBLEASING

8.01 Consent Required for Assignment or Sublease. Tenant shall not assign or sublease its interest in this Lease or in the Property without first obtaining the written consent of the Council, which will not be withheld unreasonably. Any assignment or sublease without the consent of the Council will be voidable and, at Landlord's election, will constitute a default. Tenant

shall request consent of the Council in writing at least 30 days prior to the effective date of the proposed assignment or sublease, accompanied by a copy of the proposed assignment or sublease. No consent to any assignment or sublease waives Tenant's obligation to obtain Landlord's consent to any subsequent assignment or sublease. An assignment of this Lease shall require the assignee to assume the Tenant's obligations hereunder, and shall not release Tenant from liability hereunder unless Landlord specifically so provides in writing.

8.02. Events that Constitute an Assignment. If Tenant is a partnership or limited liability company, a withdrawal or change, voluntary, involuntary or by operation of law, of one or more partners or members owning 50% or more of the entity, or the dissolution of the entity, will be deemed an assignment subject to Section 8.01. If Tenant is a corporation, any dissolution, merger, consolidation or other reorganization of Tenant, or the sale or other transfer of a controlling percentage of the capital stock of Tenant, or the sale of 50% of the value of the assets of Tenant, will be deemed an assignment subject to Section 8.01; provided that if Tenant is a corporation the stock of which is traded through an exchange or over the counter, a sale or other transfer of a controlling percentage of the capital stock of Tenant will not constitute an assignment subject to Section 8.01. The phrase "controlling percentage" means the ownership of, and the right to vote, stock possessing at least 50% of the total combined voting power of all classes of Tenant's capital stock issued, outstanding and entitled to vote for the election of directors.

8.03. Costs of Landlord's Consent to be Borne by Tenant. As a condition to Landlord's consent to any assignment or sublease under section 8.01, Tenant shall pay Landlord's reasonable costs, including without limitation attorney's fees and the expenses of due diligence inquiries, incurred in connection with any request by Tenant for Landlord's consent to the assignment or sublease.

ARTICLE 9. LIABILITY, INDEMNITY AND INSURANCE

9.01 Limitation of Landlord Liability. Landlord, its officers and employees shall not be liable to Tenant for any damage to the Property or the buildings and improvements thereon, or for death or injury of any person or damage to any property, from any cause; however, this provision shall not affect the liability of Landlord, its officers and employees on any claim to the extent the claim arises from their negligence or willful misconduct.

9.02 Indemnity Generally. Tenant shall indemnify, defend, and hold harmless Landlord, its officers and employees from all claims arising from death or injury of any person or damage to any property occurring in or about the Property; however, this provision shall not apply to any claim to the extent the claim arises from the sole negligence or willful misconduct of Landlord, its officers and employees.

9.03 Insurance Requirements.

(a) Without limiting Tenant's obligations to indemnify under this Lease, Tenant shall procure and maintain at its sole expense, and shall keep in full force and effect throughout the Term of this Agreement, the following policies of insurance:

(1) Commercial General Liability Insurance, \$1,000,000 combined single limit per occurrence for bodily injury and property damage claims arising from all operations related to this Lease. The general aggregate limit shall be \$1,000,000.

(2) Airport Premises Liability Insurance, \$1,000,000 limited to \$150,000 per passenger seat.

(3) Commercial Automobile Liability Insurance, \$1,000,000 combined single limit per accident for bodily injury and property damage.

(4) Worker's Compensation and Employers Liability. Worker's Compensation shall be statutory as required by the State of Alaska. Employers Liability shall be endorsed to the following minimum limits and contain USL&H coverage endorsement, if applicable: (i) bodily injury by accident--\$1,000,000 each accident; and (ii) bodily injury by disease--\$1,000,000 each employee, \$1,000,000 policy limit.

(b) Other Insurance Provisions. The policies are to contain, or be endorsed to contain, the following provisions:

(1) Commercial General Liability, Airport Premises Liability and Automobile Liability

(i) Landlord, its officers, officials, employees and volunteers are to be covered as additional insureds. The coverage shall contain no special limitation on the scope of protection afforded to Landlord, its officers, officials, employees and volunteers.

(ii) Tenant's insurance coverage shall be primary insurance as respects Landlord, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by Landlord, its officers, officials, employees and volunteers shall be excess of Tenant's insurance and shall not contribute to it.

(iii) Tenant's insurer shall agree to waive all rights of subrogation against Landlord, its officers, officials, employees and volunteers for losses arising from work performed by Tenant for Landlord.

(2) Worker's Compensation and Employer's Liability. Tenant's insurer shall agree to waive all rights of subrogation against Landlord, its officers, officials, employees and volunteers for losses arising from work performed by Tenant for Landlord.

(3) All Insurance. Each insurance policy required by this Agreement shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice has been given by the Insurer to Landlord by certified mail, return receipt requested.

(c) Acceptability of Insurers. Insurance is to be placed with insurers qualified to do business in Alaska having a Best's rating of no less than A-: VII.

(d) Verification of Coverage. Tenant shall furnish Landlord with approved certificates of insurance and with certified copies of all endorsements effecting coverage required by this section. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates are to be on forms which meet industry standard. Landlord reserves the right to require complete, certified copies of all required insurance policies at any time.

ARTICLE 10. ENVIRONMENTAL MATTERS

10.01 Use of Hazardous Substances. Tenant shall not cause or permit the Property to be

used to generate, manufacture, refine, transport, treat, store, handle, dispose of, transfer, produce or process any Hazardous Substance, except as is necessary or useful to Tenant's authorized uses of the Property stated in Section 6.01, and only in compliance with all applicable Environmental Laws. Any Hazardous Substance permitted on the Property as provided in this section, and all containers therefor, shall be handled, used, kept, stored and disposed of in a manner that complies with all applicable Environmental Laws, and handled only by properly trained personnel.

10.02 Prevention of Releases. Tenant shall not cause or permit, as a result of any intentional or unintentional act or omission on the part of Tenant or any of its agents, employees, contractors, tenants, subtenants, invitees or other users or occupants of the Property, a release of any Hazardous Substance onto the Property or onto any other property.

10.03 Compliance with Environmental Laws. Tenant at all times and in all respects shall comply, and will use its best efforts to cause all tenants, subtenants and other users and occupants of the Property to comply, with all Environmental Laws, including without limitation the duty to undertake the following specific actions: (i) Tenant shall, at its own expense, procure, maintain in effect and comply with all conditions of, any and all permits, licenses and other governmental and regulatory approvals required by all Environmental Laws, including without limitation permits required for discharge of (appropriately treated) Hazardous Substances into the ambient air or any sanitary sewers serving the Property; and (ii) except as discharged into the ambient air or a sanitary sewer in strict compliance with all applicable Environmental Laws, all Hazardous Substances from or on the Property to be treated and/or disposed of by Tenant will be removed and transported solely by duly licensed transporters to a duly licensed treatment and/or disposal facility for final treatment and/or disposal (except when applicable Environmental Laws permit on-site treatment or disposal in a sanitary landfill).

10.04 Notice. Tenant shall promptly give Landlord (i) written notice and a copy of any notice or correspondence it receives from any federal, state or other government agency regarding Hazardous Substances on the Property or Hazardous Substances which affect or will affect the Property; (ii) written notice of any knowledge or information Tenant obtains regarding Hazardous Substances or losses incurred or expected to be incurred by Tenant or any government agency to study, assess, contain or remove any Hazardous Substances on or near the Property, and (iii) written notice of any knowledge or information Tenant obtains regarding the release or discovery of Hazardous Substances on the Property.

10.05 Remedial Action. If the presence, release, threat of release, placement on or in the Property, or the generation, transportation, storage, treatment or disposal at the Property of any Hazardous Substance (i) gives rise to liability (including but not limited to a response action, remedial action or removal action) under any Environmental Law, (ii) causes a significant public health effect, or (iii) pollutes or threatens to pollute the environment, Tenant shall, at its sole expense, promptly take any and all remedial and removal action necessary to clean up the Property and mitigate exposure to liability arising from the Hazardous Substance, whether or not required by law.

10.06 Indemnification. Subject to Section 10.09, Tenant shall indemnify, defend, and

hold harmless Landlord, its officers and employees from and against any and all claims, disbursements, demands, damages (including but not limited to consequential, indirect or punitive damages), losses, liens, liabilities, penalties, fines, lawsuits and other proceedings and costs and expenses (including experts', consultants' and attorneys' fees and expenses, and including without limitation remedial, removal, response, abatement, cleanup, legal, investigative and monitoring costs), imposed against Landlord, arising directly or indirectly from or out of, or in any way connected with (i) the failure of Tenant to comply with its obligations under this Article; (ii) any activities on the Property during Tenant's past, present or future possession or control of the Property which directly or indirectly resulted in the Property being contaminated with Hazardous Substances; (iii) the discovery of Hazardous Substances on the Property whose presence was caused during the possession or control of the Property by Tenant; (iv) the clean-up of Hazardous Substances on the Property; and (v) any injury or harm of any type to any person or damage to any property arising out of or relating to Hazardous Substances on the Property or from the Property on any other property. The liabilities, losses, claims, damages, and expenses for which Landlord is indemnified under this section shall be reimbursable to Landlord as and when the obligation of Landlord to make payments with respect thereto are incurred, without any requirement of waiting for the ultimate outcome of any litigation, claim or other proceeding, and Tenant shall pay such liability, losses, claims, damages and expenses to Landlord as so incurred within 10 days after notice from Landlord itemizing in reasonable detail the amounts incurred (provided that no itemization of costs and expenses of counsel to Landlord is required where, in the determination of Landlord, such itemization could be deemed a waiver of attorney-client privilege).

10.07 Survival of Obligations. The obligations of Tenant in this Article, including without limitation the indemnity provided for in Section 10.06, are separate and distinct obligations from Tenant's obligations otherwise provided for herein and shall continue in effect after the expiration of the Term.

10.08 Claims against Third Parties. Nothing in this Article shall prejudice or impair the rights or claims of Tenant against any person other than Landlord with respect to the presence of Hazardous Substances as set forth above.

10.09 Extent of Tenant's Obligations. Tenant's obligations under this Article apply only to acts, omissions or conditions that (i) occur in whole or in part during the Term or during any time of Tenant's possession or occupancy of the Property prior to or after the Term of this Lease; or (ii) are proximately caused in whole or in part by the occupancy of, use of, operations on, or actions on or arising out of the Property by Tenant or its employees, agents, customers, invitees or contractors.

10.10 Inspection at Expiration of Term. Within 90 days before the expiration of the Term, Tenant shall at its own expense obtain a Phase I environmental inspection of the Property, and conduct any further inspection, including without limitation test holes, that is indicated by the results of the Phase I inspection. Tenant, at its own expense, shall remediate any contamination of the Property that is revealed by the inspections and that is Tenant's responsibility under this Article.

ARTICLE 11. CONDEMNATION

11.01 Article Determines Parties' Rights and Obligations. If any entity having the power of eminent domain exercises that power to condemn the Property, or any part thereof or interest therein, or acquires the Property, or any part thereof or interest therein by a sale or transfer in lieu of condemnation, the interests of Landlord and Tenant in the award or consideration for such transfer and the effect of the taking or transfer upon this Lease will be as provided in this Article.

11.02 Total Taking. If all of the Property is taken or so transferred, this Lease and all of Tenant's interest thereunder will terminate on the date title to the Property vests in the condemning authority.

11.03. Partial Taking. If the taking or transfer of part of the Property causes the remainder of the Property to be not effectively and practicably usable in the opinion of the Tenant for the uses authorized in Section 6.01, this Lease and all of Tenant's interest thereunder will terminate on the date title to the Property vests in the condemning authority. If the taking or transfer of part of the Property leaves the remainder of the Property effectively and practicably usable in the opinion of Tenant for the uses authorized in Section 6.01, this Lease and all of Tenant's interest thereunder will terminate as to the portion of the Property so taken or transferred on the date title to the Property vests in the condemning authority, but will continue in full force and effect as to the portion of the Property not so taken or transferred, and the Base Rent will abate in the proportion that the portion of the Property taken bears to all of the Property.

11.04 Compensation. Landlord and Tenant each may make a claim against the condemning or taking authority for the amount of just compensation due to it. Tenant shall make no claim against Landlord for damages for termination of the leasehold or interference with Tenant's business, provided Landlord is not the condemning or taking authority. Neither Tenant nor Landlord will have any rights in or to any award made to the other by the condemning authority; provided, that if a single award to Landlord includes specific damages for loss of Tenant's leasehold interest or the value of any of Tenant's buildings or improvements separately awarded in the eminent domain proceeding and not as a part of the damages recoverable by Landlord, Landlord will transmit such separately awarded damages to Tenant.

ARTICLE 12. DEFAULT

12.01. Events of Default. Each of the following shall constitute an event of default under this Lease:

(a) The failure of Tenant to pay rent or any other sum of money due under this Lease within 10 days after the due date.

(b) The failure of Tenant to perform or observe any covenant or condition of this Lease, other than a default in the payment of money described in Section 12.01(a), which is not cured within 30 days after notice thereof from Landlord to Tenant, unless the default is of a kind that cannot be cured within such 30-day period, in which case no event of default shall be declared so long as Tenant shall commence the curing of the default within such 30 day period and thereafter

shall diligently and continuously prosecute the curing of same.

(c) The use of the Property or buildings and improvements thereon for purposes other than those permitted herein, to which Landlord has not given its written consent.

(d) The commencement of a case under any chapter of the federal Bankruptcy Code by or against Tenant, or the filing of a voluntary or involuntary petition proposing the adjudication of Tenant as bankrupt or insolvent, or the reorganization of Tenant, or an arrangement by Tenant with its creditors, unless the petition is filed or case commenced by a party other than Tenant and is withdrawn or dismissed within ninety (90) days after the date of its filing.

(e) The admission in writing by Tenant of its inability to pay its debts when due; the appointment of a receiver or trustee for the business or property of Tenant, unless such appointment shall be vacated within 10 days after its entry; Tenant making an assignment for the benefit of creditors; or the voluntary or involuntary dissolution of Tenant.

12.02 Landlord's Remedies. Upon the occurrence of an event default, Landlord has all of the following remedies, all in addition to any other remedies that Landlord may have at law or in equity:

(a) Terminate this Lease by written notice to Tenant, upon which Tenant shall surrender possession and vacate the Property immediately, and deliver possession thereof to Landlord, and Tenant hereby grants to Landlord full and free license to enter into and upon the Property in such event with process of law and to repossess Landlord of the Property and to expel or remove Tenant and any others who may be occupying or within the Property and to remove any and all property therefrom without relinquishing Landlord's right to rent or any other right given to Landlord hereunder or by operation of law.

(b) By written notice declare Tenant's right to possession of the Property terminated without terminating this Lease, upon which Landlord will have all the rights to repossess the Property and remove Tenant and Tenant's property that are described Section 12.02(a).

(c) Subject to Section 12.01(e), relet the Property in whole or in part for any period equal to or greater or less than the remainder of the Term, for any sum that Landlord may deem reasonable.

(d) Collect any and all rents due or to become due from subtenants or other occupants of the Property.

(e) Landlord may recover from Tenant, with or without terminating this Lease, actual attorney's fees and other expenses incurred by Landlord by reason of Tenant's default and elect to recover damages described under either (1) or (2):

(1) from time to time, an amount equal to the sum of all Base Rent and other sums that have become due and remain unpaid, less the rent, if any, collected by Landlord on reletting the Property reduced by the amount of all expenses incurred by Landlord in connection with reletting the Property; or

(2) immediately upon Tenant's default, an amount equal to the difference between the Base Rent and the fair rental value of the Property for the remainder of the Term or Renewal Term, discounted to the date of such default at a rate per annum equal to the rate at which Landlord could borrow funds for the same period as of the date of such default.

(f) Reentry or reletting of the Property, or any part thereof, shall not terminate this Lease, unless accompanied by Landlord's written notice of termination to Tenant.

12.03 Assignment of Rents. Tenant immediately and irrevocably assigns to Landlord, as

security for Tenant's obligations under this Lease, all rent from any subletting of all or a part of the Property, and Landlord, as assignee and attorney-in-fact for Tenant, or a receiver for Tenant appointed on Landlord's application, may collect such rent and apply it toward Tenant's obligations under this Lease, except that Tenant has the right to collect such rent until the occurrence of an event of default by Tenant.

13. LEASEHOLD MORTGAGES

13.01. Mortgage of Leasehold Interest. Tenant shall have the right at any time, and from time to time, to subject the leasehold estate and any or all of Tenant's improvements situated on the Property to one or more deeds of trust, mortgages, and other collateral security instruments as security for a loan or loans or other obligation of Tenant (each a "Leasehold Mortgage"), subject to the remainder of this Article 13.

13.02 Subordinate to Lease. The Leasehold Mortgage and all rights acquired under it shall be subject and subordinate to all the terms of this Lease, and to all rights and interests of Landlord except as otherwise provided in this Lease.

13.03 Notice to Landlord. Tenant shall give Landlord notice before executing each Leasehold Mortgage, and shall accompany the notice with a true copy of the note and the Leasehold Mortgage as proposed for execution. Upon Landlord's written consent to the Leasehold Mortgage and upon execution of the Leasehold Mortgage by all parties, the mortgagee shall become a Qualified Mortgagee as that term is used in this Lease. Tenant also shall deliver to Landlord a true and correct copy of any notice from a Qualified Mortgagee of default or acceleration of the maturity of the note secured by a Leasehold Mortgage promptly following Tenant's receipt thereof.

13.04 Modification or Termination. No action by Tenant or Landlord to cancel, surrender, or materially modify the economic terms of this Lease or the provisions of Article 11 will be binding upon a Qualified Mortgagee without its prior written consent.

13.05 Notice to Qualified Mortgagee.

(a) If Landlord gives any notice hereunder to Tenant, including without limitation a notice of an event of default, Landlord shall give a copy of the notice to each Qualified Mortgagee at the address previously designated by it.

(b) If a Qualified Mortgagee changes its address or assigns the Leasehold Mortgage, the Qualified Mortgagee or assignee may change the address to which such copies of notices hereunder shall be sent by written notice to Landlord. Landlord will not be bound to recognize any assignment of a Qualified Mortgage unless and until Landlord has been given written notice thereof, a copy of the executed assignment, and the name and address of the assignee. Thereafter, the assignee will be deemed to be the Qualified Mortgagee hereunder with respect to the assigned Leasehold Mortgage.

(c) If a Leasehold Mortgage is held by more than one person, Landlord shall not be required to give notices to the Qualified Mortgagee of the Leasehold Mortgage unless and until all of the holders of the Leasehold Mortgage give Landlord an original executed counterpart of a

written designation of one of their number to receive notices hereunder. Notice given to the one so designated is effective as notice to all them.

13.06 Performance of Tenant Obligations.

(a) A Qualified Mortgagee may perform any obligation of Tenant and remedy any default by Tenant under this Lease within the time periods specified in the Lease, and Landlord shall accept such performance with the same force and effect as if furnished by Tenant; provided, however, that the Qualified Mortgagee will not thereby be subrogated to the rights of Landlord.

(b) Tenant may delegate irrevocably to a Qualified Mortgagee the non-exclusive authority to exercise any or all of Tenant's rights hereunder, but no such delegation will be binding upon Landlord unless and until either Tenant or the Qualified Mortgagee gives Landlord a true copy of a written instrument effecting such delegation.

(c) If Tenant defaults in the payment of any monetary obligation hereunder, Landlord shall not terminate this Lease unless and until Landlord provides written notice of such default to each Qualified Mortgagee and no Qualified Mortgagee cures such default within 10 days after the expiration of any grace or cure periods granted Tenant herein. If Tenant defaults in the performance of any non-monetary obligation hereunder, Landlord shall not terminate this Lease unless and until Landlord provides written notice of such default to each Qualified Mortgagee and no Qualified Mortgagee cures such default within 30 days after the expiration of any grace or cure periods granted Tenant herein.

13.07 Possession by Qualified Mortgagee. A Qualified Mortgagee may take possession of the Property and vest in the interest of Tenant in this Lease upon the performance of the following conditions:

(a) The payment to Landlord of any and all sums due to Landlord under this Lease, including without limitation accrued unpaid rent.

(b) The sending of a written notice to Landlord and Tenant of the Qualified Mortgagee's intent to take possession of the Property and assume the Lease.

(c) The curing of all defaults not remediable by the payment of money within an additional 30 days after the date upon which such default was required to be cured by Tenant under the terms of this Lease.

13.08 No Liability of Mortgagee Without Possession. A Qualified Mortgagee shall have no liability or obligation under this Lease unless and until it sends to Landlord the written notice described in paragraph 13.07(b). Nothing in this Lease or in the taking of possession of the Property and assumption of the Lease by a Qualified Mortgagee or a subsequent assignee shall relieve Tenant of any duty or liability to Landlord under this Lease.

13.09 New Lease. If a Qualified Mortgagee acquires Tenant's leasehold as a result of a judicial or non-judicial foreclosure under a Leasehold Mortgage, or by means of a deed in lieu of foreclosure, the Qualified Mortgagee thereafter may assign or transfer Tenant's leasehold to an assignee upon obtaining Landlord's written consent thereto, which consent will not be unreasonably withheld or delayed, and subject to all of the other provisions of Article 8. Upon such acquisition by a Qualified Mortgagee, or its assignee of Tenant's leasehold, Landlord will execute and deliver a new ground lease of the Property to the Qualified Mortgagee or its assignee not later

than 120 days after such party's acquisition of Tenant's leasehold. The new ground lease will be identical in form and content to this Lease, except with respect to the parties thereto, the term thereof (which will be co-extensive with the remaining Term hereof), and the elimination of any requirements that Tenant fulfilled prior thereto, and the new ground lease will have priority equal to the priority of this Lease. Upon execution and delivery of the new ground lease, Landlord will cooperate with the new tenant, at the sole expense of said new tenant, in taking such action as may be necessary to cancel and discharge this Lease and to remove Tenant from the Property.

ARTICLE 14. GENERAL PROVISIONS

14.01 Authority. Tenant represents and warrants that it has complete and unconditional authority to enter into this Lease; this Lease has been duly authorized by Tenant's governing body; this Lease is a binding and enforceable agreement of and against Tenant; and the person executing the Lease on Tenant's behalf is duly and properly authorized to do so.

14.02 Estoppel Certificates. Either party shall at any time and from time to time upon not less than 30 days prior written request by the other party, execute, acknowledge and deliver to such party, or to its designee, a statement in writing certifying that this Lease is in full force and effect and has not been amended (or, if there has been any amendment thereof, that the same is in full force and effect as amended and stating the amendment or amendments); that there are no defaults existing, (or, if there is any claimed default, stating the nature and extent thereof); and stating the dates to which the Base Rent and other charges have been paid in advance. The requesting party shall pay the cost of preparing an estoppel certificate, including the cost of conducting due diligence investigation and attorney's fees.

14.03 Delivery of Notices -Method and Time. All notices, demands or requests from one party to another shall be delivered in person or be sent by (i) mail, certified or registered, postage prepaid, (ii) reputable overnight air courier service, or (iii) electronic mail or facsimile transmission (accompanied by reasonable evidence of receipt of the transmission and with a confirmation copy mailed by first class mail no later than the day after transmission) to the address for the recipient in Section 14.04 and will be deemed to have been given at the time of delivery or, if mailed, three (3) days after the date of mailing.

14.04 Addresses for Notices. All notices, demands and requests from Tenant to Landlord shall be given to Landlord at the following address:

City Manager
City of Kodiak
710 Mill Bay Road
Kodiak, Alaska 99615
Facsimile: (907) 486-8600
Email: _____

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

City of Kodiak/KIB
Ground Lease and Security Agreement
Record No. 219593
Page 17 of 21

Alutiiq Aviation Services, Inc.
Attn: Andy Teuber
P.O. Box 1544
Kodiak, Alaska 99615
Email: andy.teuber@gmail.com

Each party may, from time to time, designate a different address or different agent for service of process by notice given in conformity with Section 14.03.

14.05 Time of Essence. Time is of the essence of each provision of this Lease.

14.06 Computation of Time. The time in which any act provided by this Lease is to be done is computed by excluding the first day and including the last, unless the last day is a Saturday, Sunday or a holiday, and then it is also excluded. The term "holiday" will mean all holidays as defined by the statutes of Alaska.

14.07 Interpretation. Each party hereto has been afforded the opportunity to consult with counsel of its choice before entering into this Lease. The language in this Lease shall in all cases be simply construed according to its fair meaning and not for or against either party as the drafter thereof.

14.08 Captions. The captions or headings in this lease are for convenience only and in no way define, limit or describe the scope or intent of any provision of this Lease.

14.09 Independent Contractor Status. Landlord and Tenant are independent contractors under this Lease, and nothing herein shall be construed to create a partnership, joint venture, or agency relationship between Landlord and Tenant. Neither party shall have any authority to enter into agreements of any kind on behalf of the other and shall have no power or authority to bind or obligate the other in any manner to any third party.

14.10 Parties Interested Herein. Nothing in this Lease, express or implied, is intended or shall be construed to give to any person other than Landlord, Tenant and any Qualified Mortgagee any right, remedy or claim, legal or equitable, under or by reason of this Lease. The covenants, stipulations and agreements contained in this Lease are and shall be for the sole and exclusive benefit of Landlord, Tenant and any Qualified Mortgagee, and their permitted successors and assigns.

14.11 Multi-Party Tenant. If Tenant is comprised of more than one natural person or legal entity, the obligations under this Lease imposed upon Tenant are joint and several obligations of all such persons and entities. All notices, payments, and agreements given or made by, with, or to any one of such persons or entities will be deemed to have been given or made by, with, or to all of them, unless expressly agreed otherwise by Landlord in writing.

14.12 Broker's Commissions. Each of the parties represents and warrants that there are no

claims for brokerage commissions or finders' fees in connection with the execution of this Lease, and agrees to indemnify the other against, and hold it harmless from, all liability arising from any such claim including, without limitation, the cost of counsel fees in connection therewith.

14.13 Successors and Assigns. This Lease shall be binding upon the successors and assigns of Landlord and Tenant, and shall inure to the benefit of the permitted successors and assigns of Landlord and Tenant.

14.14 Waiver. No waiver by a party of any right hereunder may be implied from the party's conduct or failure to act, and neither party may waive any right hereunder except by a writing signed by the party's authorized representative. The lapse of time without giving notice or taking other action does not waive any breach of a provision of this Lease. No waiver of a right on one occasion applies to any different facts or circumstances or to any future events, even if involving similar facts and circumstances. No waiver of any right hereunder constitutes a waiver of any other right hereunder.

14.15 Attorney's Fees.

(a) If Landlord is involuntarily made a party defendant to any litigation concerning this Lease or the Property by reason of any act or omission of Tenant, or if Landlord is made a party to any litigation brought by or against Tenant without any fault on the part of Landlord, then Tenant shall pay the amounts reasonably incurred and expended by Landlord, including the reasonable fees of Landlord's agents and attorneys and all expenses incurred in defense of such litigation.

(b) In the event of litigation between Landlord and Tenant concerning enforcement of any right or obligation under this Lease, the non-prevailing party shall reimburse the prevailing party for the attorney's fees reasonably incurred and expended by the prevailing party in the litigation.

14.16 Severability. If any provision of this Lease shall for any reason be held to be invalid, illegal, unenforceable, or in conflict with any law of a federal, state, or local government having jurisdiction over this Lease, such provision shall be construed so as to make it enforceable to the greatest extent permitted, such provision shall remain in effect to the greatest extent permitted and the remaining provisions of this Lease shall remain in full force and effect.

14.17 Entire Agreement, Amendment. This Lease constitutes the entire and integrated agreement between Landlord and Tenant concerning the subject matter hereof, and supersedes all prior negotiations, representations or agreements, either written or oral. No affirmation, representation or warranty relating to the subject matter hereof by any employee, agent or other representative of Landlord shall bind Landlord or be enforceable by Tenant unless specifically set forth in this Lease. This Lease may be amended only by written instrument executed and acknowledged by both Landlord and Tenant.

14.18 Governing Law and Venue. This Lease will be governed by, construed and enforced in accordance with, the laws of the State of Alaska. Any action or suit arising between the parties in relation to or in connection with this Lease, or for the breach thereof, shall be brought in the trial courts of the State of Alaska for the Third Judicial District at Kodiak.

14.19 Execution in Counterparts. This Lease may be executed in two or more counterparts, each of which shall be an original and all of which together shall constitute one and the same document.

14.20 Prior Lease. Landlord and Tenant are parties to a prior lease affecting the Property dated _____, 201_, a memorandum of which has been recorded in the records of the Kodiak Recording District under Document No. _____ (the "Prior Lease"). This Lease replaces and supersedes the Prior Lease effective as of July __, 2015, and on and after that date the Prior Lease shall have no force or effect, except that it shall remain in effect as to events, rights, obligations, or remedies arising or accruing under the Prior Lease prior to that date.

14.21 Memorandum. Landlord and Tenant agree that they will not record this Lease at full length. If requested by Tenant or required by a Qualified Mortgagee, Landlord will allow Tenant to record a memorandum of lease, in lieu thereof, which memorandum will not disclose any financial terms. The terms and form of said memorandum shall be subject to Landlord's review and approval, which approval shall not be unreasonably withheld.

IN WITNESS WHEREOF, the parties have executed this Lease as of the date first set forth above.

Landlord:
CITY OF KODIAK

Tenant:

By: _____
Aimée Kniaziowski, City Manager

By: _____
AndyTeuber

ACKNOWLEDGMENTS

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me on July __, 2015, by Aimée Kniaziowski, City Manager of the City of Kodiak, an Alaska municipal corporation, on behalf of the City.

Notary Public in and for Alaska
My Commission Expires: _____

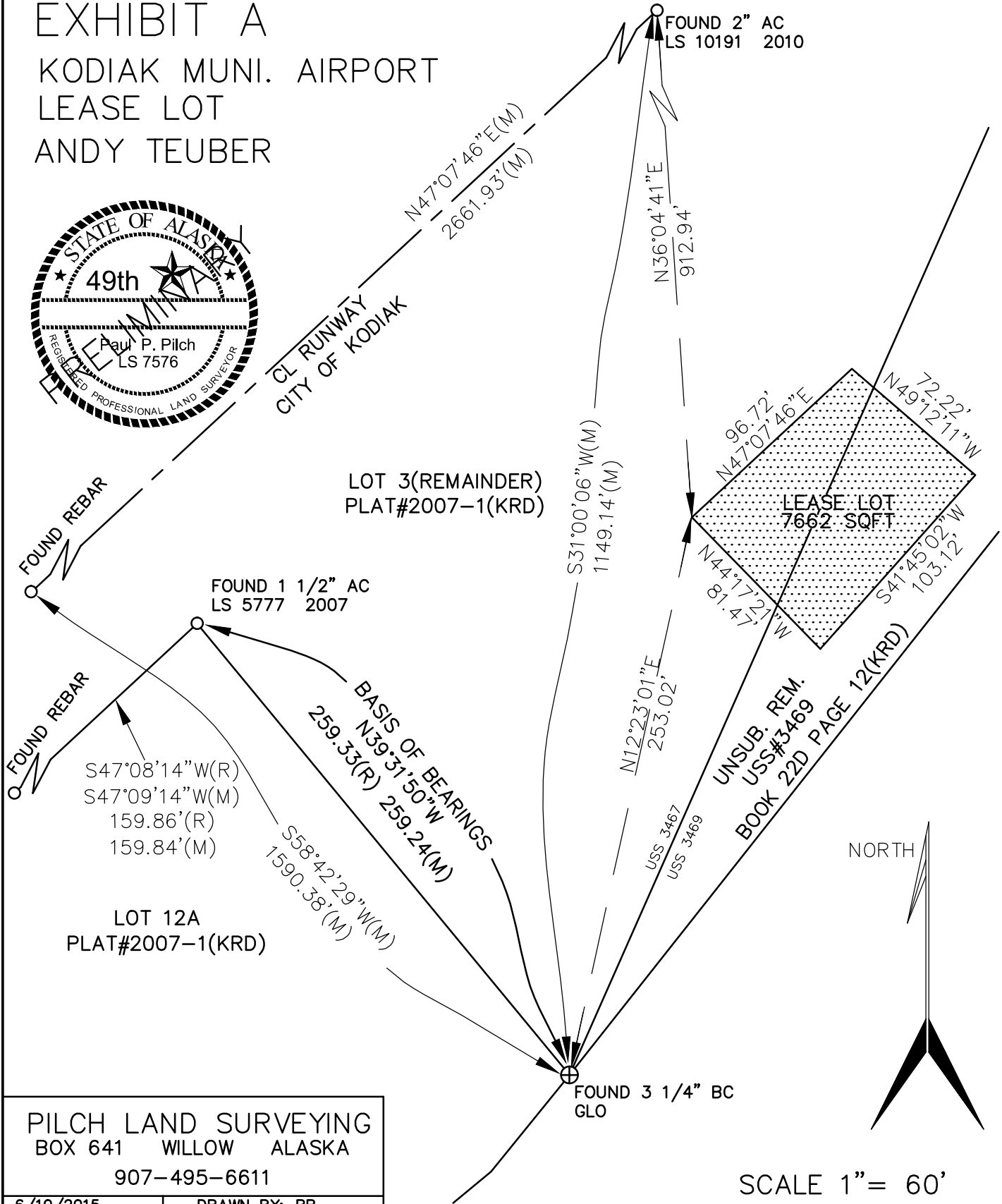
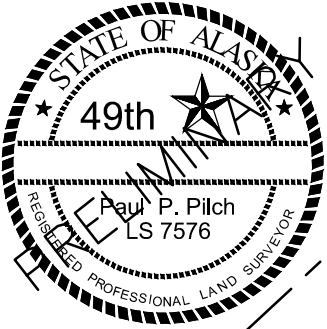
STATE OF ALASKA)
) ss.

THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me on July __, 2015, by Andy Teuber.

Notary Public in and for Alaska
My Commission Expires: _____

EXHIBIT A
 KODIAK MUNI. AIRPORT
 LEASE LOT
 ANDY TEUBER



PILCH LAND SURVEYING
 BOX 641 WILLOW ALASKA
 907-495-6611

6/10/2015	DRAWN BY: BB
SCALE 1"=60'	CHECKED BY: PP

SCALE 1" = 60'

Debra Marlar, MMC
City of Kodiak, Clerk
710 Mill Bay Road, Room 216/217
Kodiak, Alaska 99615
dmarlar@city.kodiak.ak.us

Mark Kozak
City of Kodiak, Public Works
2410 Mill Bay Road
mkozak@city.kodiak.ak.us

Andy Teuber
P.O. Box 1544
Kodiak, Alaska 99615
andy.teuber@gmail.com

January 12, 2015

Re: Municipal Airport Lease (South 1 & South 2)

Greetings,

I have been referred to you for the purpose of establishing a long-term lease at the Municipal Airport with the intent to construct an aircraft hangar. The lots which I currently occupy under a one-year, year-to-year lease arrangement will require extensive ground preparation, and the financing of the hangar and the associated groundwork will require a lease more suitable for investment. Please consider this correspondence as my request for a 30-year lease on the property referenced above, which I now occupy. Mark Kozak is aware of my intention and has instructed me to seek approval from the City Council. Please contact me with any questions.

Thank you for your assistance in this matter.

Respectfully,



Andy Teuber

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Aimée Kniazowski, City Manager

Date: July 23, 2015

Agenda Item: V. c. **Resolution No. 2015–21, Authorizing Payment of FY2016 Nonprofit Organization Grants**

SUMMARY: Each year the City Council authorizes grant payments to local nonprofit organizations. The types and levels of funding are based on the City Council’s nonprofit funding policy guidelines adopted by Resolution No. 2015–16. The policy resolution stipulates the total amount available for nonprofit grants in a given fiscal year, which equals the maximum of one percent of budgeted general fund revenues, exclusive of any fund balance appropriations. The amount budgeted for FY2016 for nonprofit grant payments is \$149,900. This policy eliminated the requirement that restricts funding to not more than ten percent less and/or more than the previous year funding. This provision has allowed new nonprofits to request funding up to the full cap, while restricting the funding to existing nonprofit applicants. The elimination of this requirement will provide fairness among all applicants. The policy also grants agencies the ability to apply for one-time only non-operational funds for special projects. The City received twenty-three applications for FY2016 from nonprofit organizations that serve Kodiak, up from twenty-one applications last fiscal year, for a total amount requested of \$200,634.60. Council reviewed the applications at the July 22, work session, and their support for the applicants is reflected in Resolution No. 2015–21.

PREVIOUS COUNCIL ACTION:

- Adopted Resolution No. 2015–16 on May 28, 2015, which amended the City Council’s policy for the amount and distribution of annual grant funds to local nonprofit organizations, eliminating the requirement that restricts funding to no more than ten percent (10%) less and/or more than the previous funding year.
- July 22, 2015, reviewed FY2016 nonprofit grant applications and discussed level of support and funding amounts based on the approved FY2016 budgeted amount.

DISCUSSION: In April and May of 2015, staff amended the grant application form, added new criteria, posted the application material on the City’s web site, and emailed application packets to all nonprofit agencies that received funding and/or requested an application. The grant application deadline was June 26, 2015, and all applications were received by the deadline.

The City received a total of twenty-three applications from organizations with a total of \$200,634.60 requested. Of these organizations, twelve requested the same amount of funding as received last fiscal year; five requested increases in funding from the previous year; three requested additional funding in

JULY 23, 2015

Agenda Item V. c. Memo Page 1 of 2

categories not previously applied for. Four applicants requested additional funding in the category of one-time non-operational funding.

Council reviewed and discussed the applications at their work session on July 22, 2015. The total amount requested by the twenty-three applicants for FY2016 is \$200,634.60, and the amount budgeted for the program in FY2016 is \$149,900.

ALTERNATIVES:

- 1) Adopt Resolution No. 2015–16 to appropriate FY2016 grant funds to local nonprofits, which is consistent with Council’s stated intent at their July 22 work session.
- 2) Amend, postpone, or do not adopt the resolution.

FINANCIAL IMPLICATIONS: This resolution will authorize funding in the amount of \$_____ to the successful applicants for FY2016. The total amount may or may not exceed the budgeted amount of \$149,900 per the Council’s policy of an amount not to exceed one percent of budgeted general fund revenues, exclusive of any fund balance appropriations. Additional funds, if awarded, will be appropriated from the General Fund fund balance.

LEGAL: N/A

STAFF RECOMMENDATION: Staff recommends the Council adopt Resolution No. 2015–21, authorizing payments of FY2016 nonprofit organization grants.

CITY MANAGER’S COMMENTS: The City Council continues to recognize the value of supporting the efforts of local nonprofits through grant funding, in-kind awards, and other types of support throughout the year. This year the application form was amended to eliminate the requirement that restricts funding to not more than ten percent less and/or more than the previous year funding. The applications were posted on the web and mailed out to all agencies. All applications were received on time. Grants were received from three new agencies.

ATTACHMENTS:

- Attachment A: Resolution No. 2015–21
- Attachment B: Policy Resolution No. 2015–16
- Attachment C: Nonprofit Grant Application Spreadsheet FY07-FY16
- Attachment D: In-kind donations worksheet

PROPOSED MOTION:

Move to adopt Resolution No. 2015–21.

**CITY OF KODIAK
RESOLUTION NUMBER 2015–21**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK
AUTHORIZING PAYMENT OF FISCAL YEAR 2016 NONPROFIT ORGANIZATION
GRANTS**

WHEREAS, the City Council recognizes and supports local nonprofit organizations and has made provisions in the Fiscal Year 2016 budget for cash contributions to these organizations; and

WHEREAS, the City Council supports these nonprofit organizations because they supplement and complement services provided by the City; and

WHEREAS, the funding criteria for cash grants from the General Fund Non-Departmental Contributions Account to nonprofit organizations is based on the criteria established in Resolution No. 2015–16; and

WHEREAS, the City Council reviewed FY2016 nonprofit grant applications at the July 22, 2015, work session and voiced a consensus to provide funding.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, hereby authorizes payment of the following nonprofit organization grants for Fiscal 2016:

Section 1. General Fund-Non-Departmental Cash Contributions (Nonprofit Organization Grants):

	FY2016 Request
<u>Youth Recreation Programs</u>	
Hope Community Resources, Inc.	1,000
Kodiak Arts Council	2,500
Kodiak Football League	2,500
Kodiak Girl Scouts	2,500
Kodiak Kid Wrestling Club	2,500
Kodiak Little League	2,500
Kodiak Kingfishers Swim Club, Inc	2,500
Special Olympics, Kodiak	2,500
The Salvation Army	2,500

<u>Adult Recreation Programs</u>	
Alutiiq Museum & Arch. Repository	4,620.52
Hope Community Resources, Inc.	5,000
Kodiak Arts Council	5,000
Kodiak Kid Wrestling Club	500
Kodiak Public Broadcasting	5,000
Maritime Museum	5,000
Senior Citizens of Kodiak, Inc.	5,000
Special Olympics - Kodiak Area	5,000

Public Safety Support Programs (Shelter/Food)

Humane Society of Kodiak	6,000
Kodiak Area Transit System	5,000
Kodiak Baptist Mission (Food Bank)	4,709
Kodiak Teen Court, Inc.	5,000
Kodiak Women’s Resource and Crisis Center	10,000
Senior Citizens of Kodiak, Inc.	10,000
Brother Francis Shelter – Kodiak	10,000
The Salvation Army	10,000
Kodiak Soil & Water Conservation District	10,000

Emergency Response Support Programs

American Red Cross - Kodiak Chapter of Alaska	10,000
Kodiak Area Transit System	5,000
Kodiak Public Broadcasting Company	10,000
Kodiak Women’s Resource and Crisis Center	10,000
Providence Kodiak Is Counseling/Safe Harbor	10,000
The Salvation Army	10,000

One Time Funding Request

Humane Society of Kodiak	4,000
Kodiak Football League	10,000
The Salvation Army	3,400
Threshold Services, Inc.	1,405.08

Nonprofit Grant Request	\$200,634.60
FY2016 Budgeted	\$149,900
Difference	(\$50,734.60)

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

**CITY OF KODIAK
RESOLUTION NUMBER 2015-16**

A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK RESCINDING RESOLUTION NO. 2014-19 AND ESTABLISHING FUNDING CRITERIA FOR NONPROFIT GRANTS

WHEREAS, the City Council recognizes and supports local nonprofit organizations and has historically made funding available to these organizations on an annual basis; and

WHEREAS, it has been determined that the appropriate total amount of City funds to grant to nonprofit organizations is a maximum of one percent of budgeted general fund revenues, exclusive of any fund balance appropriation; and

WHEREAS, City funds have been provided to nonprofit organizations that supplement and compliment the services provided to residents by the City; and

WHEREAS, it is the intent of the City Council to update this policy statement.

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Kodiak, Alaska hereby establishes the following additional funding criteria for nonprofit grants provided by the City:

1. Organizations receiving funds must be legally recognized by the Internal Revenue Service.
2. Funding will be granted only for the following kinds of programs/activities and up to the maximum identified funding amount per organization and program type:

Youth Recreation Programs	\$2,500
Adult Recreation Programs	\$5,000
Public Safety Support Programs (Shelter/Food)	\$10,000
Emergency Response Support Programs	\$10,000
3. Subject to available funding, the Council may authorize a special one-time funding increase for a special project.



CITY OF KODIAK

Bob Branner

MAYOR

ATTEST:

Michelle Shumock Nelson

DEPUTY CITY CLERK

Adopted: May 28, 2015

Non-Profits - In Kind Contributions City of Kodiak	City Owned Land	City Owned Building	Utility Rate Code	Annual							Total In-kind	Grant	Total
				Sewer	Water	Land/Bldg Rent	Electricity	Fuel					
Baranof Museum - Kodiak Historical Society	yes	yes										FY16 Budget	
101 E Marine Way New Kodiak Block 16 Lot 2 R1220160020			B1IN	831.00	662.76	86,592.00	3,120.00	12,000.00	103,205.76	93,650.00	196,855.76		
Animal Shelter	yes	yes										FY16 Budget	
2409 Mill Bay Road US Survey 3469 Unsubdivided Portion R1453000007			B1IN	831.00	994.20	24,960.00			26,785.20	117,000.00	143,785.20		
Discover Kodiak	yes	yes										FY16 Budget	
106 Marine Way			B1IN						-	108,000.00	108,000.00		
Kodiak Chamber of Commerce	yes	yes										FY16 Budget	
106 Marine Way			B1IN	1,662.00	1,325.52	43,008.00			45,995.52	7,000.00	52,995.52		
Kodiak Head Start	yes	yes											
419 Hillside USS 2538A Tract B R1443020201			B1IN	1,662.00	1,325.52	43,416.00			46,403.52		46,403.52		
Brother Francis Shelter (UT#20028-001)	yes	NO											
410 Thorseim Street Kodiak Twnst Black 15 Lot 2 R1340150020			B1IN	17,451.00	13,917.96	62,208.00			93,576.96		93,576.96		
Ak Wing Civil Air Patrol (UT#11013-001)	yes												
2411 Mill Bay Road USS 3469 USub Portion of B/O R1453000010			B1IN	831.00	662.76	33,920.76			35,414.52	-	35,414.52		
Senior Citizens of Kodiak (UT#11171-001)													
309 Erskine Erskine TR A-1 Senior Center R1440000001			B1IN	3,324.00	2,651.04	24,960.00			30,935.04		30,935.04		
Kodiak Women's Resource and Crisis Center (UT#11947-001)													
422 Hillside Aleutian Block 14 Lot 13 & 14 R10410140140			B1IN	831.00	662.76	24,960.00			26,453.76		26,453.76		
KMXT (UT#12187-001)													
620 Egan Way 2538 A Lot 5A-2A R1443000053	USS		B1IN	831.00	662.76	24,960.00			26,453.76		26,453.76		

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MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Aimée Kniazowski, City Manager

Thru: Lon White, Harbormaster

Date: July 23, 2015

Agenda Item: **V. d. Resolution No. 2015–22, Formally Submitting a Harbor Facility Grant Application to the State of Alaska Department of Transportation and Public Facilities in the Amount Not to Exceed 1.5 Million Dollars for the Entitled Channel Transient Float Replacement Project No. 8525**

SUMMARY: City of Kodiak Resolution No. 2015–22 formally submits a Harbor Facility Grant application to the State of Alaska Department of Transportation and Public Facilities in an amount not to exceed 1.5 million dollars for the entitled Channel Transient Float Replacement Project No. 8525. The Harbor Facilities Grant program is a matching grant program through which the state and municipality share equally in the cost of replacing aging harbor infrastructure formerly owned by the State of Alaska. Council adopted Resolution No. 2015–06, in February 2015, supporting continued funding of the Harbor Facility Grant Program in the FY2016 State Capital Budget in order to ensure enhanced safety and economic prosperity among Alaskan coastal communities. Staff requests Council adopt Resolution No. 2015–22, which, if awarded funding, would benefit the City of Kodiak harbor project.

PREVIOUS COUNCIL ACTION: City Council adopted Resolution No. 2015–06 on February 12, 2015, which supported the continued funding of the Harbor Facility Grant program. The Council approved funding for the project in the FY2015 capital project budget.

BACKGROUND: The majority of public harbors in Alaska were constructed by the state in the 1960s through 1970s and managed by the local municipalities. Over the last thirty years the state divested itself and transferred ownership of most harbors to the local municipalities. At the time of transfer the facilities were near the end of their useful lives and in need of major repair or replacement. Consequently, the municipalities were left with major financial burdens they could not afford. With encouragement from the AAHPA and local municipalities, the state adopted a 50/50 Harbor Facilities Grant Program that eased the financial burden on municipalities as they replaced aging harbor facilities previously owned by the state.

DISCUSSION: Kodiak has taken advantage of the grant program to replace St Paul Harbor and St Herman Harbor M & P floats. The Channel Transient Float (CTF) in Kodiak is still eligible to receive matching grant funds. The CTF is nearly fifty years old and well past its useful life. With an estimated replacement cost of \$2 to \$3 million dollars. State funding is needed to accomplish the project. The Channel Transient Float is currently the number one priority on the Harbor’s capital project list.

JULY 23, 2015

Agenda Item V. d. Memo Page 1 of 2

ALTERNATIVES:

- 1) Adopt Resolution No. 2015–22, formally submitting a Harbor Facility Grant application for the CTF. This is staff’s recommendation.
- 2) Council could choose not to support the resolution.

FINANCIAL IMPLICATIONS: The City of Kodiak Harbor Fund has 1.5 million dollars dedicated for the CTF replacement project. The replacement cost is estimated at 3 million dollars. State matching funds are needed to complete the project. If no state matching grant funds are received, the City of Kodiak would need to fund the whole replacement cost, or not fund the project, and the facilities would need to be taken out of service. Loss of the facility would significantly reduce revenues and reduce critically needed transient vessel mooring in the community.

LEGAL: The age of the facility coupled with the deferred maintenance and out of code utilities, fire system and access ramp pose a potential liability to the City of Kodiak.

STAFF RECOMMENDATION: Staff recommends Council adopt Resolution No. 2015–22.

CITY MANAGER’S COMMENTS: I support staff’s recommendation and recommend Council adopt Resolution No. 2015–22 so it can be submitted with the grant application.

ATTACHMENTS:

- Attachment A: City of Kodiak Resolution No. 2015–22
- Attachment B: Harbor Facility Grant Application document
- Attachment C: City of Kodiak Resolution No. 2015–06

PROPOSED MOTION:

Move to adopt Resolution No. 2015–22.

**CITY OF KODIAK
RESOLUTION NUMBER 2015–22**

A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK FORMALLY SUBMITTING A HARBOR FACILITY GRANT APPLICATION TO THE STATE OF ALASKA DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES (DOT & PF) IN AN AMOUNT NOT TO EXCEED 1.5 MILLION DOLLARS FOR THE ENTITLED CHANNEL TRANSIENT FLOAT REPLACEMENT PROJECT NO. 8525

WHEREAS, the State of Alaska, Department of Transportation and Public Facilities administers the Harbor Facility Grant program; and

WHEREAS, the City of Kodiak owns and maintains the Channel Transient Float that is eligible for a Harbor Facility Grant; and

WHEREAS, the City of Kodiak has the required 50% in local matching funds for construction of the Channel Transient Float per the Harbor Facility Grant program; and

WHEREAS, the City of Kodiak is capable of completing the Channel Transient Float Replacement Project No. 8525 within eighteen (18) months after award of a Harbor Facility Grant; and

WHEREAS, the Channel Transient Float is critical to the City of Kodiak.

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Kodiak, Alaska, supports the project entitled Channel Transient Float Replacement Project No. 8525, and agrees, subject to available Alaska Legislative funding and selection by DOT&PF, to enter into a grant agreement with the State of Alaska, Department of Transportation and Public Facilities for a Harbor Facility Grant.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

Adopted:



FY2017

Application for a Harbor Facility Grant

*Please read the Grant Program's Instructions (Form DOT&PF H-27268) carefully before attempting to filling out this application to ensure it is fully considered. For each funding request, submit **one original and five complete copies of this application with all attachments.***

Harbor Facility Name:	Kodiak Channel Transient Float
Municipality or Regional Housing Authority:	City of Kodiak
Address:	710 Mill Bay Road
	Room 220
	Kodiak, Alaska, 99615
Principle Contact:	Aimee Kniazowski, City Manager Lon A. White, Port & Harbor
Phone & Email:	akniazowski@city.kodiak.ak.us Lwhite@city.kodiak.ak.us

TYPE OF PROJECT AND FUNDING REQUEST

Eligible harbor facility items of work	Non-eligible harbor facility items of work
<ul style="list-style-type: none"> Approach structures Pilings and anchors Access ramps and gangways Float systems for permanent and transient moorage Floating breakwaters Utility systems integral to the float systems (specifically power, lights, fresh water, sewage pump out, and fire protection) Launch ramps Seaplane floats Portable or trailer mounted equipment for firefighting, sewage pump out, oily bilge water, etc. Other appurtenances necessary for the basic operation of the harbor facility Third party contracts for construction management and inspection services 	<ul style="list-style-type: none"> Dredging, blasting or mechanical removal of harbor basin materials Rubble-mound breakwaters and revetments Dikes, groins, and jetties Wharfs and docks for large commercial or tourist marine vessels (greater than 125 feet LOA) Seawalls, bulkheads, sheet pile walls, gabions, and quays Access roads and upland improvements Boat houses Commercial or privately owned utility systems on the float systems Fuel and oil distribution systems Platform floats for small buildings, restrooms, or commercial retail space Landscaping and facility amenities, e.g., trash receptacles, used oil collection tanks, storage/locker boxes, etc. Security or close circuit television video (CCTV) systems Utility system improvements beyond the harbor facility limits, e.g., electrical and water/sewer line extensions to bring those services to the harbor facility Harbormaster offices, buildings, offices, shops, boat yards or storage structures Vessel hoisting machinery and boat haul-out systems

Alaska Department of Transportation & Public Facilities

1. PROJECT SUMMARY – This is a brief summary describing the purpose and need for the project in a supportive narrative.

Kodiak’s **Channel Transient Float “CTF”** (referred to as “**Kodiak City Dock**” by the State of Alaska) was constructed by the State of Alaska in 1965. It was one of three facilities deeded to the City of Kodiak on March 12, 1999. All had considerable deferred maintenance issues. The CTF is currently eligible for the State matching grant program at Tier 1 level. The CTF is critical infrastructure for the City of Kodiak providing moorage for a large and diverse transient vessel fleet. Historically the float has been used by vessels up to 120 ft in length.

At 50 years old, the CTF is the oldest harbor facility the City owns. The floats are original State designed, wood stick frame construction. The original wood pilings were replaced in 2002 with galvanized steel piling. Other components such as whalers, stingers, pile collars, bullrails, decking and floatation have been replaced over the years but the overall facility is well beyond the end of its design life. The load limits have been dramatically reduced to allow limited use of the facility for the short term. Continued repairs are not cost effective and the facility needs to be replaced.

2. a. Indicate if this application is for a Tier I or a Tier II grant.
 b. Indicate the type of work project (check all that apply and indicate % of total project construction cost)

<input checked="" type="checkbox"/> Tier I application	
<input type="checkbox"/> Major Maintenance	%
<input checked="" type="checkbox"/> Major Repair or Replacement	% 100

<input type="checkbox"/> Tier II application	
<input type="checkbox"/> Major Maintenance	%
<input type="checkbox"/> Major Repair or Replacement	%
<input type="checkbox"/> Expansion	%
<input type="checkbox"/> New Construction	%

3. Cost Apportionment: Submit a breakdown of the amount and source of project funds for the construction phase of the project. The maximum amount for the proposed harbor grant amount is 50% of the total estimated project cost.

	AMOUNT	% of TOTAL	SOURCE OF FUNDS
a. Proposed harbor grant amount	1,500,000	50%	Harbor Facility Grant Program (minimum amount is \$50,000)
b. Applicant’s share of cost	1,500,000	50%	Harbor enterprise fund: \$1,000,000 General fund: \$500,000
c. Amounts from state sources	NA	%	Only four state sources eligible
d. Amounts from federal sources	NA	%	
e. Amounts from other sources	NA	%	
f. Total estimated project cost	3,000,000	100 %	See attached documentation

Alaska Department of Transportation & Public Facilities

Note: The maximum amount on Line 3a is **\$5 million per municipality or regional housing authority per fiscal year** [Ref: AS 29.60.820(a)]. Applications for two or more harbor facilities in the same year are acceptable as long as the maximum amount is not exceeded by the applicant.

4. Scope, Schedule and Cost Estimate: Attach a detailed project scope (including general layout drawing), schedule and construction cost estimate.

Anticipated Project Dates for the construction phase:

Start Date:	FY 2017	Complete Work:	FY 2018
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PAST HARBOR FACILITY GRANT FUNDING

5. For only this harbor facility, please list all prior Harbor Facility Grants (administered under AS 29.60.800 et seq.) and the date the grant was closed.

DOT&PF grant agreement no.	Grant Closure Date
NA	

BASIC ELIGIBILITY REQUIREMENTS (Attach documentation supporting each response)

6. Does the municipality or regional housing authority legally own the harbor facility? [Ref: AS 29.60.810] yes no

7. Is the project a capital improvement project and not part of a preventive maintenance program or regular custodial care program? [Ref: AS 29.60.810(1)] yes no

8. Does the municipality or regional housing authority have the required 50% local matching funds for construction of the project? [Ref: AS 29.60.810(2)] yes no

9. Does the municipality or regional housing authority have adequate property loss insurance or an adequate program of insurance for the harbor facility? [Ref: AS 29.60.810(3)] yes no

10. Does the municipality or regional housing authority have an existing preventive maintenance plan? [Ref: AS 29.60.800(4)] yes no

11. Is there documentation that the municipality or regional housing authority will adhere adequately to the preventive maintenance plan after completion of the proposed project? yes no

Alaska Department of Transportation & Public Facilities

12. Before the grant application deadline, have prior harbor facility grants been officially closed-out with the department before submitting a new application for the same harbor facility? yes no
13. a. Was the harbor facility once state-owned? yes no
 [Ref: AS 29.60.820(b)]
- b. If yes, please include a copy of the Bill of Sale (or a Deed) and fill in the date when the state transferred the harbor facility to the municipality or regional housing authority **Transfer date: March 12, 1999.**

MINIMUM REQUIRED RATING CRITERIA (Attach documentation supporting each response)

14. Does the municipality or regional housing authority have sufficient revenues to operate and maintain the harbor facility in the future without further state assistance; including total replacement at the end of its design life? yes no
 [Ref: AS 29.60.820(c)(1)]
15. Does this project address public safety or emergency factors? yes no
 [Ref: AS 29.60.820(c)(2)]
16. How much money has the municipality or regional housing authority spent on maintenance of the harbor facility and what were the funds used for? In 2014 **\$28,000**
 [Ref: AS 29.60.820(c)(3)] Last 5 yrs. **\$60,000**
17. Has the municipality or regional housing authority explored options that would reduce or eliminate the need for the proposed project? yes no
 [Ref: AS 29.60.820(c)(4)]

ATTACHMENTS CHECKLIST

18. Please review the application to see that it is complete and that five copies are provided. Please ensure that all attachments are provided and clearly identified (see Section B of the Grant Program's Instructions). The block numbers below refer to numbers from this application. Answers to blocks 13 through 16 are scored; failure to provide attached responses to these Blocks will influence the ranking of your grant application.
- Indicated the kind of tier that this application for a Tier I or II grant (Block 2)
 - Amount of Harbor Facility Grant (Block 3)
 - Source(s) of local match (Block 3)
 - Plan view drawing (Block 4)
 - Detailed project scope, schedule and budget (Block 4)
 - Prior Harbor Facility Grants were properly closed out (Block 5)
 - Proof of harbor facility ownership (Block 6)
 - Documentation that project is a capital improvement (Block 7)
 - Municipality or regional housing authority has the required 50% local match (Block 8)
 - Proof of adequate property loss insurance (Block 9)

Alaska Department of Transportation & Public Facilities

- Documentation of the Preventive Maintenance Plan (Blocks 10 and 11)
- Ensure that prior grant agreements have been closed out (Block 12)
- Proof that harbor facility was once state-owned (Block 13)
- Documentation that lists the sources and amounts of the Finance Plan, including backup documentation such as letters of award from eligible federal, state, local and private sources (Block 14)
- Documentation of public safety or emergency factors (Block 15)
- Documentation of past maintenance expenditures (Block 16)
- Documentation of options explored (Block 17)
- Application signed by an authorized representative (Block 19)
- Resolution of support (optional but encouraged; attached at the end of this application is an example resolution)

CERTIFICATION

19. I hereby certify that I am an authorized municipal or regional housing authority representative, that this application's information is true and correct to the best of my knowledge, that the application has been prepared under the direction of the appropriate local or municipal governing agency, and that this application is submitted in accordance with law. In addition, by signing this application, I agree that I have reviewed and will abide by the Department of Transportation & Public Facilities' "Instructions for completing the Harbor Facility Matching Grant Application" (Form DOT&PF H-27268) and AS 29.60.800 et seq. I understand that failure to comply with this certification will be cause for the Department to withhold a grant award or withdraw a grant offer that may have been extended.

(Typed Name and Title of Authorized Representative)

X

(Signature of Authorized Representative)

Date

**CITY OF KODIAK
RESOLUTION NUMBER 2015-06**

A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK SUPPORTING FULL FUNDING FOR THE STATE OF ALASKA HARBOR FACILITY GRANT PROGRAM IN THE FY2016 STATE CAPITAL BUDGET

WHEREAS, the City of Kodiak supports the Alaska Association of Harbormasters and Port Administrators and recognizes the majority of the public boat harbors in Alaska were constructed by the State during the 1960s and 1970s; and

WHEREAS, these harbor facilities represent critical transportation links and are the transportation hubs for waterfront commerce and economic development in Alaskan coastal communities; and

WHEREAS, these harbor facilities are ports of refuge and areas for protection for ocean-going vessels and fishermen throughout the State of Alaska, especially in coastal Alaskan communities; and

WHEREAS, the State of Alaska over the past nearly 30 years has transferred ownership of most of these State owned harbors, many of which were at or near the end of their service life at the time of transfer, to local municipalities; and

WHEREAS, the municipalities took over this important responsibility even though they knew that these same harbor facilities were in poor condition at the time of transfer due to the state's failure to keep up with deferred maintenance; and

WHEREAS, consequently, when local municipalities formulated their annual harbor facility budgets, they inherited a major financial burden that the local municipal governments could not afford; and

WHEREAS, in response to this financial burden, the Governor and the Alaska Legislature passed legislation, supported by the Alaska Association of Harbormasters and Port Administrators, to create the Harbor Facility Grant program, AS 29.60.800; and

WHEREAS, the Alaska Association of Harbormasters and Port Administrators, is pleased with the Department of Transportation and Public Facilities administrative process to review, score, and rank applicants to the Harbor Facility Grant Program, since state funds may be limited; and

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

WHEREAS, the municipalities of the Aleutian East Borough, the City and Borough of Sitka, the City of Seward, the City of Ketchikan, the City of Coffman Cove, and the Municipality of Anchorage have offered to contribute \$14,262,722 in local match funding for FY2016 towards

seven harbor projects of significant importance locally as required in the Harbor Facility Grant Program; and

WHEREAS, completion of these harbor facility projects in all dependent on the 50% match from the State of Alaska's Harbor Facility Grant Program; and

WHEREAS, during the last eight years the Municipal Harbor Facility Grant Program has only been fully funded twice; and

WHEREAS, during the last eight years the backlog of projects necessary to repair and replace these former State owned harbors has increased to over \$90,000,000; and

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, supports the Membership of the Alaska Association of Harbormasters and Port Administrators and urges full funding in the amount of \$14,262,722 by the Governor and the Alaska Legislature for the State of Alaska's Municipal Harbor Facility Grant Program in the FY2016 State Capital Budget in order to ensure enhanced safety and economic prosperity among Alaskan coastal communities.



CITY OF KODIAK

MAYOR

ATTEST:

DEPUTY CITY CLERK

Adopted: February 12, 2015

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Aimée Kniaziowski, City Manager

Through: Corey Gronn, Parks and Recreation Director

Date: July 23, 2015

Agenda Item: V. e. **Resolution No. 2015–23, Authorizing the Issuance of a Permit to the Filipino American Association of Kodiak for the Use of Public Property to Host Its Philippine Consulate Outreach Program**

SUMMARY: The Filipino-American Association of Kodiak requests the use of the Teen Center on July 31 and August 1, 2015, to host the consular outreach program during the visit of the Philippine Consulate General from San Francisco. The purpose of the visit is to provide consular outreach services to Filipino Americans in Kodiak. The Philippine Consulate will be collecting fees for services rendered, and the Filipino-American Association will also ask for donations from participants to help offset costs associated with the outreach program. Staff recommends Council approve the issuance of a permit by adopting Resolution No. 2015–23.

PREVIOUS COUNCIL ACTION: The City Council routinely issues permits to non-profit and other community organizations to allow them to conduct fundraising activities on public property that benefit the community.

DISCUSSION: The Philippine Consulate will be in Kodiak on July 31 and August 1, 2015, and the Filipino-American Association plans to host an outreach program at the Teen Center from 8 a.m. to 6 p.m. both days. The consular outreach is designed to help the Filipino workforce in Kodiak receive assistance with immigration-related issues without the expense of traveling off island. The Consulate will collect fees for the services they provide to participants, and the Filipino-American Association will ask for a \$20 donation from people who attend to offset the costs associated with sponsoring the outreach program. As in years past, Fil-Am will use any remaining funds to supplement projects such as homelessness prevention, emergency funds, bereavement fund programs, and Filipino Youth Basketball.

The Fil-Am Association will work closely with the Parks and Recreation Director to prepare for the event. Fil-Am also agrees to inform participants to park either behind the Library or on the street and not in the Post Office lot adjacent to the Teen Center. Adhering to the new parking requirements will eliminate the impact to the Post Office’s operations and customers as was the case the past few years.

ALTERNATIVES:

- 1) Adopt Resolution No. 2015–23, allowing the Fil-Am Association to use the Teen Center to host services of the Philippine Consulate and to collect fees to cover the cost of services and expenses. This is the recommendation of staff, because it helps support Kodiak’s Filipino population.
- 2) Do not adopt Resolution No. 2015–23, which is not recommended, because it would require the Filipino-American Association to find another location to provide this service.

LEGAL: KCC 5.04.050 allows the Council to issue permits to non-profit organizations to conduct activities on designated City-owned property through passage of a resolution. Resolution No. 2015–23 complies with that requirement.

STAFF RECOMMENDATION: Staff recommends Council adopt Resolution No. 2015–23 to allow the Fil-Am Association to use the Teen Center auditorium to provide a location for the Philippine Consulate to help the Filipino community with immigration documents and to collect fees from participants.

CITY MANAGER’S COMMENTS: Council routinely authorizes the use of City property for activities hosted by non-profits and other community organizations that benefit the community. The Fil-Am Association is hosting an event again this year that will help members of the Filipino community. Although this is not a typical fundraising event, the money collected from attendees will cover the cost of services provided by the Consulate and also help offset the cost of hosting the program. As I understand it, funds in excess of the cost to put on the two-day program will be kept by the Fil-Am Association for other uses related to the needs of the Filipino community. I support staff’s recommendation and recommend Council adopt Resolution No. 2015–23.

ATTACHMENTS:

- Attachment A: Resolution No. 2015–23
- Attachment B: May 20, 2015, Fil-Am request letter

PROPOSED MOTION:

Move to adopt Resolution No. 2015–23.

**CITY OF KODIAK
RESOLUTION NUMBER 2015–23**

A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK AUTHORIZING THE ISSUANCE OF A PERMIT TO THE FILIPINO AMERICAN ASSOCIATION OF KODIAK FOR THE USE OF PUBLIC PROPERTY TO HOST ITS PHILIPPINE CONSULATE OUTREACH PROGRAM

WHEREAS, the Filipino American Association of Kodiak (Fil-Am) is hosting the Philippine Consulate General from San Francisco to provide outreach services to Filipino Americans; and

WHEREAS, the Fil-Am Association has requested use of the Teen Center for this event; and

WHEREAS, the Consulate General’s visit to Kodiak alleviates the need for Filipino Americans to travel from Kodiak at great expense to process immigration-related documents; and

WHEREAS, the Consulate General will collect processing fees for services rendered; and

WHEREAS, the Fil-Am Association will request donations to help cover expenses and provide food for volunteers; and

WHEREAS, Kodiak City Code Section 5.04.010 prohibits business activities on City property, and Kodiak City Code Section 5.04.060 requires a permit for community festivities.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, that a permit be issued, with the permit fee waived, to the Fil-Am Association as provided in section 5.04.050(b) and (d) of the City Code for use of public property at the Teen Center on July 31 and August 1, 2015, from 8 a.m. to 6 p.m. each day, on the condition that the Fil-Am Association agrees to comply with the stipulations set forth in this section and section 5.04.060 of the City Code.

BE IT FURTHER RESOLVED that the Consulate General is authorized to collect fees for services rendered, and the Fil-Am Association is authorized to collect donations to sponsor the event.

BE IT FURTHER RESOLVED that event sponsors shall coordinate the event with the Kodiak City Manager and Parks and Recreation Director and shall ensure all attendees will follow the parking requirements at the Teen Center to avoid impacting the US Postal Service operations and customers.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

Adopted:

**Filipino American Association of Kodiak
PO Box 2279 Kodiak, AK 99615**



May 20, 2015

Aimee Kniazowski, City Manager
City of Kodiak
710 Mill Bay Rd
Kodiak, AK 99615

Dear Ms. Kniazowski,

The Filipino American Association of Kodiak (Fil-Am) is hosting the annual arrival of the Philippine Consulate General’s representatives from San Francisco office on July 31st and August 1st, 2015. The purpose of their visit to Kodiak is to do Consular outreach services to Filipino Americans. The services that they will be rendering are as follows: Philippine e-passport, passport extension, legalizations of affidavits, power of attorneys and other legal documents, Dual citizenship, Trade investment and Tourism information and Overseas Absentee Voting registration.

These services have corresponding processing fees that the consulate will be collecting. The Fil-Am will be asking \$20 donation from participants, this donation will be used to help offset the cost associated with the Teen Center rental, food for the volunteers, paper products, foods to serve during the reception/swearing in of new Dual citizens, and any other unforeseen cost associated with this outreach. If there’s any money left, Fil-Am will use it to supplement the worthwhile projects/programs we have and we sponsor locally such as homelessness prevention, emergency funds, bereavement funds programs and Filipino Youth Basketball.

Through collaboration between the Philippine Consulate and the Fil-Am, we are able to provide services to our Filipino American neighbors in Kodiak to take care of their legal document needs without having to go out of town and spend tremendous amount of money that they don’t have. Getting immigration related documents updated is an ongoing stress to these community members of ours. It is something that needs to be done, otherwise the repercussion is immeasurable. Bringing the Consuls here in Kodiak is greatly appreciated; it helps ease the stress and cost.

I am requesting the use of the Teen Center main room upstairs on July 31st and August 1st, 8:00AM -6:00PM for the above purpose.

The Fil-Am and Philippine Consulate General appreciate your consideration of this request. Please call me if you have any questions at (907) 481-2423.

Sincerely,

Mary Guilas-Hawver, Fil-Am President
(907) 481-2423
Mary.guilashawver@providence.org



Filipino American Association of Kodiak

PO Box 2279 Kodiak, AK 99615

Ph: (907) 481-2423/(907) 486-2457

Fax:(907) 481-2417

WHAT: PHILIPPINE CONSULATE GENERAL, SAN FRANCISCO OUTREACH TO KODIAK, ALASKA
WHERE: TEEN CENTER, 410 CEDAR ST., KODIAK, AK 99615
WHEN: FRIDAY, JULY 31ST TO SATURDAY, AUGUST 1ST, 2015
TIME: By appointment only. Closed 12-1PM for lunch.

To set up an appointment, call Filipino American Association of Kodiak Representatives:

Ben Achas at (907) 654-4763

Daisy Braga at (907) 486-8665

Nita Nicolas at (907) 539-8991

Mary Guilas-Hawver, President at (907) 481-2423

James Portillo, 2nd Vice President at (907) 341-3339 or (907) 539-2285

SERVICES TO BE RENDERED: Philippine E-Passport; Passport Extension; Legalization of: Affidavits, Power of Attorney & other legal documents; Dual Citizenship; Trade, Investment and Tourism Information; Overseas Absentee Voting Registration

Passport applicants. Submit accomplished passport application plus **1** photocopy of the passport; also photocopy of the permanent resident card (green card). Fee is \$60 plus \$19 mailing fee. **Notarial/Legalization of Documents:** Please bring the document and an original valid photo ID w/ signature (e.g. CA ID), and a photocopy each of the document, plus two photocopies of ID per document to be consularized. Fee is US\$25 per document.

Dual Citizenship: Please accomplish the application form (one set only with 2 photos) plus the supporting documents. Please submit a photocopy each of the document and the ID. Fee is US\$50. **Report of Birth:** The birth of a child in the US should be reported/registered with the Philippine National Statistics Office through the Consulate General. See <http://www.philippinessanfrancisco.org/uploads/pdfs/birth.pdf>. This is needed if you wish to apply for a Philippine passport to a child born in the US of Filipino parent/s. Please prepare **5 sets** of the Report of Birth form with the required documents. **Report of Marriage:** Marriages between a Filipino and a foreigner must be reported/registered with the Philippine National Statistics Office through the Consulate General.

See <http://www.philippinessanfrancisco.org/uploads/pdfs/Report%20of%20Marriage.pdf>. This is needed if you wish to apply for a passport using your husband's surname for the first time (female applicants married to foreigners). Please prepare **5 sets** of the Report of Marriage form with the required documents.

Kababayans are also advised that the Philippine Consulate General only accepts cash, money order, bank draft, or cashier's checks (made payable to the Philippine Consulate General) for the services rendered. Fees shall be paid to the cashier at the consular outreach. For more info: Visit www.philippinessanfrancisco.org or call the Philippine Consulate in San Francisco at (415) 433-6666.

Additional \$20 donation, made payable to the Kodiak Fil-Am Association, will be asked from adult applicants, 18 years old and over. This is to offset the cost of providing these services locally. The donation is waived for applicants 17 years old & under and for those who will register for Overseas Absentee Voting.

We shall start the consular service at 9am and ends at 5pm. If there are walk-in applicants and all appointment slots are full, please be advise to drop by at 3pm with the condition that you shall be served after all applicants with appointments have been served. You will be called (please give your cell phone numbers) if the schedule frees up at an earlier time than 4pm. If the team is not yet finished serving those with appointment slots by 4pm, we regret that walk-in applicants cannot be entertained and will be requested to visit our San Francisco office.

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Aimée Kniazowski, City Manager

Through: Corey Gronn, Parks and Recreation Director

Date: July, 23 2015

Agenda Item: V. f. **Resolution No. 2015–24, Authorizing the Issuance of a Permit to the Kodiak Football League to Collect Admission Fees and Sell Concessions at Baranof Park**

SUMMARY: Resolution No. 2015–24 authorizes the issuance of a permit to the Kodiak Football League to use the Baranof Football Field to sell concessions from August to October and to charge gate fees at home high school football games. This effort helps pay for most of the team’s expenses. Because the games are held on City property, the League must receive permission from the City Council to collect fees during home games. Staff recommends Council adopt Resolution No. 2015–24.

PREVIOUS COUNCIL ACTION: As provided by Kodiak City Code (KCC), Council periodically authorizes the issuance of permits to non-profit organizations for the purpose of selling goods or services on City property in support of community events. The Council has granted a permit to KFL via resolution for several years.

DISCUSSION: The Kodiak Football League has applied for and received a permit from the City for many years to sell concessions and charge gate fees. KFL provides all needed gear, coaching, and refereeing for the youth league and is the primary booster source for the high school team. Community club sports such as KFL fill a vitally important role, because without them activities for families would be very limited. KFL promotes good sportsmanship and character building for boys and girls ages 8 to 18.

ALTERNATIVES:

- 1) Adopt Resolution No. 2015–24, which is consistent with Council practice and is staff’s recommendation.
- 2) Do not adopt Resolution No. 2015–24, which is not recommended, because the KFL provides a needed activity for Kodiak youth.

STAFF RECOMMENDATION: Staff recommends the Council adopt Resolution No. 2015–24 granting the Kodiak Football League the ability to charge admission and sell concessions at the home games this coming season at Baranof Park providing they comply with applicable sections of Section 5.04.050 of the Kodiak City Code.

CITY MANAGER’S COMMENTS: The Kodiak Football League is a non-profit organization committed to raising money to support the expenses associated with having a team, and the high school football program enjoys wide community support. I recommend Council approve Resolution No. 2015–24 to allow the League to collect fees and sell concessions during home games played at the Baranof Park field this fall.

ATTACHMENTS:

Attachment A: Resolution No. 2015–24

Attachment B: Letter of request from the Kodiak Football League, dated July 8, 2015

PROPOSED MOTION:

Move to adopt Resolution No. 2015–24.

**CITY OF KODIAK
RESOLUTION NUMBER 2015-24**

A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK AUTHORIZING THE KODIAK FOOTBALL LEAGUE TO COLLECT ADMISSION FEES AND SELL CONCESSIONS FOR HIGH SCHOOL FOOTBALL GAMES AT BARANOF PARK

WHEREAS, the Kodiak Football League is a local nonprofit organization dedicated to the promotion of building positive character in young people through the sport of football; and

WHEREAS, the Kodiak Football League is entirely self funded and sponsors the expense of the football programs for grades 3 through 12; and

WHEREAS, a snack vendor is needed for football events at Baranof Park fields; and

WHEREAS, the Kodiak High School hosts home games and football events at Baranof Park; and

WHEREAS, the Kodiak Football League has requested permission to charge admission fees at football games from August through October; and

WHEREAS, the Kodiak Football League has requested permission to sell concessions at the park at football events August through October;

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, that a permit be issued, with the permit fee waived, as provided in Kodiak City Code Section 5.04.050(d), to the Kodiak Football League for charging admissions at the Kodiak High School and youth football team home games.

BE IT FURTHER RESOLVED that permission is granted for the League to sell concessions at football events, on the condition that the League complies with the applicable stipulations set forth in Kodiak City Code Section 5.04.050.

BE IT FURTHER RESOLVED that event sponsors shall coordinate park use with the Kodiak Parks and Recreation Director and the City Manager.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

Adopted:



Kodiak Football League

P.O. Box 973
Kodiak, Alaska 99615
907-539-7472



July 8, 2015

Debra Marlar,
Kodiak City Clerk
710 Mill Bay Road,
Kodiak, AK 99615

Dear Debra

The Kodiak Football League would like to request a City Permit to sell concessions and collect gate admission at Baranof Park again this year for all High School and Youth Football Games from August 1, 2015 to October 31, 2015.

As most of you know we are a Non-profit Organization that survives by raising money through Fund Raiser's, Donations, Concession & Gate Sales.

We promote Good Sportsmanship, Team Work and Teach the Sport of Football to

An average of 200 Boys and Girls ages 8 to18 each year

Thank You for your Consideration.

Sincerely,

Richard Walker
President
Kodiak Football League

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Aimée Kniazowski, City Manager

Thru: Mark Kozak, Public Works Director, and Glenn Melvin PE, City Engineer

Date: July 23, 2015

Agenda Item: V. g. **Authorization of Bid Award for Annual Sidewalk, Curb, and Gutter Repairs, Project No. 16-01/ 5003**

SUMMARY: Annually the City issues bids for the repair and replacement of damaged sections of sidewalk, curb, and gutters at various locations throughout the City. Actual quantities of each bid item will vary in response to need and approved FY2016 budget. Bids were issued on June 3 and opened on July 06, 2015. Two bids were received. Staff recommends Council authorize the bid award to Unitemp Mechanical Insulation, LLC, the lowest bidder, in the amount of \$55,370.

PREVIOUS COUNCIL ACTION: The City puts this project out to bid on an annual basis, and the City Council makes the award to the lowest responsible bidder.

DISCUSSION: During the course of winter maintenance, some sidewalks and curbs are damaged from snow removal and, through freezing and thawing cycles, the concrete structures shift. This project is used to correct damaged areas that may create a hazard to pedestrian use of the sidewalks as well as drainage and ADA compliance issues. Both the water and sewer fund contribute funds to this project for replacement of sidewalk, curb and gutters that need repair or replacement from sewer and water repair work.

The project runs from July 24, 2015, through June 30, 2016. Areas of work are identified and then given to the contractor for repair or replacement. This project has evolved into the current format in order to reduce the amount of engineering, design and survey required. As staff becomes aware of areas that need repair or replacement, the work is coordinated with the contractor. Work is then laid out in the field with the contractor and performed on a unit price basis.

The project went out to bid in June, and bids were opened on July 6, 2015. Two bids were received. The bid results are summarized below and complete bid tabulation is attached (Attachment A).

Belarde Custom Concrete	\$56,000.00
Unitemp Mechanical Insulation LLC	\$55,370.00
Public Works Director Estimate	\$64,460.00

ALTERNATIVES:

- 1) Award the Sidewalk Curb and Gutter project to the lowest bidder. This is the recommended option; it allows us to keep our pedestrian walkway safe and accessible to the community.
- 2) Not award and just hire out small repairs as necessary. This option is not recommend because of the difficult process of handling each repair separately and complying with Alaska Department of Labor requirements.
- 3) Not award; this would allow continually deterioration of existing facilities and increase the risk for liability claims against the City. This approach is not recommended.

FINANCIAL IMPLICATIONS: There is approximately \$84,000 available in the Street Improvement Capital Fund, Annual Sidewalk, Curb, and Gutter Project No. 5003, which is adequate to approve this bid award.

LEGAL: N/A

STAFF RECOMMENDATION: Staff recommends Council award the Annual Sidewalk Curb and Gutter project, Project No. 16-01/5003 to Unitemp Mechanical Insulation, LLC in the amount of \$55,370, with funds coming from the Street Improvement Capital Fund, Annual Sidewalk Curb and Gutter project, Project No. 5003.

CITY MANAGER’S COMMENTS: I support staff’s recommendation to award the annual sidewalk, curb, and gutter bid to Unitemp Mechanical Insulation LLC as the lowest bidder.

ATTACHMENTS:

Attachment A: Bid Tabulation Sheet.

PROPOSED MOTION:

Move to authorize the bid award for the annual sidewalk, curb, and gutter project to Unitemp Mechanical Insulation, LLC in the amount of \$55,370, with funds coming from the Street Improvement Capital Fund, Annual Sidewalk Curb and Gutter project, Project No. 16-01/5003 and authorize the City Manager to execute the award documents on behalf of the City.



Bid Tab

2015 Sidewalk, Curb and Gutter

PN 16-01

Bid Date: Monday, July 06, 2015

ATTACHMENT: A

<i>Bid Item</i>	<i>Description</i>	<i>Quantity</i>	<i>Units</i>	<i>Engineers Estimate</i>	<i>Unitemp Mechanical Insulation LLC</i>	<i>Belarde Custom Concrete Company</i>	
1	Removal of Sidewalk	2350	square foot	\$2.00	\$4,700.00	\$2.00	\$4,700.00
2	Removal of curb and gutter	480	linear foot	\$12.00	\$5,760.00	\$12.00	\$5,760.00
3	Curb and gutter	480	linear foot	\$50.00	\$24,000.00	\$47.00	\$22,560.00
4	PCC Sidewalk	240	square yard	\$100.00	\$24,000.00	\$75.00	\$18,000.00
5	PCC Curb Ramp	30	square yard	\$120.00	\$3,600.00	\$100.00	\$3,000.00
6	Detectable Warnings	30	square foot	\$80.00	\$2,400.00	\$66.00	\$1,980.00
Grand Total					\$64,460.00	\$55,370.00	\$56,000.00

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MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers
From: Aimée Kniazowski, City Manager
Thru: Mark Kozak, Public Works Director
Date: July 23, 2015

Agenda Item: V. h. Authorization to Purchase a Cat 160 M3 Grader

SUMMARY: Public Works budgeted to replace the 1996 Champion grader in the FY2016 budget. After evaluating the options of bidding for a replacement grader or attaching to the State of Alaska bid, staff opted to attach to the State bid as allowed in City Code 3.12.070(c). NC Machinery currently has a contract with the State to supply Cat graders to the State. NC Machinery has offered a Cat 160 M3 grader equipped as the City requested for \$302,988 (Attachment A). Staff recommends attaching to the State's bid for a Cat 160 M3 grader in the amount of \$302,988 FOB Kodiak with funds coming from the Street, Machinery and Equipment account.

PREVIOUS COUNCIL ACTION:

- In February 2011, a presentation on graders was given at the Council work session
- In July 2011, Council authorized the purchase of a Cat 160M2 grader

DISCUSSION: In February 2011, the Council approved the purchase of a Cat 160M2 grader through NC Machinery by attaching to the State bid. In the FY 2012 budget, Council funded and then approved the purchase of a second Cat 160M2 grader through NC Machinery at their July 2011 meeting. Both graders have performed extremely well with great dependability and support from the NC Machinery for parts and service.

By attaching to the State bid, staff is able to keep with a proven piece of equipment that has shown that it holds up really well to the demands of snow removal. Over the years, the City has had several different manufactures of graders with varying levels of performance. The old Champion graders performed well and at a good value; two Case graders have not held up as well as we expected based on the performance of other Case equipment; and a John Deere grader did not hold up as well as the Champions.

Within the State grader bids, there are two options. One is for John Deere and the other is for a Cat. The base bid for the John Deere is quite a bit cheaper. Staff did not pursue the John Deere grader because of past experience with our John Deere grader and the substantial advantage of having similar graders from an operator and mechanic perspective.

Grader #43 is a 1996 Champion Grader; it had slightly over 7,600 hours in 2011 when the hour meter failed. Grader #43 is at the point of significant mechanical wear and of the age that replacement parts are very difficult to locate. The lack of dependability affects timely snow removal. Staff currently operates five graders for winter time street maintenance of 23.7 miles of City road plus parking lots and Municipal airport. We have used two 1992 Champion graders as a backup when one of the main line graders is broken. We believe if we can replace grader #43 with the purchase of a Cat 160 M3 grader and move it to backup then we can surplus both of the older 1992 graders. Although, this winter was extremely mild, we had break downs that required the backup graders to be used in order to maintain sections of roadway in a timely manner.

The vehicle and equipment replacement policy calls for replacing snow removal graders at 18 years. With the purchase of the Cat 160 M3, that will leave us with the following graders:

- 1) 2004 Case 885 grader #42 has 5,037 hours on it. We purchased this used in 2006 with slightly over 1,300 hours. This grader is expected to be replaced in FY 2022
- 2) 1996 Champion 740 grader #43 has 8,650 hours on it. This grader would become our backup grader
- 3) 2005 Case 885 grader #44 has 3,429 hours on it. This grader is expected to be replaced in FY 2023.
- 4) 2011 Cat 160 M2 grader #45 has 2,125 hours on it. It would be due for replacement in FY 2029
- 5) 2011 Cat 160 M2 grader #48 has 1,181 hours on it. It would be due for replacement in FY 2030

As a reminder, the Case graders have had problems that we typically would not expect with such low hours. Depending on the type of winters we experience (hours of use and wear and tear) over the next five years, we may find they need to be replaced earlier than our goal of at least 18 years of service.

ALTERNATIVES:

- 1) Attach to the State of Alaska bid for the purchase of Cat road grader, which is staff's recommendation. Both the City of Anchorage and the local State DOT have been running Cat graders for some time with excellent dependability and service support. This also allows us to get a grader equipped to meet our needs that is compatible with our two existing Cat 160M2 graders.
- 2) Put together specifications and bid for a grader. The State bidding process has already established a good price on graders with the specification that we are looking for and need. If we bid, we could be in a situation to accept a machine that our experience has shown does not hold up well to the demands of a snow removal grader and at a much higher life cycle operating cost. This is not the recommended option.

FINANCIAL IMPLICATIONS: The FY2016 budget includes \$338,000 for the replacement of the 1996 Champion 740 grader. The quoted cost for a grader equipped per City specifications is \$302,988 FOB Kodiak. There will be an additional need to purchase a radio and a snow gate for the grader. The Finance Department calculated the annual fee to the Vehicle Replacement fund at \$22,715 per year. This will increase slightly for annual inflation.

LEGAL: Kodiak City Code 3.12.070(c), Exceptions to bidding requirements, permits attachment to bids placed by other units of government, through their formal bidding process.

STAFF RECOMMENDATION: Staff recommends Council authorize the City to attach to the State of Alaska grader bid to purchase a Cat 160 M3 grader in the amount of \$302,988 with funds coming from the Streets Machinery Equipment account.

CITY MANAGER'S COMMENTS: I support this purchase and recommend the Council authorize the purchase of the grader.

ATTACHMENTS:

Attachment A: NC Machinery Proposal.

Attachment B: State Contract Extension June 24, 2016

PROPOSED MOTION:

Move to authorize attachment to the State of Alaska grader bid to purchase a Cat 160M3 grader in the amount of \$302,988, with funds coming from the Street Machinery Equipment account and authorize the City Manager to execute the award documents on behalf of the City.



June 30, 2015

CITY OF KODIAK
 PO BOX 1397
 KODIAK, Alaska 99615-6635

Attention: MARK KOZAK

RE: Quote 162373-01

Dear Mark Kozak,

We would like to thank you for your interest in our company and our products, and are pleased to quote the following for your consideration.

One (1) New CATERPILLAR Model: 160M3 LR Motor Graders with all standard equipment in addition to the additional specifications listed below:

STANDARD EQUIPMENT

POWERTRAIN - Air cleaner, dual stage dry type radial - seal with service indicator and - automatic dust ejector - Air-to-air after cooler (ATAAC) - Belt, serpentine, automatic tensioner - Brakes, oil disc, four-wheel, hydraulic - Demand fan, hydraulic - Differential, lock/unlock, Automatic - Drain, engine oil, ecology - Electronic over-speed protection - Engine, C9 with ACERT technology, diesel - with automatic engine derate and idle - control. EPA/ARB Tier 4 Final & EU stage - IV certified Engine & Aftertreatment - Parking brake, multi-disc, sealed and - oil cooled. - Sediment drain, fuel tank. - Tandem drive - Transmission, 8 speed forward and - 6 speed reverse, power shift, direct - drive - VHP Plus (Variable Horse Power Plus)

ELECTRICAL - Alarm, back-up - Alternator, 150 ampere, sealed - Batteries, maintenance free, heavy - duty, 1125 CCA - Breaker panel, ground accessible - Electrical hydraulic valves - Electrical system, 24 volt - Grade Control Ready (Cab harness, - software, electrical hydraulic valves, - bosses and brackets) - Lights, reversing - Lights, roading, roof-mounted, - stop and tail, LED - Starter, electric

OPERATOR ENVIRONMENT - Air Conditioning with heater - Articulation, automatic return to center - Centershift pin indicator - Display, digital speed and gear - Doors, left and right side with wiper - Gauge, machine level - Gauges (analog) inside the cab - (includes fuel, articulation, engine - coolant temp, engine RPM, - and hydraulic oil temp, DEF/AdBlue) - Joystick, adjustable armrests - Joystick gear selection, hydraulic - power steering hydraulic controls - (right/left, blade lift w/ float - position, blade sideshift and tip, - circle drive, centershift, front wheel - lean and articulation and steering) - Lights, night time cab - Messenger operator information system - Meter, hour, digital - Mirror, inside rearview, wide angle - Power Port, 12V - Radio Ready, Entertainment - ROPS cab, sound suppressed - - 69dB(A) - ISO 6394 - Seat, cloth-covered, comfort suspension - Storage area for cooler/lunchbox - Throttle control, electronic - Windows: laminated glass - - fixed front with intermittent wiper - - side and rear (3) - Windows: Tempered - - Left and right side wipers - - Rear with intermittent wiper

SAFETY AND SECURITY - Clutch, circle drive slip - Doors, 2 engine compartment, (two left - hand, two right hand) locking - Doors, 2 service, left and right locking - Ground level engine shutdown - Hammer (emergency exit) - Horn, electric - Lockout, hydraulic implement (for - roading and servicing) - Seat belt, retractable 3" - Secondary steering - Tandem walkway/guards

TIRES, RIMS, AND WHEELS - A partial allowance for tires on - 10" x 24" multi-piece rims is included - in the base machine price and weight. -

FLUIDS - Antifreeze - Extended Life Coolant -35C/-30F

OTHER STANDARD EQUIPMENT - Accumulators -brake -dual certified - Drawbar, 6 shoe w/replaceable wear strips - Fluid check, ground level - Fuel tank, 105 gallon (398 L) - Ground level fueling - DEF/AdBlue Tank, 5.5 gallon (21 L) - Hydraulic lines for base functions - Pump, hydraulic, high capacity - (98cc / 15 cu in) - Radiator, cleanout access - (both sides with swing doors) - SOS ports - engine -hydraulic - -transmission -coolant -fuel - Tandem walkway/guards - Tool box - Debris Guard

MACHINE SPECIFICATIONS

160M3 MOTOR GRADER	384-4273	LIGHTS, SERVICE, INTERNAL	380-3070
GLOBAL ARRANGEMENT,LOW AMBIENT	385-9297	CAMERA, REAR VISION	396-3921
MOLDBOARD, 14' PLUS	349-3048	MIRRORS, OUTSIDE HEATED	344-0984
HITCH, TOWING	337-7510	HEATER, ENGINE COOLANT, 120V	249-5516
COLD WEATHER PLUS PACKAGE	394-4522	PUSH PLATE, COUNTERWEIGHT	367-6842
ACCUMULATORS, BLADE LIFT	358-9338	DOMESTIC TRUCK	0P-0251
PRECLEANER, NON SY-KLONE	380-6774	BASE+3 (WM,WT-NOFLOAT,FL)	395-2008
STARTER, ELEC, EXTREME DUTY	395-3547	3year SOS	
LIGHTS, FRONT HEADLIGHTS, LOW	309-9879	mounted spare tire on Cat rim	
CAB, PLUS (STANDARD GLASS)	385-9554	DOT warning light package with turn signal cancelling	
CAB, PREMIUM (INTERIOR)	397-7458	60 amp 12-24VDC converter from Auto Electric PN 21060C00	
SEAT BELT W/INDICATOR	394-1132	one set of paper manuals parts and service including OMM	
PRODUCT LINK, SATELLITE PLE631	464-6804	3 year 3000 hour premier warranty	
NO ACCUGRADE	362-5222	install pinion greaser	
JOYSTICK CONTROLS, BASIC	357-9151	install brake line guards	
TIRES, 14.0R24 BS VSW 1* MP	252-0708	armor wrap articulation hitch hoses	
ARTICULATION GUARD	368-6239	identify polarity	
COOLANT, 60/40, -51C (-60F)	469-8160	supply and install padlocks for all compartments and 3 keys	
LANGUAGE, ENGLISH	386-1254	freight to Kodiak	
DECALS, ENGLISH (U.S.)	442-9940	2 days of training	
LIGHTS, WORKING, PLUS	395-1967		

SELL PRICE

\$302,988.00

F.O.B/TERMS: Kodiak Dock

ADDITIONAL CONSIDERATIONS

- Delivery is 4-6 months

Accepted by _____ on _____

Signature

We wish to thank you for the opportunity of quoting on your equipment needs. This quotation is valid for 30 days, after which time we reserve the right to re-quote. If there are any questions, please do not hesitate to contact me.

Sincerely,



Mike Lichter
Machine Sales Representative
MLichter@NCMachinery.com

**CONTRACT AWARD
AMENDMENT ONE**

STATE OF ALASKA
HQ, STATE EQUIPMENT FLEET (Contracting Authority)
2200 E. 42nd Avenue
Anchorage, Alaska 99508
(907-269-0800)

CONTRACT AWARD NUMBER
CA1879-14

ORDERING DEPARTMENT:
HEADQUARTERS, STATE EQUIPMENT FLEET
2200 E. 42ND AVENUE
ANCHORAGE, ALASKA 99508
(907) 269-0793 PHONE / (907) 269-0801 FAX

DATE OF CONTRACT: JUNE 25, 2014
DATE INITIAL CONTRACT BEGINS: JUNE 25, 2014
DATE INITIAL CONTRACT ENDS: JUNE 24, 2015

Attachment B

CONTRACTOR: NC MACHINERY
ADDRESS: 6450 ARCTIC BLVD.
ANCHORAGE, AK 99518

NUMBER & PERIOD OF RENEWAL OPTIONS: FOUR (1) ONE YEAR RENEWAL OPTIONS
RENEWALS EXPIRE (MO/YR): JUNE 24, 2019

CONTACT NAME: MIKE LICHTER
PHONE NUMBER: (907) 786-7534
E-MAIL: MLICHTER@NCMACHINERY.COM

ISSUED IN ACCORDANCE WITH BID # SEF- 1879 DATED: MARCH 12, 2014
ESTIMATED VALUE OF INITIAL TERM: \$1,000,000.00

SEND INVOICES IN DUPLICATE TO: STATE EQUIPMENT FLEET, 2200 E. 42ND AVENUE, ANCHORAGE AK 99508

THIS ORDER CONSTITUTES A BINDING COMMITMENT BETWEEN THE STATE AND THE CONTRACTOR LISTED HEREON. UNAUTHORIZED MODIFICATION WITHOUT THE EXPRESSED PRIOR APPROVAL OF THE CONTRACTING AUTHORITY WILL RESULT IN A FINANCIAL OBLIGATION ON THE CONTRACTOR AND/OR UNAUTHORIZED STATE PERSONNEL MAKING THE CHANGE.

DESCRIPTION

JUNE 22, 2015

THIS AMENDMENT RENEWS THE CONTRACT FOR THE FIRST OF FOUR RENEWAL OPTIONS.

NEW EXPIRATION DATE IS JUNE 24, 2016

CONTRACTING AUTHORITY NAME & TITLE
KRISTI FUTREL, CONTRACTING OFFICER III

SIGNATURE

IMPORTANT 1. Contract award number and ordering department name must appear on all invoices and documents relating to this order.
2. The State is registered for tax free transactions under Chapter 32, IRS Code Registration No. 92-601185. Items are for the exclusive use of the State and not for resale.

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Aimée Kniaziowski, City Manager

Date: July 23, 2015

Agenda Item: V. i. **Authorization to Rescind Lease No. 196508 and Authorize Lease No. 219595 for City Hall Office Space in the Kodiak Island Borough**

SUMMARY: Kodiak Island Borough (KIB) Manager and the City Manager have been updating the terms of a new lease for office space the City occupies in the Borough Building. The updated lease will increase the leased office space from 3,444 sf to 4,727 sf. Both parties have come to agreement on the terms of a new five-year lease and staff is recommending Council approve the new lease and authorize the City Manager to execute it on behalf of the City.

PREVIOUS COUNCIL ACTION:

- Council authorized the City Manager to sign a five-year lease for office space with the Borough in October of 2006.
- Council authorized the City Manager to sign the most recent five-year lease for office space with the Borough on July 28, 2011.
- Council expressed support of leasing additional office space at the work session on June 23, 2015.

DISCUSSION: The City and KIB approved a five-year lease for office space in the Borough Building at a lease rate of \$2.20 sf in July 2011. The City Manager and Borough Manager met in June to negotiate terms of a new lease and have come to an agreement on a five-year lease (Attachment A). The language is similar to that in the most recent lease. The updated lease, which includes additional office space will remain at \$2.20 sf. The lease includes office space of 3,137 square feet known as Suites 210 to 222 located on the second floor, and office space of 810 square feet known as Suites 113-115 and a 553 square foot conference room (Room 116) all located on the first floor of the Kodiak Island Borough Building and, in addition, a proportional fifteen percent (15%) share or 227 square feet of the common areas described as the Assembly Chambers (1,515 sq. ft.), resulting in 4,727 square feet of total lease area.

The lease will provide efficient office space for the Deputy City Manager, Clerks Department, and the Finance staff. The additional lease will allow the City staff to have their own conference space within the Borough building for departmental meetings and external meetings, as needed.

JULY 23, 2015

Agenda Item V. i. Memo Page 1 of 2

ALTERNATIVES:

- 1) Approve the lease and authorize the Manager to execute it which is staff's recommendation because it guarantees the City continued use of the existing office and meeting space.
- 2) Do not approve the lease and direct staff to look elsewhere for adequate business space. This is not recommended because Council prefers the co-location of local government offices and there is no other known, adequate office space available locally.

FINANCIAL IMPLICATIONS: The new annual rent is \$124,767. \$100,500 is included in the FY2016 budget to pay existing rental charges. \$24,767 will be included in the next supplemental budget appropriation.

LEGAL: N/A

STAFF RECOMMENDATION: Staff recommends Council approve the five-year office space lease in the Borough Building with the Kodiak Island Borough as negotiated in the amount of \$124,767 per year, a difference of approximately \$35,000 per year.

CITY MANAGER'S COMMENTS: I recommend Council authorize the lease as negotiated. We need this additional space and it will help make the workplace more appropriate and efficient.

ATTACHMENTS:

Attachment A: Proposed five-year office space lease with the Kodiak Island Borough from July 24, 2015 through June 30, 2020.

PROPOSED MOTION:

Move to rescind Lease No. 196508 and authorize Lease No. 219595 for City Hall Office space lease in the Kodiak Island Borough building in the annual amount of \$124,766, with \$100,500 from the General Fund, Non-Departmental Administration account and the balance to be included in the next supplemental budget appropriation and to authorize the City Manager to execute the lease document on behalf of the City.

LEASE AGREEMENT

THIS LEASE AGREEMENT is made this _____ ~~day of July, 2011~~, this 24th day of July, 2015, by and between THE KODIAK ISLAND BOROUGH, a borough organized under the laws of the state of Alaska, hereinafter called Landlord, and City of Kodiak, hereinafter called Tenant.

For and in consideration of the covenants, rents and demises, and upon the terms and conditions hereinafter set forth, the parties agree as follows:

1. Premises. Landlord, for and in consideration of the rents, covenants and conditions hereinafter specified to be paid, performed and observed by Tenant, does hereby let, lease and demise to Tenant the improved real estate described as follows:

~~Office space of 3,137 square feet known as Suites 210 to 222 located on the second floor of the Kodiak Island Borough Building and, in addition, a proportional fifteen percent (15%) share of the common areas described as the Assembly Chambers (1,515 sq. ft.) and the Borough Conference Room (531 sq. ft.), resulting in 3,444 sq. ft. total lease area. The Premises is located at 710 Mill Bay Rd., which is also the following described real property:~~

~~Lot Seven A (7A), USS 2538A, Township 27S, Range 19W, Seward Meridian, Kodiak Recording District, Third Judicial District, State of Alaska.~~

Office space of 3,137 square feet known as Suites 210 to 222 located on the second floor, and office space of 810 square feet known as Suites 113-115 and a 553 square foot conference room (Room 116) all located on the first floor of the Kodiak Island Borough Building and, in addition, a proportional fifteen percent (15%) share or 227 square feet of the common areas described as the Assembly Chambers (1,515 sq. ft.), resulting in 4,727 square feet of total lease area. The Premises is located at 710 Mill Bay Rd., which is also the following described real property:

Lot Seven A (7A), USS 2538A, Township 27S, Range 19W, Seward Meridian, Kodiak Recording District, Third Judicial District, State of Alaska.

The aforesaid office space and common area, hereinafter referred to as the leased premises, is more specifically depicted or outlined on the floor plan attached hereto as Exhibit A.

Tenant, upon paying the rents, and performing all of the terms and covenants on this part to be performed, shall peaceably and quietly enjoy the leased premises subject nevertheless, to the terms of this lease, and to any deed of trust or mortgage to which this lease is subordinated.

2. Term of Lease. The term of the lease shall be for the period of five (5) years following the commencement of the term, unless sooner terminated as hereinafter provided. The term of the lease shall commence ~~on _____, 2011, and shall expire at 5:00 P.M., Alaska Standard Time on June 30, 2016.~~ on July 24, 2015, and shall expire at 5:00 P.M., Alaska Standard Time on June 30, 2020.

In the event the foregoing commencement provision results in a commencement date other than on the first day of a calendar month, the rent shall be immediately paid for such initial fractional month prorated on the basis of a thirty (30) day month.

3. Termination of Lease. Both parties have the right to terminate this lease with ninety (90) days written notification.

4. Rental. In consideration of the demise and leasing of the premises aforesaid by Landlord, the Tenant covenants, stipulates and agrees to pay to the Landlord as rental for said premises hereinabove described, at the rate of two dollars and twenty cents (\$2.20) per square foot, ~~the sum of seven thousand five hundred and seventy six dollars and eighty cents (\$7,576.80) for office space and proportional common area use monthly in advance, on or before the first day of each month of the lease term.~~, the sum of ten thousand three hundred and ninety seven dollars and twenty cents (\$10,397.20) for office space, conference and proportional common area use monthly in advance, on or before the first day of each month of the lease term.

All rentals, unless and until otherwise directed in writing by Landlord, shall be paid to the Landlord at 710 Mill Bay Road, Kodiak, Alaska 99615, or at such other place as Landlord may designate from time to time in writing.

Landlord reserves the right to increase the rent cost per square foot based on utility cost increases on an annual basis. A ninety (90) day notice will be provided to tenant before the change is made.

5. Alteration of Premises. Tenant shall not make any alterations, additions, or improvements in or to the leased premises without first obtaining the written consent of Landlord. Any such alterations, additions and improvements consented to by Landlord shall be made at Tenant's expense. Tenant shall secure all governmental permits required in connection with such work, and shall hold Landlord harmless from all liability and liens resulting therefrom. All alterations, additions and improvements, except trade fixtures and appliance and equipment which do not become attached to the building, shall immediately become a part of the realty and the property of the Landlord without obligation to pay therefore, except that Landlord may require removal of all or part thereof by Tenant at the termination of the lease, at Tenant's expense, and Tenant shall pay for or repair any damages to the leased premises, including, without limitation, any necessary patching, repainting, and repairing caused by such removal. Upon removal of the trade fixtures and appliances and equipment which do not become attached to the building, Tenant shall restore the leased premises to the same condition that they were in prior to the installation of said items, including, without limitation, any necessary patching, repainting and repairing. Any trade fixtures, appliances, equipment or other property not removed from the leased premises by Tenant upon termination of the lease shall be deemed abandoned by Tenant, provided that Tenant shall save Landlord harmless from any loss, cost, or damage arising from Tenant's failure to remove such items.

6. Use of Premises. The leased premises shall be used for general office space and meetings, and for no other purpose, without the prior written consent of Landlord. Tenant shall not use or permit the leased premises or any part thereof to be used for any purpose in violation of any municipal, borough, state, federal or other governmental law, ordinance, rule or

regulation. Tenant agrees that Tenant, together with all other persons entering and/or occupying the leased premises at Tenant's request or with Tenant's permission, will abide by, keep and observe all reasonable rules and regulations which Landlord may make from time to time for the management, safety, care and cleanliness of the building, and the preservation of good order therein, as well as for the convenience of other occupants and tenants of the building, and for the use of any parking areas adjacent to the building. The violation of any such rules and regulations shall be deemed a material breach of the lease by the Tenant. Tenant shall not, without Landlord's prior written consent, use, operate or install any electrical or mechanical equipment, machinery, or mechanical devices in the leased premises, except in compliance with the highest standards applicable to the leased premises, except in compliance with the highest standards applicable to the use, operation, or installation of such equipment, machinery or devices, generally recognized by the profession or industry in which Tenant is engaged, nor shall Tenant use the leased premises, or any machinery or equipment therein, in such a manner as to cause substantial noise or vibration, or unreasonable disturbance to other tenants in the building.

In the event Tenant's use of the leased premises causes an increase in Landlord's fire or hazard insurance premiums; Tenant shall reimburse Landlord for the amount of such increase.

7. Taxes. Tenant shall pay any and all taxes levied on personal property and trade or other fixtures in the leased premises, and any license and excise fees and occupation taxes covering business conducted on the leased premises, and as additional rent, an amount equal to any sales taxes on rentals payable hereunder.

8. Utilities. Landlord shall furnish, at its expense, the following utilities and services for normal office use of the leased premises:

(a) Electricity for normal lighting, air conditioning, and office use. Special or additional electrical requirements shall be paid by Tenant.

(b) Heat, snow removal for common areas, and sewer and water based on normal office use.

(c) Janitorial service for the leased premises on a five-day-a-week basis, and periodic exterior window washing.

(d) Refuse collection based on normal office use. Tenant shall provide at his expense all other utilities and services used at the leased premises.

Landlord shall not be liable for any loss or damage caused by or resulting from any variation, interruption or failure of said utilities or services, arising from any cause, condition or event; and no variation, interruption or failure of such utilities and services incident to the making of repairs, alterations, or improvements, or arising from any accident, strike, condition, cause or event in whole or in part beyond the reasonable control of Landlord shall be deemed an eviction of Tenant or relieve Tenant from any obligation hereunder.

9. Maintenance and Repairs. Landlord shall, at its expense, maintain and keep in good repair the foundations, exterior walls, roof and other structural portions of the building. Tenant shall, at its expense, maintain the interior of the leased premises at all times in good condition and repair, all in accordance with the laws of the State of Alaska and all directions and regulations of governmental agencies having jurisdiction hereof. Tenant shall commit no waste of any kind in or about the leased premises, and Tenant shall pay for all damage to the building, as well as damage to tenants or occupants hereof, caused by Tenant's misuse or neglect of the leased premises, its apparatus or appurtenances. At the expiration of the term hereof, or on the

termination of this lease, Tenant shall surrender the leased premises, its apparatus or appurtenances. At the expiration of the term hereof, or on the termination of this lease, Tenant shall surrender the leased premises in good and clean condition, normal wear and tear excepted.

Landlord shall maintain and repair all plumbing, lines and equipment installed for the general supply of hot and cold water, heat, ventilation and electricity, except that Tenant shall be responsible for any and all maintenance and repairs attributable to obstruction or objects deliberately or inadvertently introduced or placed in the fixtures, lines or equipment by Tenant, his employees, agents, licensees or invitees.

Landlord shall not be responsible or liable at any time for any loss or damages to Tenant's equipment, fixtures or other personal property of Tenant or to Tenant's business except to the extent attributable to Landlord's negligence.

Landlord shall not be responsible or liable to Tenant or to those claiming by, through or under Tenant for any loss or damages to either the person or property of Tenant that may be occasioned by or through the acts or omissions of persons occupying other portions of the building.

Landlord shall not be responsible or liable for any defect, latent or otherwise, in the building in which the leased premises is situated, or any of the equipment, machinery, utilities, appliances or apparatus therein nor shall it be responsible or liable for any injury, loss or damage to any person or to any property of Tenant or other person caused by or resulting from bursting, breakage or by or from leakage, stream or snow or ice, running or the overflow of water or sewerage in any part of said leased premises, the building, or the surrounding area, or for any injury or damage caused by or resulting from acts of nature or the elements, or for any injury or damage caused by or resulting from any defect in the occupancy, construction, operation or use of any of said leased premises, building, machinery, apparatus or equipment by any person or by or from the acts or negligence of any occupant of the premises, unless Landlord itself is negligent.

10. Fire and Other Casualty. Should the leased premises be damaged by fire or other casualty, and if the damage is repairable within four (4) weeks from the date of occurrence (with the repair work and the preparations therefore to be done during regular working hours on regular work days), the damages shall be repaired with due diligence by Landlord, and in the meantime the monthly rental shall be abated in the same proportion that the untenable portion of the leased premises bears to the whole thereof. Should the leased premises be completely destroyed by fire or other casualty, or should they be damaged to such an extent that the damage cannot be repaired within the four (4) weeks of the occurrence, Landlord shall have the option to terminate this lease, and Landlord shall advise Tenant within thirty (30) days after the happening of any such damage whether Landlord has elected to continue this lease in effect or to terminate it. If Landlord shall elect to continue this lease in effect, it shall commence and prosecute with reasonable diligence any work necessary to restore or repair the leased premises. If Landlord shall fail to notify Tenant of its election within said thirty-day period, Landlord shall be deemed to have elected to terminate this lease, and the lease shall thereafter automatically terminate. The commencement by Landlord of repair work shall be deemed to constitute notice that Landlord has elected to restore or repair the leased premises. For the period from the occurrence of any damage to the leased premises to the date of completion of the repairs (or to the date of termination of the lease if Landlord shall elect not to restore the leased premises), the monthly

rental shall be abated in the same proportion as the portion of the leased premises bears to the whole thereof.

In the event restoration or repair is delayed by acts or omissions of Tenant, there shall be no abatement of rental during the period of such delay. If the fire or damage is caused by the carelessness, negligence or improper conduct of Tenant, then notwithstanding other provisions of this lease, Tenant shall remain liable for the rent, without abatement, during any period of repair or restoration.

If the Landlord, in its discretion, shall decide within thirty (30) days after the occurrence of any fire or other casualty in the building, even though the leased premises may not have been affected by such fire or other casualty, to demolish, rebuild or otherwise replace or alter the building containing the leased premises, then upon written notice given by Landlord to Tenant, this lease shall terminate on a date specified in such notice, but no sooner than thirty (30) days from the date of such notice, as if that date had been originally fixed as the expiration date of the term herein leased. Tenant and Landlord hereby mutually release each other from liability and waive all right of recovery against each other for any loss from perils insured against under their respective fire insurance policies, including any extended coverage and endorsements thereto; provided, however, that this paragraph shall be inapplicable if it would have the effect, but only to the extent that it would have the effect, of invalidating any insurance coverage of Landlord or Tenant.

Restoration or repair work conducted in the common areas, in areas of the building unleased, or leased to other tenants, or the noise or interference arising therefrom, shall not be deemed an eviction of Tenant, or a breach of this lease, but Tenant's obligation to pay rent shall be abated during such period of time as Tenant is unable to conduct business at the leased premises by reason of actual physical interference with use of the leased premises as a result of such restoration or repair work.

11. Subletting and Assignment. Tenant shall not sublet the leased premises, or any part thereof, or assign this lease or any part thereof, nor shall this lease be assigned in whole or in part by operation of law or through any court proceedings, without the prior written consent of Landlord to such subletting or assigning; any such assignment or sublease without Landlord's written consent shall be void.

If Tenant is a corporation, any merger, consolidation, or dissolution to which it is a party, or any change in ownership of a majority of its voting stock outstanding, shall constitute an assignment of this lease for purposes of this paragraph.

12. Indemnification. Tenant agrees to protect, defend, indemnify and save harmless Landlord from and against any and all claims (no matter how meritless) demands, and causes of action of any nature whatsoever, and any expenses incident to defense of and by Landlord therefrom, for injury to or death of persons or loss of or damage to property occurring on the leased premises, or in any manner arising out of Tenant's use and occupation of said premises, or the condition thereof, during the term of this lease. Tenant shall procure and maintain public liability insurance coverage, naming Landlord as an insured, which coverage, pertaining to the leased premises, shall not be less than \$250,000 per person for bodily injury or death, \$500,000 per occurrence for bodily injury or death, and \$100,000 for property damage. Landlord shall be an additional named insured in such policy or policies. Such policy or policies shall be written by a responsible insurance company or companies satisfactory to Landlord. Upon the signing of this

Agreement, certificates of insurance showing compliance with the foregoing requirements shall be furnished by Tenant to Landlord for approval. Certificates shall state that the policy or policies will not be canceled or altered without at least thirty (30) days, prior written notice to Landlord. Maintenance of such insurance and the performance by Tenant of the obligation under this paragraph shall not relieve Tenant of liability under this indemnity agreement.

13. Common Areas and Facilities. Designated common areas for which Tenant will pay based on proportional use of fifteen percent (15%) are the Assembly Chambers and the Borough Conference Room, as indicated in Section 1. All common areas and common facilities in or about the leased premises and the building shall be subject to the exclusive control, scheduling and management of Landlord, with the understanding that the proportional use of the Assembly Chambers and the Borough Conference Room by the City Council based on a schedule submitted to the Borough Clerk will take priority over any other use except use by the Kodiak Island Borough. Landlord shall have the right to construct, maintain and operate lighting and other improvements on all said areas; to change the area, level, location and arrangement for common areas and other facilities and temporarily to close the common areas to effect such changes.

All common areas and facilities which Tenant may be permitted to use and occupy are to be used and unoccupied under a revocable license, which shall not be unreasonably revoked, and if any such license be revoked or if the amount of such areas be changed or diminished, Landlord shall not be subject to any liability nor shall Tenant be entitled to any compensation or diminution or abatement of rent nor shall revocation or diminution of such areas be deemed constructive or actual eviction.

14. Liens. Tenant will not permit any mechanics', laborers' or material men's liens to stand against the leased premises or improvements for any labor materials furnished to Tenant or claimed to have been furnished to Tenant, or to Tenant's agents, contractors, or sublessee, in connection with work of any character performed or claimed to have been performed on said premises or improvements by or at the direction of sufferance of Tenant; provided, however, Tenant shall have the right to contest the validity or amount of any such lien or claimed lien. In the event of such contest, Tenant shall give to Landlord such reasonable security as may be demanded by Landlord to insure payment of such lien or such claim of lien. Tenant will immediately pay any judgment rendered with all proper costs and changes and shall have such lien released or judgment satisfied at Tenant's own expense.

The foregoing provisions respecting liens shall apply to all liens, of any kind or nature asserted against the leased premises or improvements thereon, including liens arising out of, incident to, or connected with the use and occupation of the leased premises by Tenant.

15. Default. If Tenant at any time during the term of this lease (and regardless of the pendency of any bankruptcy, reorganization, receivership, insolvency, or other proceedings, in law, in equity, or before any administrative tribunal, which have or might have the effect of preventing Tenant from complying with the terms of this lease) shall:

(a) Fail to make payment of any installment of rent or of any other sum herein specified to be paid by Tenant, and Tenant fails to cure such default within ten (10) days after such failure to make payment; or

(b) Fail to observe or perform any of Tenant's other covenants, agreements, or obligations hereunder, and if within thirty (30) days after Landlord shall have given to Tenant written notice specifying such default or defaults, Tenant shall not have commenced to cure such default and proceed diligently to cure the same; or

(c) If Tenant has filed a Petition under Chapter 11 of Bankruptcy Act, 11 O.S.C. 701 et seq., or a voluntary petition under any other provision of said Bankruptcy Act, or if Tenant finally and without further possibility to appeal or review:

- (1) is adjudicated as bankrupt or insolvent; or
- (2) has a receiver appointed for all or substantially all of its business or assets on the ground of Tenant's insolvency; or
- (3) has itself appointed as a debtor-in-possession; or
- (4) has a trustee appointed for it after a petition has been filed for Tenant's reorganization under the Bankruptcy Act of the United States known as the Chandler Act or any future law of the United States having the same general purpose; or
- (5) if Tenant shall make an assignment for the benefit of creditors, then in any such event Landlord shall have the right at its election, then or at any time thereafter, and while such default, defaults or events shall continue, to give Tenant notice of Landlord's intention to terminate this lease and all Tenant's rights hereunder, on a date specified in such notice, which date shall not be less than ten (10) days after the date of giving of such notice, and on the date specified in such notice, the term of this lease and all rights granted Tenant hereunder shall come to an end as fully as if the lease then expired by its own terms, and Tenant hereby covenants peaceable and quietly to yield up and surrender to Landlord said leased premises and all structures, buildings, improvements and equipment located thereon, and to execute and deliver to Landlord such instrument or instruments as shall be required by Landlord as will properly evidence termination of Tenant's rights hereunder or its interest therein. In the event of termination of this lease as in this paragraph above provided, Landlord shall have the right to repossess the leased premises and such structures, buildings, improvements and equipment, either with process of law or through any form of suit or proceeding, as well as the right to sue for and recover all rents and other sums accrued up to the time of such termination, and damages for rent not then accrued. Landlord shall also have the right, without resuming possession of the premises or terminating this lease, to sue for and recover all rents and other sums, including damages, at any time and from time to time accruing hereunder.

16. Notices. Any and all notices required or permitted under this lease, unless otherwise specified in writing by the party whose address is changed, shall be mailed, certified or registered mail, or delivered, to the following addresses:

LANDLORD:
Kodiak Island Borough
710 Mill Bay Road
Kodiak, Alaska 99615

TENANT:
City of Kodiak
PO Box 1397
Kodiak, Alaska 99615

Any such notices shall be deemed effective on the date of mailing or delivery.

17. Costs Upon Default. In the event either party shall be in default in the performance of any of its obligations under this lease or an action shall be brought for the enforcement thereof, the defaulting party shall pay to the other all the expenses incurred therefor, including a reasonable attorney's fee.

In the event either party shall without fault on its part be made a party to any litigation commenced by or against the other, then such other party shall pay all costs and reasonable attorney's fees incurred or paid by such party in connection with such litigation.

18. Rights or Remedies. Except insofar as this is inconsistent with or contrary to any provision of this lease, no right or remedy herein conferred upon or reserved to Landlord is intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given hereunder, or now or hereafter existing at law or in equity or by statute.

19. Waiver and Forbearance. Except to the extent that Landlord may have otherwise agreed in writing, no waiver by Landlord of any breach by Tenant of any of its obligations, agreements or covenants hereunder shall be deemed to be a waiver of any subsequent breach of the same or any other covenant, agreement or obligation. Nor shall any forbearance by Landlord to seek a remedy for any breach of Tenant be deemed a waiver by Landlord of its rights or remedies with respect to such breach.

20. Inspection. Landlord shall at all reasonable times during Tenant's business hours have access to the premises for the purpose of inspection. Landlord shall also be entitled to put "to lease" or "for lease" signs in and about the leased premises, and to show the leased premises to prospective tenants, during the last sixty (60) days of the lease term and any extended term, and during any period of time after Landlord has given Tenant a notice of intention to terminate under paragraphs 15 and 3 of this lease.

21. Notices of Nonresponsibility. Landlord may enter the demised premises at any time for the purpose of posting notices of nonresponsibility.

22. Successors in Interest. This lease shall be binding upon and inure to the benefit of the respective heirs, successors and assigns of the parties hereto.

23. Holding Over. In the event that the Tenant holds over at or after the end of the term, the tenancy shall be needed a month-to-month tenancy commencing on the first day of the holdover period.

24. Signs. Landlord shall provide one sign for the Tenant. Tenant agrees that any other sign or signs installed on the demised premises shall be with the consent of the Landlord.

25. Memorandum of Lease. Tenant agrees that Tenant will not record this lease. At the request of either Landlord or Tenant, the parties shall execute a memorandum lease for recording purposes in lieu of recording this lease, in such form as may be satisfactory to their respective attorneys.

26. Estoppel Certificates. Tenant shall, at any time and from time to time upon not less than fifteen (15) days' prior request by Landlord execute, acknowledge and deliver to Landlord a statement in writing certifying that this lease is in full force and effect and unmodified (or in full force and effect and modified and stating the modifications), the dates to which the rent(s) and any other charges have been paid in advance, the date Tenant entered into occupancy of the leased premises and the date the lease term expires, the nature and amount of any claims of Tenant against Landlord arising as a result of this lease, and the existence and nature of any defenses or offsets claimed by Tenant against enforcement of this lease by Landlord; it being intended that any such statement delivered pursuant to this paragraph may be relied upon by any prospective purchaser or encumbrancer (including assignees) of the premises. In the event Tenant fails so to certify within such fifteen (15) day period, Tenant shall be deemed to have certified and admitted the accuracy of information submitted by Landlord in good faith to any prospective purchaser or encumbrancer in respect to this lease.

27. Excuse for Nonperformance. Either party hereto shall be excused from performing any or all of its obligations hereunder with respect to any repair and construction work required under the terms of this lease for such times the performance of any such obligation is prevented or delayed by an act of God, floods, explosion the elements, war, invasion, insurrection, riot, mob violence, sabotage, terrorist activity, inability to procure labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strikes, lockouts, action by labor unions, or laws or order of governmental agencies, or any other cause whether similar or dissimilar to the foregoing which is not within the reasonable control of such party.

28. Construction of Lease. This lease shall be governed by and construed in accordance with the laws of the State of Alaska.

Words of gender used in this lease shall mean and include any other gender, and singular shall mean and include the plural and the plural the singular, where applicable, and when the sense requires.

29. Security Deposit. An essential inducement to Landlord from Tenant for this lease is a security deposit by Tenant in the amount of No Dollars (\$0.00). Said deposit for security is for the full and faithful performance by the Tenant of all the covenants and terms of this lease required to be performed by Tenant. Such security deposit shall be applied to the last month's rental after the expiration of this lease if Tenant has fully and faithfully carried out all of its covenants and terms. If Tenant does not fully and faithfully perform the covenants and terms of this lease, Landlord may apply the aforementioned security deposit against damages resulting from breaches of Tenant. In the event all or part of the security deposit is so applied, Tenant shall, upon demand, promptly pay to Landlord such amount as may be necessary to replenish the security deposit to its original amount.

In the event of a bona fide sale of the property of which the leased premises are a part, the Landlord shall have the right to transfer such security deposit to purchaser to be held under the terms of this lease, and, in that event, the Landlord shall be released from all liability for the return of such security deposit to the Tenant.

The Tenant may not assign or encumber the money deposited as security, and neither the Landlord nor its successors or assigns shall be bound by any such assignment or encumbrances.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals this
| ~~_____ day of _____, 2011.~~ _____ day of _____, 2015.

TENANT:

ATTEST:

City Manager

City Clerk

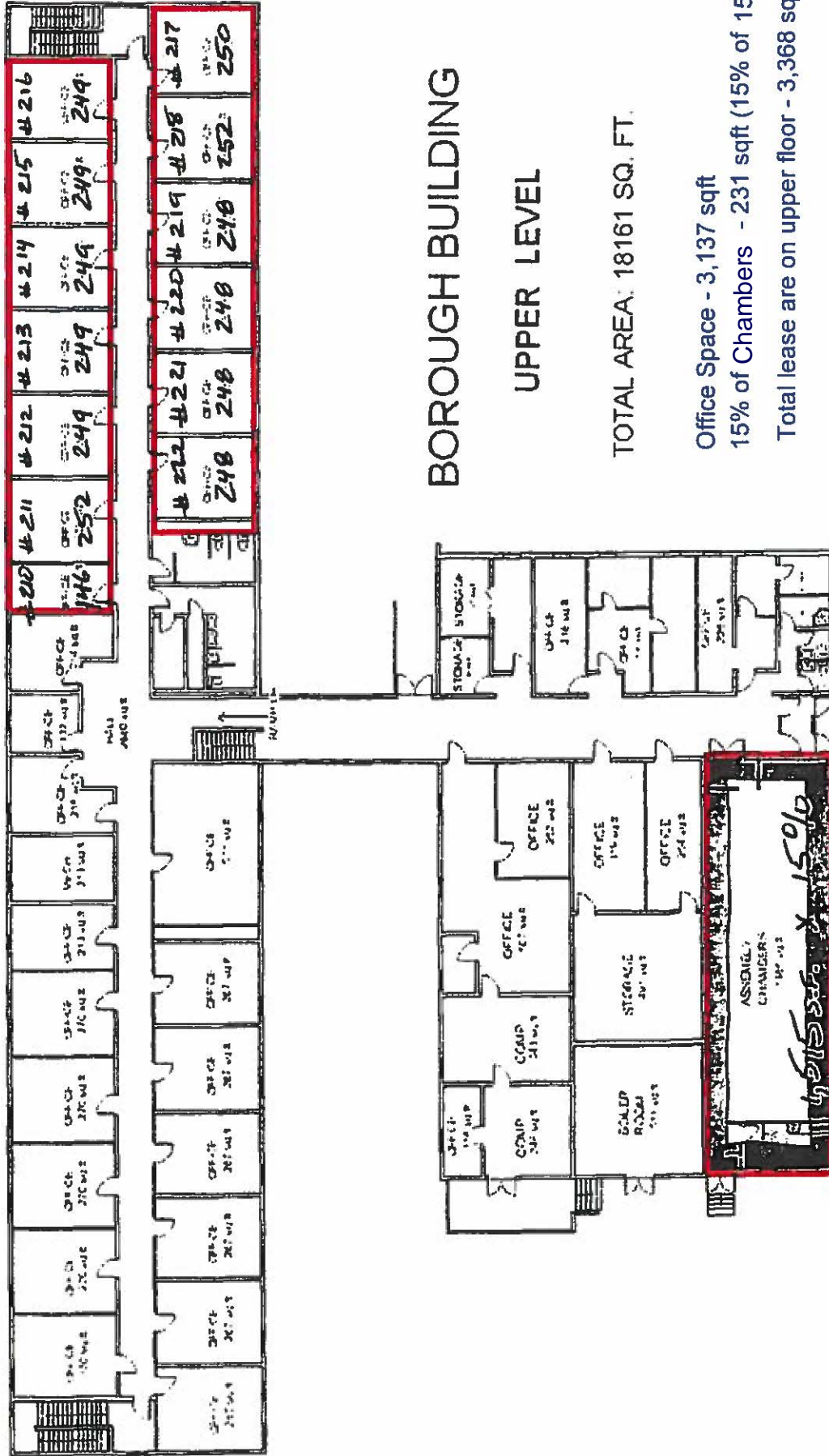
LANDLORD:
THE KODIAK ISLAND BOROUGH

ATTEST:

Borough Manager

Borough Clerk

EXHIBIT "A" (1 OF 2)



BOROUGH BUILDING

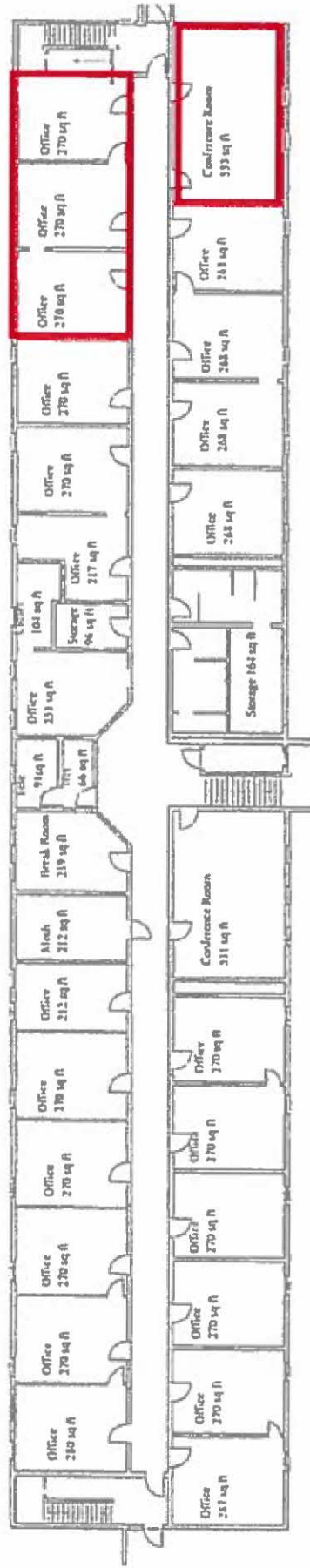
UPPER LEVEL

TOTAL AREA: 18161 SQ. FT.

Office Space - 3,137 sqft

15% of Chambers - 231 sqft (15% of 1538)

Total lease are on upper floor - 3,368 sqft



LOWER LEVEL
Borough Building

Office Space - 810 sqft
 Conf. Room - 553 sqft
 Total lease area on lower level - 1363 sqft

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Aimée Kniazowski, City Manager

Thru: Ronda Wallace, Chief of Police

Date: July 23, 2015

Agenda Item: V. j. **Authorization of Amendment 2 to the Five-Year Regional and Community Jail Contract**

SUMMARY: The Alaska Department of Corrections (DOC) received 33.25 percent less funding to support the Regional and Community Jail Program for FY2016. Currently, the City is in year three of a five-year contact with DOC, and they have sought to renegotiate FY2016 funding amount. The amended contract amount for the term beginning July 1, 2015, is \$991,552. Staff recommends approval of the amendment to the FY2016 professional services contract with the Alaska Department of Corrections to provide Regional and Community Jail Services.

PREVIOUS COUNCIL ACTION:

- The Council reviewed and approved a five-year Regional and Community Jail Services contract for persons held for violation of law during the June 27, 2013, regular meeting.

DISCUSSION:

The Alaska Department of Corrections (DOC) received 33.25 percent less funding to support the Regional and Community Jail Program for FY2016. The Department's goal in distributing the received allocation was to provide some level of funding for all communities with existing contracts. In order to accomplish this, it was determined it was in the best interest of the state to renegotiate all Regional and Community Jail Program contracts. That would enable the state to enter into new contracts based upon available funding.

It was challenging for the state to arrive at an equitable distribution of the available FY2016 fund to ensure some level of funding for each community. Taking into consideration historical funding levels and bed utilization, the FY2016 appropriation of \$7 million was allocated in the following manner:

Regional and Community Jail contracts that realized bed utilization of 70 percent or more in FY2013 or FY2014, would receive 80 percent of their FY2015 contract amount and those with a bed utilization of less than 70 percent will receive 55 percent of their FY2015 contracts. The City of Kodiak Community Jail had a bed utilization rate of over 70 percent for both FY2013 and 2014, resulting in the City receiving 80 percent of the FY2015 contract amount being \$991,552.

ALTERNATIVES:

- 1) Authorize this amendment to the contract with the Department of Corrections commencing on July 1, 2015, which is staff's recommendation.
- 2) Do not authorize this amendment with the Department of Corrections. Staff does not recommend this alternative. If this amendment were not authorized, the community quality of life, health and safety would be negatively impacted.

FINANCIAL IMPLICATIONS: Staff estimates FY2016 jail expenses to be \$1,442,206. The amendment offered to the contract by DOC for one year is \$991,552. There will be a shortfall of \$450,654 upon approval of this amendment; this is a significant increase from the previous year's shortfall of \$142,922.

LEGAL: N/A

STAFF RECOMMENDATION: Staff recommends the approval of the contract amendment for professional services with the Alaska Department of Corrections (DOC) to provide Regional and Community Jail Services commencing on July 1, 2015, and ending June 30, 2016, for \$991,552.

CITY MANAGER'S COMMENTS: I recommend the Council approve the professional services contract amendment for Regional and Community Jail Service with the Alaska Department of Corrections. Revenues received under this amendment do not completely cover, but do offset, our costs to operate the jail.

ATTACHMENTS:

- Attachment A: Amendment two (2) to Jail Contract
- Attachment B: Letter of Interest, Regional & Community Jails Program, signed by City Manager Aimée Kniazowski
- Attachment C: Amendment one (1) to Jail Contract
- Attachment D: Five-Year Regional and Community Services Jail Contract

PROPOSED MOTION:

Move to authorize amendment No. 2 to the professional services contract with the Alaska Department of Corrections in the amount of \$991,552 for FY2016 Regional and Community Jail services, and authorize the City Manager to sign the amended contract on behalf of the City.

1. Agency Contract Number 2041006
2. DGS Solicitation Number (if used)
3. Optional Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Years remaining 2 YEARS
4. Financial Coding 20665500-15905-76900007-73076
5. Agency Assigned Encumbrance Number
6. Amendment No. Two (2)

STATE OF ALASKA

AMENDMENT TO PROFESSIONAL SERVICES CONTRACT

This agreement is between the State of Alaska,

7. Department of **Corrections** hereafter the State, and

8. Contractor **City of Kodiak, Police Department** hereafter the Contractor

Mailing Address	Street or P.O. Box	City	State	ZIP Code
217 Mill Bay Road		Kodiak	AK	99615

9. Original period of performance FROM: July 1, 2013 TO: June 30, 2014	10. Amended period of performance FROM: July 1, 2015 TO: June 30, 2016
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11. Previous amount of contract to date: \$2,447,730.00	12. Amount of this amendment: \$991,552.00	13. This amended contract shall not exceed a total of \$3,439,282.00
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14. In accordance with the provisions of the above referenced contract, the parties to that contract agree that the services to be performed by the contractor under the contract are amended as follows: All other terms and conditions of the contract remain in effect. (Use reverse for continuation of amended provisions if necessary.)

The purpose of this contract amendment is to increase the period of performance from July 1, 2015 to June 30, 2016 and encumber the funds necessary for these services. This amendment also recognized the elimination of the annual CPI and Geographical differential increases language in the contract. In addition, City of Kodiak will still need to be in compliant with PREA. However due to budget cuts, DOC will not pay for 3rd party PREA audits. All other terms and condition remain unchanged.

In full consideration of the contractor's performance under and including this amendment, the State shall pay the contractor a new total not to exceed **\$3,439,282.00**

The period of performance under this contract is increased by 12 Months through June 30, 2016

IN WITNESS WHEREOF the parties hereto have executed this amendment.

NOTICE! This amendment has no effect until signed by the head of the contracting agency, procurement officer or designee.

<p>15. CONTRACTOR</p> <p>Name of Firm City of Kodiak</p> <p>Signature of Authorized Representative _____ Date _____</p> <p>Typed or Printed Name of Authorized Representative Aimee Kniazowski</p> <p>Title City Manager (907-486-8000, Fax 907-486-8023)</p>	<p>17. CERTIFICATION: I certify that the facts herein and on supporting documents are correct, that this voucher constitutes a legal charge against funds and appropriations cited, that sufficient funds are encumbered to pay this obligation, or that there is a sufficient balance in the appropriation cited to cover this obligation. I am aware that to knowingly make or allow false entries or alterations on a public record, or knowingly make or allow false entries or alterations on a public record, or knowingly destroy, mutilate, suppress, conceal, remove or otherwise impair the verity, legibility or availability of a public record constitutes tampering with public records punishable under AS 11.56.815 - .820. Other disciplinary action may be taken up to and including dismissal.</p>
<p>16. CONTRACTING AGENCY</p> <p>Department/Division Corrections, Division of Probation and Parole</p> <p>Signature of Project Director _____ Date _____</p> <p>Typed or Printed Name of Project Director Carrie Belden</p> <p>Title Director of Probation and Parole</p>	<p>Signature of Head Contracting Agency or Designee _____ Date _____</p> <p>Typed or Printed Name of Authorizing Official John Schauwecker</p> <p>Title Procurement Manager CPPB. C. P.M.</p>

14. Continuation of amended provisions.

AMENDMENT TO PROFESSIONAL SERVICE CONTRACT FOR
ENTRY DEFINITIONS

1. Agency assigned contract number for tracking, reference, and billing.
2. Department of Administration (DOA) number assigned by the Division of General Services (DGS) (if formal solicitation is conducted).
3. Optional renewal? Yes or no. Years remaining not including this renewal.
4. Financial coding assigned by the agency for billing purposes.
5. Encumbrance number assigned to this contract by the agency.
6. Amendment number. How many to date for this contract including this one?
7. Department.
8. Contractor's name and address.
9. Original period of performance, including previous amendments.
10. Amended period of performance of this document.
11. Total date **not** including this amendment.
12. Amount of this amendment.
13. **New** total not to exceed including this amendment.
14. This section must contain all material changes from the contract such as the new total not to exceed amount and the new period of performance. If no change is being made, write "same." This section also requests the number of years, months and days this contract is either increased or decreased by.
16. Contractor's name, signature, and address.
17. Your division project director's name and signature.



May 26, 2015

To All Regional and Community Jail Contract Holders:

As you are aware the Department of Corrections received 33.25% less funding to support the Regional and Community Jail Program for FY 2016. The Department’s goal in distributing the received allocation is to provide some level of funding for all communities with existing contracts. In order to accomplish this, it has been determined that it is in best interest of the state to renegotiate all Regional and Community Jail Program contracts. This will enable the state to enter into new contacts based on available funding.

It has been challenging to arrive at an equitable distribution of the available FY 2016 funds to ensure some level of funding for each community. Taking into consideration historical funding levels and bed utilization, the FY 16 appropriation of \$7 million was allocated in the following manner:

Regional and Community Jail contracts that realized bed utilization of 70% or more in FY 2013 or FY 2014, will receive 80% of their FY 2015 contract amount and those with a bed utilization of less than 70% will receive 55% of their FY 2015 contracts. This resulted in the following allocations.

<u>Regional & Community Jails</u>	<u>Proposed FY 16 Funding Level</u>
Bristol Bay Borough	\$285,739
City of Cordova	\$135,303
City of Craig	\$322,724
City of Dillingham	\$526,851
Haines Borough	\$215,954
City of Homer	\$424,080
City of Kodiak	\$991,552
City of Kotzebue	\$982,050
North Slope Borough	\$1,032,870
City of Petersburg	\$173,626
City of Seward	\$368,952
City of Sitka	\$391,194
City of Unalaska	\$431,207
City of Valdez	\$354,749
City of Wrangell	\$325,274

In addition, given the fiscal situation of the state, efforts to maintain and minimize transports are also a priority and the DOC will work diligently with the Departments of Public Safety, Law, and the Alaska Court System to reduce the transports associated with some cases. There will also be a coordinated effort to establish video hearings and electronic monitoring in various communities.

Other conditions of the contract will include the requirement that the DOC provide training for ACOMS and Time Accounting to communities so that updated information can be maintained and entered directly into the system by each community.

Please review, sign and return the attached letter of interest no later than June 1, 2015 if you are interested in continuing to participate in the Regional & Community Jails program.

Sincerely,



Remond Henderson
Deputy Commissioner

cc: Gary Folger, Commissioner
Department of Public Safety

Ronald F Taylor, Commissioner
Department of Corrections

Carrie Belden, Director of Probation & Parole
Department of Corrections

April Wilkerson, Director of Administrative Services
Department of Corrections



THE STATE of ALASKA GOVERNOR BILL WALKER

Department of Corrections Division of Administrative Services

P.O. Box 112000 Juneau, Alaska 99811-2000 Main: 907.465.3480 Fax: 907.465.3315

LETTER OF INTEREST REGIONAL & COMMUNITY JAILS PROGRAM FY2016 Contracts

REGIONAL & COMMUNITY JAIL NAME: KODIAK COMMUNITY JAIL

AMOUNT OF FY2016 FUNDS: \$ 991,552.00

The following is a breakdown of the FY2016 contract allocations based on the funding received under HB72 to support the Regional & Community Jails Program.

Table with 2 columns: Location Name and Amount. Locations include Bristol Bay Borough, City of Cordova, City of Craig, City of Dillingham, Haines Borough, City of Homer, City of Kodiak, City of Kotzebue, North Slope Borough, City of Petersburg, City of Seward, City of Sitka, City of Unalaska, City of Valdez, and City of Wrangell.

Please sign below and return the original copy to: Alaska Department of Corrections Attn: April Wilkerson, Director Administrative Services P.O. Box 112000 Juneau, Alaska 99811-2000

Upon receipt of the signed copy of this document the Department of Corrections will initiate and distribute amended FY2016 contracts for implementation.

Name and Title: AIMEE NIAZIOVSKI City MANAGER

Date: 6/15/15

STATE OF ALASKA

AMENDMENT TO PROFESSIONAL SERVICES CONTRACT

1. Agency Contract Number	2041006
2. DGS Solicitation Number (if used)	
3. Optional Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Years remaining 3 YEARS
4. Financial Coding	20665500-15905-76900007-73076
5. Agency Assigned Encumbrance Number	2051006
6. Amendment No.	One (1)

This agreement is between the State of Alaska,																
7. Department of Corrections		hereafter the State, and														
8. Contractor City of Kodiak, Police Department		hereafter the Contractor														
Mailing Address 217 Mill Bay Road	Street or P.O. Box	City Kodiak	State AK	ZIP Code 99615												
9. Original period of performance FROM: July 1, 2013 TO: June 30, 2014		10. Amended period of performance FROM: July 1, 2014 TO: June 30, 2015														
11. Previous amount of contract to date: \$1,208,290.00	12. Amount of this amendment: \$1,239,440.00	13. This amended contract shall not exceed a total of \$2,447,730.00														
<p>14. In accordance with the provisions of the above referenced contract, the parties to that contract agree that the services to be performed by the contractor under the contract are amended as follows: All other terms and conditions of the contract remain in effect. (Use reverse for continuation of amended provisions if necessary.)</p> <p>The purpose of this contract amendment is to add money for the CPI and Geographical difference for FY 15 (July 1, 2014 to June 30, 2015). This amendment also adds the following requirement to the contract. The City of Kodiak must comply with the Prison Rape Elimination Act (PREA), as listed in 28 CRF Section 115.11 thru Section 115.93. The Alaska Department of Corrections will pay for the PREA audit.</p> <p>In full consideration of the contractor's performance under and including this amendment, the State shall pay the contractor a new total not to exceed \$2,447,730.00</p> <p>The period of performance under this contract is increased by <u>12 Months through June 30, 2015.</u></p> <p>IN WITNESS WHEREOF the parties hereto have executed this amendment.</p> <p style="text-align: center;"><u>NOTICE!</u> This amendment has no effect until signed by the head of the contracting agency, procurement officer or designee.</p>																
15. CONTRACTOR		17. CERTIFICATION: I certify that the facts herein and on supporting documents are correct, that this voucher constitutes a legal charge against funds and appropriations cited, that sufficient funds are encumbered to pay this obligation, or that there is a sufficient balance in the appropriation cited to cover this obligation. I am aware that to knowingly make or allow false entries or alterations on a public record, or knowingly make or allow false entries or alterations on a public record, or knowingly destroy, mutilate, suppress, conceal, remove or otherwise impair the verity, legibility or availability of a public record constitutes tampering with public records punishable under AS 11.56.815 - .820. Other disciplinary action may be taken up to and including dismissal.														
Name of Firm City of Kodiak		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Signature of Head Contracting Agency or Designee</td> <td style="padding: 2px;">Date</td> </tr> <tr> <td style="padding: 2px;"><i>Michael Lim For JS</i></td> <td style="padding: 2px;">6-20-14</td> </tr> <tr> <td colspan="2" style="padding: 2px;">Typed or Printed Name of Authorizing Official</td> </tr> <tr> <td colspan="2" style="padding: 2px;">John Schauwecker</td> </tr> <tr> <td colspan="2" style="padding: 2px;">Title</td> </tr> <tr> <td colspan="2" style="padding: 2px;">Procurement Manager CPPB. C. P.M.</td> </tr> </table>			Signature of Head Contracting Agency or Designee	Date	<i>Michael Lim For JS</i>	6-20-14	Typed or Printed Name of Authorizing Official		John Schauwecker		Title		Procurement Manager CPPB. C. P.M.	
Signature of Head Contracting Agency or Designee	Date															
<i>Michael Lim For JS</i>	6-20-14															
Typed or Printed Name of Authorizing Official																
John Schauwecker																
Title																
Procurement Manager CPPB. C. P.M.																
City of Authorized Representative <i>Aimee Kniazowski</i> Date <i>6/12/14</i>																
Typed or Printed Name of Authorized Representative Aimee Kniazowski																
Title City Manager (907-486-8000, Fax 907-486-8023)																
16. CONTRACTING AGENCY																
Department/Division Corrections, Division of Probation and Parole																
Signature of Project Director <i>Carrie Belden</i>	Date <i>6.16.14</i>															
Typed or Printed Name of Project Director Carrie Belden																
Title Director of Probation and Parole																

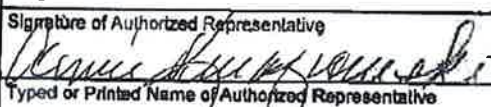


14. Continuation of amended provisions.

AMENDMENT TO PROFESSIONAL SERVICE CONTRACT FOR
ENTRY DEFINITIONS

1. Agency assigned contract number for tracking, reference, and billing.
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6. Amendment number. How many to date for this contract including this one?
7. Department.
8. Contractor's name and address.
9. Original period of performance, including previous amendments.
10. Amended period of performance of this document.
11. Total date **not** including this amendment.
12. Amount of this amendment.
13. **New total** not to exceed including this amendment.
14. This section must contain all material changes from the contract such as the new total not to exceed amount and the new period of performance. If no change is being made, write "same." This section also requests the number of years, months and days this contract is either increased or decreased by.
16. Contractor's name, signature, and address.
17. Your division project director's name and signature.

ATPSC.FRM2

STANDARD AGREEMENT FORM FOR PROFESSIONAL SERVICES

1. Agency Contract Number 2041006		2. ASPS Number		3. Financial Coding 20665500-15905-76900007-73078		4. Agency Assigned Encumbrance	
5. Vendor Number CIK84916		6. Project/Case Number Regional and Community Jail: Kodiak				7. Alaska Business License Number not applicable	
This contract is between the State of Alaska,							
8. Department of Corrections				Division Probation and Parole		hereafter the State, and	
9. Contractor City of Kodiak, Police Department hereafter the Contractor							
Mailing Address 217 Mill Bay Road		Street or P.O. Box		City Kodiak		State AK	ZIP+4 99615
10. ARTICLE 1. Appendices: Appendices referred to in this contract and attached to it are considered part of it.							
10. ARTICLE 2. Performance of Service:							
2.1 Appendix A (General Provisions), Articles 1 through 14, governs the performance of services under this contract.							
2.2 Appendix C sets forth the services, liability and insurance provision of this contract to be performed by the contractor.							
10. ARTICLE 3. Period of Performance: The period of performance for this contract begins <u>July 1, 2013</u> , and ends <u>June 30, 2018</u> .							
10. ARTICLE 4. Considerations:							
4.1 In full consideration of the contractor's performance under this contract, the State shall pay the contractor a sum not to exceed \$1,208,290.00 in accordance with the provisions of Appendix D.							
4.2 When billing the State, the contractor shall refer to the Authority Number or the Agency Contract Number and send the billing to:							
11. Department of Corrections				Attention: Division of Administrative Services, Accounting			
Mailing Address PO Box 112000, Juneau, AK 99811-2000				Attention: Devra Hayes (ph. 907-465-3478)			
12. CONTRACTOR							
Name of Firm City of Kodiak							
Signature of Authorized Representative 				Date 6/28/13			
Typed or Printed Name of Authorized Representative Aimee Kniazowski							
Title City Manager (ph. 907-486-8000; fax 907-486-8023)							
13. CONTRACTING AGENCY							
Department/Division Corrections / Probation and Parole				Signature of Head of Contracting Agency or Designee 		Date 6/28/13	
Signature of Project Director 				Typed or Printed Name John Schauwecker			
Typed or Printed Name of Project Director Carrie Belden				Title Procurement Manager CPPB, C.P.M.			
Title Director, Probation and Parole (ph. 907-269-7387)				Dept. of Corrections Juneau Procurement Officer (907-465-3399)			

NOTICE: This contract has no effect until signed by the head of contracting agency or designee.

STANDARD AGREEMENT FORM FOR PROFESSIONAL SERVICES

1. Agency Contract Number 2041006	2. ASPS Number	3. Financial Coding 20665500-15905-76900007-73076	4. Agency Assigned Encumbrance
5. Vendor Number CIK84916	6. Project/Case Number Regional and Community Jail: Kodiak		7. Alaska Business License Number not applicable
This contract is between the State of Alaska,			
8. Department of Corrections		Division Probation and Parole	hereafter the State, and
9. Contractor City of Kodiak, Police Department hereafter the Contractor			
Mailing Address	Street or P.O. Box	City	State ZIP+4
217 Mill Bay Road		Kodiak	AK 99615
10.			
ARTICLE 1. Appendices: Appendices referred to in this contract and attached to it are considered part of it.			
ARTICLE 2. Performance of Service:			
2.1 Appendix A (General Provisions), Articles 1 through 14, governs the performance of services under this contract.			
2.2 Appendix C sets forth the services, liability and insurance provision of this contract to be performed by the contractor.			
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ARTICLE 4. Considerations:			
4.1 In full consideration of the contractor's performance under this contract, the State shall pay the contractor a sum not to exceed \$1,208,290.00 in accordance with the provisions of Appendix D.			
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12. CONTRACTOR		14. CERTIFICATION: I certify that the facts herein and on supporting documents are correct, that this voucher constitutes a legal charge against funds and appropriations cited, that sufficient funds are encumbered to pay this obligation, or that there is a sufficient balance in the appropriation cited to cover this obligation. I am aware that to knowingly make or allow false entries or alterations on a public record, or knowingly destroy, mutilate, suppress, conceal, remove or otherwise impair the verity, legibility or availability of a public record constitutes tampering with public records punishable under AS 11.56.815-.820. Other disciplinary action may be taken up to and including dismissal.	
Name of Firm City of Kodiak			
Signature of Authorized Representative	Date		
Typed or Printed Name of Authorized Representative Aimee Kniazowski			
Title City Manager (ph. 907-486-8000; fax 907-486-8023)			
13. CONTRACTING AGENCY		Signature of Head of Contracting Agency or Designee	Date
Department/Division Corrections / Probation and Parole	Date		
Signature of Project Director		Typed or Printed Name John Schauwecker	
Typed or Printed Name of Project Director Carrie Belden		Title Procurement Manager CPPB, C.P.M.	
Title Director, Probation and Parole (ph. 907-269-7367)		Dept. of Corrections Juneau Procurement Officer (907-465-3399)	

NOTICE: This contract has no effect until signed by the head of contracting agency or designee.

APPENDIX A

GENERAL PROVISIONS

Article 1. Definitions.

- 1.1 In this contract and appendices, "Project Director" or "Agency Head" or "Procurement Officer" means the person who signs this contract on behalf of the Requesting Agency and includes a successor or authorized representative.
- 1.2 "State Contracting Agency" means the department for which this contract is to be performed and for which the Commissioner or Authorized Designee acted in signing this contract.

Article 2. Inspections and Reports.

- 2.1 The department may inspect, in the manner and at reasonable times it considers appropriate, all the contractor's facilities and activities under this contract.
- 2.2 The contractor shall make progress and other reports in the manner and at the times the department reasonably requires.

Article 3. Disputes.

- 3.1 Any dispute concerning a question of fact arising under this contract which is not disposed of by mutual agreement shall be decided in accordance with AS 36.30.620-632.

Article 4. Equal Employment Opportunity.

- 4.1 The contractor may not discriminate against any employee or applicant for employment because of race, religion, color, national origin, or because of age, disability, sex, marital status, changes in marital status, pregnancy or parenthood when the reasonable demands of the position(s) do not require distinction on the basis of age, disability, sex, marital status, changes in marital status, pregnancy, or parenthood. The contractor shall take affirmative action to insure that the applicants are considered for employment and that employees are treated during employment without unlawful regard to their race, color, religion, national origin, ancestry, disability, age, sex, marital status, changes in marital status, changes in marital status, pregnancy or parenthood. This action must include, but need not be limited to, the following: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training including apprenticeship. The contractor shall post in conspicuous places, available to employees and applicants for employment, notices setting out the provisions of this paragraph.
- 4.2 The contractor shall state, in all solicitations or advertisements for employees to work on State of Alaska contract jobs, that it is an equal opportunity employer and that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, age, disability, sex, marital status, changes in marital status, pregnancy or parenthood.
- 4.3 The contractor shall send to each labor union or representative of workers with which the contractor has a collective bargaining agreement or other contract or understanding a notice advising the labor union or workers' compensation representative of the contractor's commitments under this article and post copies of the notice in conspicuous places available to all employees and applicants for employment.
- 4.4 The contractor shall include the provisions of this article in every contract, and shall require the inclusion of these provisions in every contract entered into by any of its subcontractors, so that those provisions will be binding upon each subcontractor. For the purpose of including those provisions in any contract or subcontract, as required by this contract, "contractor" and "subcontractor" may be changed to reflect appropriately the name or designation of the parties of the contract or subcontract.
- 4.5 The contractor shall cooperate fully with State efforts which seek to deal with the problem of unlawful discrimination, and with all other State efforts to guarantee fair employment practices under this contract, and promptly comply with all requests and directions from the State Commission for Human Rights or any of its officers or agents relating to prevention of discriminatory employment practices.
- 4.6 Full cooperation in paragraph 4.5 includes, but is not limited to, being a witness in any proceeding involving questions of unlawful discrimination if that is requested by any official or agency of the State of Alaska; permitting employees of the contractor to be witnesses or complainants in any proceeding involving questions of unlawful discrimination, if that is requested by any official or agency of the State of Alaska; participating in meetings; submitting periodic reports on the equal employment aspects of present and future employment; assisting inspection of the contractor's facilities; and promptly complying with all State directives considered essential by any office or agency of the State of Alaska to insure compliance with all federal and State laws, regulations, and policies pertaining to the prevention of discriminatory employment practices.
- 4.7 Failure to perform under this article constitutes a material breach of contract.

Article 5. Termination.

The Project Director, by written notice, may terminate this contract, in whole or in part, when it is in the best interest of the State. The State is liable only for payment in accordance with the payment provisions of this contract for services rendered before the effective date of termination.

Article 6. No Assignment or Delegation.

The contractor may not assign or delegate this contract, or any part of it, or any right to any of the money to be paid under it, except with the written consent of the Project Director and the Agency Head.

Article 7. No Additional Work or Material.

No claim for additional services, not specifically provided in this contract, performed or furnished by the contractor, will be allowed, nor may the contractor do any work or furnish any material not covered by the contract unless the work or material is ordered in writing by the Project Director and approved by the Agency Head.

Article 8. Independent Contractor.

The contractor and any agents and employees of the contractor act in an independent capacity and are not officers or employees or agents of the State in the performance of this contract.

Article 9. Payment of Taxes.

As a condition of performance of this contract, the contractor shall pay all federal, State, and local taxes incurred by the contractor and shall require their payment by any Subcontractor or any other persons in the performance of this contract. Satisfactory performance of this paragraph is a condition precedent to payment by the State under this contract.

Article 10. Ownership of Documents.

All designs, drawings, specifications, notes, artwork, and other work developed in the performance of this agreement are produced for hire and remain the sole property of the State of Alaska and may be used by the State for any other purpose without additional compensation to the contractor. The contractor agrees not to assert any rights and not to establish any claim under the design patent or copyright laws. The contractor, for a period of three years after final payment under this contract, agrees to furnish and provide access to all retained materials at the request of the Project Director. Unless otherwise directed by the Project Director, the contractor may retain copies of all the materials.

Article 11. Governing Law.

This contract is governed by the laws of the State of Alaska. All actions concerning this contract shall be brought in the Superior Court of the State of Alaska.

Article 12. Conflicting Provisions.

Unless specifically amended and approved by the Department of Law the General Provisions of this contract supersede any provisions in other appendices. The contractor specifically acknowledges and agrees that provisions in any form contracts it appends hereto that purport to (1) waive the State of Alaska's sovereign immunity, (2) impose indemnification obligations on the State of Alaska that are not conditioned on legislative appropriation, or (3) seek to limit liability of the contractor for acts of contractor negligence, are expressly superseded by this contract and are void.

Article 13. Officials Not to Benefit.

Contractor must comply with all applicable federal or State laws regulating ethical conduct of public officers and employees.

Article 14. Covenant Against Contingent Fees.

The contractor warrants that no person or agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee except employees or agencies maintained by the contractor for the purpose of securing business. For the breach or violation of this warranty, the State may terminate this contract without liability or in its discretion deduct from the contract price or consideration the full amount of the commission, percentage, brokerage or contingent fee.

**ALASKA DEPARTMENT OF CORRECTIONS
CONTRACT FOR REGIONAL AND COMMUNITY JAILS SERVICES
July 1, 2013 through June 30, 2018**

**Appendix C
General Terms**

Parties

The parties to this contract are the Alaska Department of Corrections, and the Borough/City of Kodiak, herein referred to as the "Borough/City".

1. Services

Provide short-term regional and community jail confinement of persons held under **State** law.

This is a contract for the Borough/City to operate a jail facility and hold prisoners in accordance with this contract and The Standards for Jail Operations adopted by the Governor's Task Force on Community Jails (November 18, 1994 edition), hereafter referred to as "The Standards".

The Standards and the final report of the Governor's Task Force are attached as Appendix E to this contract. As adopted by the Governor's Task Force, and as explained in the Document, Chapter 13, sec. 13.05 of Appendix E, these standards were not, and are not, intended to be used in any legal proceeding to establish a "duty of care", or evidence of a legal duty to any person or entity. Rather, these standards were and are intended:

- a. as a statement of professional goals to be achieved;
- b. to promote recognition of needed improvements, both as to facilities and operations;
- c. to promote efficiency; and
- d. to encourage professionalism in the operations of Alaska jails.

As used in this contract, "Community Jail Administrator" has the meaning given in Chapter 13 of The Standards.

As used in this contract, "prisoner" has the meaning given in AS 33.30.901(12), and specifically excludes persons detained under authority of AS 47. This contract allows the Borough/City to hold persons detained under AS 47 in its jail facility, however the Department is authorized to, and will not, compensate the Borough/City for any direct or indirect costs related as AS 47 detainees, including medical or transportation costs.

2. Sole Agreement

This contract is the sole agreement between the parties relating to jail services. There are no other agreements, express or implied. This contract represents the Department's sole obligation for payment for the care and custody of prisoners held at the Kodiak Regional and Community Jail participating in the Regional and Community Jails Program during the term of the contract. It is the intention of the parties that no other sums will be billed to or owed by the Department for jail services.

3. Effective Date/Termination/Amendments

This contract is effective **July 1, 2013** and continues in force through **June 30, 2018** except that it may be terminated by either party upon ninety (90) days written notice from the terminating party. This will be a five-year contract with annual CPI and Geographical differential increases applied each fiscal year as described in Appendix D.

Contract amendments for additional work can be incorporated through appendices or attachments mutually agreed upon and signed by both parties.

4. Responsibilities of the parties

General Responsibilities of the Borough/City

The Borough/City Shall

- a. Operate a facility for the care and confinement of prisoners in accordance with this contract and with goals set out in The Standards, including any additions or deletions to The Standards by the Commissioner of Corrections following notice to all community jail administrators and an opportunity to comment.
- b. Comply with the U.S. Civil Rights Act of 1964, as amended (P.L. 88-35-42 USC secs. 2000e-2 and 2000e-3) and Federal regulations implementing the act in the hiring and treatment of its employees and will not subject any prisoner to discrimination on the grounds of race, creed, color, religion, national origin, sex.
- c. Permit reasonable visitation for prisoners as set out in The Standards. A record or log of all prisoner visitors will be kept indicating date, time and identity of each visitor.
- d. Protect prisoner property by taking proper precautions and providing the necessary policies and procedures to protect the property from loss or destruction.
- e. Not accept a prisoner into the facility under this contract if the person is unconscious or in immediate need of medical attention, and shall not be entitled to reimbursement for immediate medical services provided to such a person. The Borough/City shall provide necessary medical care for prisoners accepted into the facility under this contract, and shall be entitled to reimbursement by the Department for the cost of such care, per Section C6 of this contract.
- f. Immediately notify the Department of Corrections, the nearest post of the Alaska State Troopers, and any police agencies in the general vicinity of the jail facility if a prisoner escapes or leaves the premises of the facility without authority. The Borough/City shall make every reasonable effort to return the prisoner to the facility without cost to the Department of Corrections, as long as there are reasonable grounds to believe the prisoner is within the Borough/City limits.
- g. Adopt and enforce rules concerning smoking by prisoners and staff consistent with State statutes and regulations, keeping in mind the health and welfare of all prisoners and staff personnel.
- h. Maintain prisoner records showing the prisoner's time served, the date and time the

prisoner was booked in, the date and time of changes to custody, notations about the prisoner's institutional adjustment, and records of medical and dental treatment. These prisoner records must be in a prisoner's file when they are transferred from the regional and community jail facility to another state correctional facility.

- i. Immediately, but, in no event more than 24 hours following receipt of notice, report to the Department of Corrections all claims concerning the jail facility that could foreseeably affect the legal liability of either party to this contract and cooperate with the Department of Corrections in the defense and/or settlement of the claim.
- j. Purchase and maintain in force at all times during the performance of services under this agreement the policies of insurance listed in the contract. Where specific limits are shown, it is understood that they shall be the minimum acceptable limits. If the Borough's/City's policy contains higher limits, the State shall be entitled to coverage to the extent of such higher limits.
- k. Certificates of Insurance must be furnished to the contracting officer prior to beginning work and must provide for a notice of cancellation, non-renewal, or material change of conditions in accordance with policy provisions. Failure to furnish satisfactory evidence of insurance or lapse of the policy is a material breach of this contract and shall be grounds for termination of the Borough's/City services. All insurance policies shall comply with and be issued by insurers licensed to transact the business of insurance under AS21.
- l. The Borough / City shall provide and maintain, for all employees engaged in work under this contract, coverage as required by AS 23.30.045, and where applicable, any other statutory obligations including but not limited to Federal U.S.L.&H. and Jones Act requirements. This policy must waive subrogation against the state. The Borough/City shall be responsible for insuring that any subcontractor who directly or indirectly provides services under this contract will maintain Worker's Compensation Insurance.
- m. Provide and maintain comprehensive general liability insurance, with a combined single limit per occurrence of not less than \$1,000,000.00 covering activities associated with or arising out of this contract, to include jail keeper's legal liability coverage. The State shall be added as an additional insured under such policies. The Borough/City shall be solely responsible for the payment of claims or losses to the extent they fall within the deductible amount of such insurance. This insurance shall be primary to any other insurance or self insurance carried by the State.
- n. Hold that the Borough / City shall indemnify, hold harmless, and defend the contracting agency from and against any claim of, or liability for error, omission or negligent act of the Borough / City under this agreement up to the Borough / City policy limits as noted in Section 4(m). The Borough / City shall not be required to indemnify the contracting agency for a claim of, or liability for, the independent negligence of the contracting agency. If there is a claim of, or liability for, the joint negligent error or omission of the Borough / City and the independent negligence of the Contracting agency, the indemnification and hold harmless obligation shall be apportioned on a comparative fault basis. "Borough / City" and "Contracting agency", as used within this and the following article, include the employees, agents and other Borough / City who are directly responsible, respectively, to each. The term "independent negligence" is negligence other than in the Contracting agency's

selection, administration, monitoring, or controlling of the Borough / City and in approving or accepting the Borough / City work.

- o. Provide and maintain comprehensive automobile liability insurance, covering all owned, hired and non-owned vehicles used during the provision of services under this contract with coverage limits not less than \$100,000.00 per person, \$300,000.00 per occurrence bodily injury and \$50,000.00 property damage.
- p. The regional and community jail must use an accounting system that records all expenditures on an ongoing basis and must provide a record of these expenditures to the oversight agency on a quarterly basis in a format prescribed by the oversight agency.
- q. The regional and community jail must prepare and present an annual budget request that reflects the necessary resources required for facility operations. Budget requests will be prepared in the manner and detail prescribed by the oversight agency. The annual budget request will include a staffing plan showing in detail staff assignments and the number of full and part-time positions.
- r. Annual budget request for each fiscal year is due to the Department's State Regional and Community Jail Administrator on October 15 of each year.
- s. Annual budget request for each fiscal year is due to the State Regional and Community Jail Administrator on October 1 of each year for inclusion in the annual Department of Corrections' fiscal year operating appropriations request annually. For example; Fiscal Year 2015 is due to the State Regional and Community Jail administrator on October 1, 2013 for inclusion in the annual Department of corrections' fiscal year 2015 operating appropriations request.
- t. By October 1 of each fiscal year, the Regional and Community Jail Administrator must provide their request for the next fiscal year capital project request. Failure to meet this deadline may result in no capital project request for the next fiscal year
- u. Quarterly financial reports are due to the state regional and community jail administrator on the following dates of each fiscal year:
 - July – September – quarterly and year-to-date financial statement due on October 31.
 - October – December – quarterly and year-to-date financial statement due on January 31.
 - January – March – quarterly and year-to-date financial statement due on April 30.
 - April – June– quarterly financial and year-to-date financial statement due on July 31.
- v. Provide a monthly accounting of prisoner statistics by the 15th day of the month following the monthly period covered on forms provided by the Department of Corrections. The forms shall include specific information on each prisoner housed during the reporting period to include the prisoner's name, the number of man-days, the charge or reason for incarceration, the dates of incarceration, the arresting agency and other information as requested on the forms.

“Man-day” indicates a prisoner was confined for more than four (4) hours in one twenty-four hour calendar day. If a prisoner had been confined for less than or equal to (4) hours in one calendar day, the accounting shall indicate one-half man-day.

- w. Not operate furlough or release programs for pre-sentenced prisoners held, unless ordered by a court. The Borough/City shall not permit a furlough or release for any sentenced prisoners without the consent of the Department of Corrections.
- x. Regional and Community Jails accessing the Agency’s Alaska Corrections Offender Management System (ACOMS) will require all jail personnel using the ACOMS System to undergo a DOC background security check. The Regional and Community Jail Administrator will submit the following information for each person accessing the ACOMS System for security review by DOC:
 - (1) Full name
 - (2) Residence address
 - (3) Telephone
 - (4) Date of birth
 - (5) Valid drivers license and state of issue, or other photo identification
 - (6) Social Security number

The Jail Administrator, with assistance from the State Regional and Community Jail Administrator, will develop Policy and Procedures for monitoring jail staff to ensure system security, confidentiality and the use of the ACOMS System only for Regional and Community Jail business. The Jail Administrator will immediately notify the Regional and Community Jail Coordinator if jail staff with access to the ACOMS System leave their employment.

Regional and Community will be responsible for ongoing telecommunications costs such as line charges, connection fees and internet service provider fees, etc.

5. General Responsibilities of the Department of Corrections

The Department of Corrections shall:

- a. Reimburse the Borough/City for necessary medical care under section C6 of this Contract.
- b. Not be responsible for the management of local jail facility prisoner population. It is the policy of the Department of Corrections to detain and confine only prisoners from the normally serviced region of the respective facilities. However, in the case of an emergency or for necessary population or security management purposes, prisoners may be transferred from other areas of the State.
- c. Be permitted to inspect, at all reasonable times, any facility used by the Borough/City

to house prisoners that are confined, in order to determine if that facility is complying with The Standards and with this agreement.

- d. Provide on-going technical assistance and training for regional and community jails requesting access to the ACOMS System. The Department of Corrections will conduct security checks, with information provided by the Jail Administrator, for all jail staff requesting access to the ACOMS System. All related telecommunications charges (such as telephone company lines fees or tolls and internet service provider fees, or special charges for initial line installation) will be the responsibility of the community jail.

6. Medical and Dental Care and Reimbursement

The Borough/City shall:

- a. Provide necessary medical care to prisoners accepted into the Regional and Community Jail facility under this contract. Prisoners who require medical attention are to be provided treatment as soon as possible, taking into consideration the nature of the illness or injury. If medical care is provided outside of the jail facility, the Regional and Community Jail Administrator shall provide transport to the off-site medical facility and necessary security as required by paragraph 7a of this contract.

As used in this contract, "necessary medical care" has the meaning given in Chapter 13 of The Standards. If requirements of this definition are otherwise met, the following are included within the term "necessary medical care" and subject to reimbursement:

- (1) psychological or psychiatric care; and
- (2) dental care to:
 - i. control bleeding;
 - ii. relieve pain;
 - iii. eliminate acute infection;
 - iv. prevent pulp decay and imminent loss of teeth through operative procedures; and
 - v. treat injuries to teeth or repair supporting dental structures, caused by accident or injury.
- b. Maintain control of and dispense medicines to prisoners in compliance with The Standards and directions specified by a physician or other qualified health care provider, and take reasonable steps to guard against misuse or overdose of medicines by prisoners.
- c. Adopt emergency medical procedures and make available telephone numbers for medical, psychiatric, or other health services, so that staff will have ready access to such information.
- d. Obtain approval from the Department before incurring liability for medical care which reimbursement is sought, except in the case of emergency care that must be provided to the prisoner before approval from the Department of Corrections can be obtained. The Borough/City shall make a reasonable effort to obtain approval from the Department of Corrections and shall promptly, but in no event later than the next

working business day, notify the Department of Corrections of any emergency for which medical care was provided before such approval could be obtained. Approval from the Department of Corrections will not be unreasonably withheld. To obtain approval Borough/City staff should contact the Department of Corrections Central Office during normal working hours Monday through Friday 8:00am to 4:30pm at (907) 269-7300, after hours, weekends and holidays contact the Anchorage Correctional Complex Medical Unit at (907) 269-4233.

- e. Be entitled to reimbursement from the Department of Corrections for expenses of necessary medical care provided under paragraph 6a and approved under paragraph 6d. In applying for reimbursement, the Borough/City must follow the procedure set out in paragraph 6f. The Borough/City will not be entitled to reimbursement for the hiring of emergency guards or other medically related security costs, or for medical care for persons
 - (1) held under the authority of AS 47,
 - (2) accepted into the facility while unconscious or in immediate need of medical attention,
 - (3) receiving medical services for elective, cosmetic or other medical services that are not necessary medical care, or

Medical services provided to prisoners who have been properly accepted into the Borough/City jail facilities under this contract shall not, however, be challenged by the Department merely because they were rendered immediately or shortly after the prisoner was accepted.

- f. Request reimbursement by submitting to the Department of Corrections a properly certified accounting containing:
 - (1) a copy of the medical bill with the prisoner's name and a description of the services rendered,
 - (2) a copy of the monthly booking form showing the prisoner's date and time of booking, and
 - (3) a copy of the medical payment request form.

The Regional and Community Jail Administrator will make reasonable effort and take appropriate steps to assure that the Department of Corrections is billed only for necessary and required medical services beyond the payment limits of the prisoner or any insurance carrier or other third-party payer.

7. Transfers and Transportation of Prisoners

The parties agree that:

- a. The Borough/City shall provide transportation and supervision for medical care provided within local boundaries as required by paragraph 6(a). Supervision must be adequate to prevent escapes, prevent inappropriate contact with others, prevent possession of contraband and provide security for the prisoner and the public.

- b. The Borough/City shall immediately notify the Department to request that a prisoner be transferred from the facility to one outside of local boundaries because;
 - (1) a court has ordered the transportation;
 - (2) the prisoner has been incarcerated in the facility for 30 consecutive days, unless a court has ordered that the prisoner remain in the facility or the prisoner has signed a written waiver requesting to remain in the facility; or
 - (3) the Regional and Community Jail Administrator believes a transfer is necessary for security or population management reasons.
- c. The Borough/City shall continue to hold prisoners, notwithstanding the existence of grounds for a transfer, until the Department arranges transportation for the prisoner.
- d. The City shall, when the prisoner leaves the facility, furnish the transporting officer with the prisoner's file described in paragraph 4h of this agreement.

8. Electronic Monitoring

The Borough/City has the option to use electronic monitoring. If the Borough/City is interested in electronic monitoring, please contact DOC to coordinate a memorandum of agreement and utilization of the DOC BI, Inc. Electronic Monitoring contract.

**ALASKA DEPARTMENT OF CORRECTIONS
CONTRACT FOR REGIONAL AND COMMUNITY JAIL SERVICES
July 1, 2013 through June 30, 2018**

**Appendix D
Payment Provisions**

1. The total contract amount for the City / Borough of Kodiak is **\$1,208.290.00** for the period from **July 1, 2013 through June 30, 2014** and represents the total payment due for FY 14. This will be a five-year contract with annual CPI and Geographical differential increases applied each fiscal year as described below. ~~30~~ Beds
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2. It is specifically agreed by the parties that the Department of Corrections is not funded for and will not provide annual in-service training as set out in Section 10.01 of The Standards, unless funding is provided by the Alaska Legislature or the City.
3. The City / Borough shall be prohibited from utilizing funds received under this contract for any purpose other than operation of Regional and Community Jail facility. Any funds received by the City / Borough under this contract that are utilized for purposes other than those authorized by this contract shall be reimbursed to the State and deposited to the general fund.
4. The Department of Corrections will automatically provide a guaranteed inflation adjustment at the start of FY 2015 (July1, 2014) and price adjustments will then be provided annually at the beginning of each fiscal year throughout the life of the contract.

Adjustments will be calculated in accordance with the percentage change in the US Department of Labor Consumer Price Index (CPI) CUUSA427SA0, - All Urban Consumers for Anchorage, Alaska (not seasonally adjusted) issued for the most recent half-year period. The base CPI for all future adjustments will be the index issued for January through June 2012 (205.215). The percentage change for each annual price adjustment will be further adjusted by the appropriate "district cost factor" in AS 14.17.460 as a geographical difference.

The CPI adjustment is capped at 2% per annual period multiplied by the geographical difference noted in the prior paragraph. See the attached EXAMPLE, (Appendix F), which further explains the automatic guaranteed inflation adjustment with the geographical difference adjustment.

The Department of Corrections will notify the City / Borough of Kodiak each fiscal year in May of the new rate that includes the price adjustment. The Department of Corrections will exercise a unilateral amendment to encumber the appropriate funds and recognize to new contract amount each fiscal year that includes the CPI and geographical differential increases and provide a copy to the City / Borough of Kodiak.

Appendix List:

- A General Provisions
- B Not used
- C General Terms and Indemnity and Insurance related language
- D Payment Provisions
- E State of Alaska, Community Jails Program: Standards for Jail Operation
As produced and adopted by the Governor's Task Force on Community Jails,
November 1994
- F CPI & Geographical Differential Example